STATE OF NEW YORK

9456

IN ASSEMBLY

January 6, 2026

Introduced by M. of A. RAJKUMAR -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law and the general municipal law, in relation to prohibiting procurement of certain technology that poses security threats; and to amend a chapter of the laws of 2025 amending the state finance law and the general municipal law relating to prohibiting procurement of certain technology that poses security threats, as proposed in legislative bills numbers S. 3259 and A. 2237, in relation to the authority of the office of information technology services to issue certain guidance relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 163-e of the state finance law, as added by a chapter of the laws of 2025 amending the state finance law and the general municipal law relating to prohibiting procurement of certain technology that poses security threats, as proposed in legislative bills numbers S. 3259 and A. 2237, is amended to read as follows:

§ 163-e. Restriction on purchasing certain technology which poses a security threat. 1. (a) Notwithstanding any inconsistent provision of law, the state and any department, bureau, board, commission, authority, and any other agency or instrumentality of the state shall not enter into or renew any contract or agreement to procure [~~information and communications~~] technology, including hardware, systems, devices, software, or services that include embedded or incidental information technology, which are prohibited from federal procurement pursuant to section 889 of Public Law 115-232 of 2018.

(b) The term [~~"information and communications technology" means:~~

~~(i) information technology, as defined in section 11101 of title 40;~~

~~(ii) information systems, as defined in 44 U.S.C. 3502; and~~

~~(iii) telecommunications equipment and telecommunications services, as those terms are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153).~~

~~(c) The term "information and communications technology" shall not include automated decision making systems~~] **"technology" shall have the**

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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same meaning as such term is defined in subdivision ten of section one hundred sixty of this article.

2. The [~~chief information officer~~] office of information technology services shall, in consultation with the division of homeland security and emergency services and the office of general services, establish and update regularly a list of restricted [~~information and communications~~] technology. Technology on this list shall not be procured by any state agency, state or local authority, or political subdivision unless a waiver is issued pursuant to subdivision three of this section or the [~~chief information officer~~] office of information technology services determines that the technology shall only be restricted in limited circumstances.

The list shall:

(a) contain [~~information and communications~~] technologies that pose a security risk to the state of New York or its political subdivisions. In determining whether [~~information and communications~~] technology poses such a risk, the [~~chief information officer~~] office of information technology services shall consult relevant federal sources, including the department of defense inspector general report no. DODIG-2019-106, as well as any other source that shall be determined to be relevant; and

(b) [~~describe the scope of each restriction, such as whether it is generally prohibited or prohibited in certain circumstances or from certain entities;~~

~~(c) include an explanation as to why items were included on the list; and~~

~~(d)~~] be published online and communicated to all relevant procurement officers in all state agencies, state authorities, and political subdivisions.

3. The [~~commissioner~~] office of information technology services, in collaboration with the division of homeland security and emergency services, the [~~commissioner of the~~] office of general services, the [~~adjutant general, the chief information officer~~] division of military and naval affairs, and the chief cyber officer, [~~the chief technology officer of the city of New York and any federal agency authorized under section 889 of Public Law 115-232 of 2018,~~] may provide a waiver from this section if:

(a) any such entity determines the waiver is in the interests of the state or political subdivision;

(b) no compliant product or service is available to be procured as, and when, needed at United States market prices or a price that is not considered prohibitively expensive; and

(c) such waiver could not reasonably be expected to compromise the security or integrity of a computer network operated by an instrumentality of the state.

(d) Any state agency, state or local authority, or political subdivision seeking a waiver from any federal agency authorized under section 889 of Public Law 115-232 of 2018 must provide notice of any such waiver granted to the office of information technology services within thirty days of waiver approval.

4. An unmanned aerial vehicle or other equipment or service relating to the operation of an unmanned aerial vehicle from a business or entity that would otherwise be subject to restriction under subdivision one or two of this section must be exempt from such restriction if:

(a) any photograph, image, recording or other information collected by the state agency, state or local authority, or political subdivision

from the operation of the unmanned aerial vehicle or other equipment or service relating to the operation of the unmanned aerial vehicle:

(i) is stored and maintained exclusively within the United States; and

(ii) is not accessible to the business or entity that would otherwise be subject to restriction; or

(iii) is operated using software developed and maintained in the United States.

(b) the provisions of this subdivision shall not be construed to discourage the purchase or acquisition of any unmanned aerial vehicle or other equipment or service relating to the operation of an unmanned aerial vehicle that is manufactured in the United States.

5. Nothing in this section shall be construed:

(a) to require any [~~information and communications~~] technology resident in equipment, systems, or services as of the day before the effective date of this section to be removed or replaced;

(b) to prohibit or limit the utilization of such [~~information and communications~~] technology throughout the lifecycle of such existing equipment; or

(c) to require the recipient of a state contract, grant, loan, or loan guarantee to replace [~~information and communications~~] technology resident in equipment, systems, or services before the effective date of this section.

§ 2. Section 103-h of the general municipal law, as added by a chapter of the laws of 2025 amending the state finance law and the general municipal law relating to prohibiting procurement of certain technology that poses security threats, as proposed in legislative bills numbers S. 3259 and A. 2237, is amended to read as follows:

§ 103-h. Restriction on purchasing certain technology which poses a security threat. 1. (a) Notwithstanding any inconsistent provision of law a political subdivision shall not enter into or renew any contract or agreement to procure [~~information and communications~~] technology, including hardware, systems, devices, software, or services that include embedded or incidental information technology, which are prohibited from federal procurement pursuant to section 889 of Public Law 115-232 of 2018, or which are included on the list created pursuant to subdivision two of section one hundred sixty-three-e of the state finance law.

(b) The term [~~"information and communications technology" means:~~

~~(i) information technology, as defined in 40 U.S.C. 11101;~~

~~(ii) information systems, as defined in 44 U.S.C. 3502; and~~

~~(iii) telecommunications equipment and telecommunications services, as those terms are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153)~~] "technology" shall have the same meaning as such term is defined in subdivision ten of section one hundred sixty of the state finance law.

2. The [~~commissioner~~] office of information technology services, in collaboration with the division of homeland security and emergency services, the [~~commissioner of the~~] office of general services, the [~~adjutant general, the chief information officer~~] division of military and naval affairs, and the chief cyber officer, [~~the chief technology officer of the city of New York and any federal agency authorized under section 889 of Public Law 115-232 of 2018,~~] may provide a waiver from this section if:

(a) any such entity determines the waiver is in the interest of the political subdivision;

(b) no compliant product or service is available to be procured as, and when, needed at United States market prices or a price that is not considered prohibitively expensive; and

(c) such waiver could not reasonably be expected to compromise the security or integrity of a computer network operated by an instrumentality of the state.

[~~4.~~] **(d) Any political subdivision seeking a waiver from any federal agency authorized under section 889 of Public Law 115-232 of 2018 must provide notice of any such waiver granted to the office of information technology services within thirty days of waiver approval.**

3. Nothing in this section shall be construed:

(a) to require any [~~information and communications~~] technology resident in equipment, systems, or services as of the day before the effective date of this section to be removed or replaced;

(b) to prohibit or limit the utilization of such [~~information and communications~~] technology throughout the lifecycle of such existing equipment; or

(c) to require the recipient of a state contract, grant, loan, or loan guarantee to replace [~~information and communications~~] technology resident in equipment, systems, or services before the effective date of this section.

§ 3. Section 3 of a chapter of the laws of 2025 amending the state finance law and the general municipal law relating to prohibiting procurement of certain technology that poses security threats, as proposed in legislative bills numbers S. 3259 and A. 2237, is amended to read as follows:

§ 3. No later than the effective date of this act, the office of [~~general services~~] **information technology services** shall [~~promulgate rules and regulations and~~] issue guidance to all state agencies and local procurement authorities necessary, including providing updates on prohibited or excluded entities for procurement contracts in conformity with federal law, rules and regulations, no later than sixty days after any entity is prohibited or excluded.

§ 4. Section 4 of a chapter of the laws of 2025 amending the state finance law and the general municipal law relating to prohibiting procurement of certain technology that poses security threats, as proposed in legislative bills numbers S. 3259 and A. 2237, is amended to read as follows:

§ 4. This act shall take effect two years after it shall have become a law. Effective immediately, the office of [~~general services~~] **information technology services** is authorized to [~~promulgate rules and regulations and~~] issue guidance to all state agencies and local procurement authorities necessary for the implementation of this act on its effective date, including providing updates on prohibited or excluded entities for procurement contracts in conformity with federal law, rules and regulations.

§ 5. This act shall take effect immediately; provided, however, that sections one, two and three of this act shall take effect on the same date and in the same manner as a chapter of the laws of 2025 amending the state finance law and the general municipal law relating to prohibiting procurement of certain technology that poses security threats, as proposed in legislative bills numbers S. 3259 and A. 2237, takes effect.