STATE OF NEW YORK

7443

2025-2026 Regular Sessions

IN SENATE

April 16, 2025

Introduced by Sens. HOYLMAN-SIGAL, HARCKHAM, JACKSON, PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Veterans, Homeland Security and Military Affairs

AN ACT to amend the executive law, in relation to participation by LGBT, disability and veteran-owned businesses in state contracts; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Short title. This act shall be known and may be cited as the "New York State Supplier Diversity Act".

§ 2. The executive law is amended by adding a new article 17-B to read as follows:

ARTICLE 17-B

SUPPLIER DIVERSITY IN STATE CONTRACTING OPPORTUNITIES

Section 369-m. Definitions.
369-n. Division of supplier diversity.
369-o. Opportunities for certified LGBT, disability and veteran-owned business enterprises.
369-p. Severability.

§ 369-m. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Certified LGBT, disability, or veteran-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

(a) at least fifty-one percent owned by one or more LGBT individuals, disabled individuals or veterans;

(b) an enterprise in which such LGBT, disability or veteran ownership is real, substantial, and continuing;

(c) an enterprise in which such LGBT, disability or veteran ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;

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

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(d) an enterprise authorized to do business in this state and which is independently owned and operated;

(e) an enterprise that is a small business which has a significant business presence in the state, not dominant in its field and employs, based on its industry, a certain number of persons as determined by the director, but not to exceed three hundred, taking into consideration factors which include, but are not limited to, federal small business administration standards pursuant to 13 CFR part 121 and any amendments thereto; and

(f) certified by the office of general services, or an approved third-party agency pursuant to subdivision five of section three hundred sixty-nine-n of this article.

2. "Commissioner" shall mean the commissioner of the office of general services.

3. "Director" shall mean the director of the division of supplier diversity.

4. "Disabled individual" shall mean a person who has physical, mental or medical impairment from anatomical, physiological or neurological conditions which prevents the exercise of a normal bodily function or is demonstrable by medically accepted clinical or laboratory diagnostic techniques.

5. "Division" shall mean the division of supplier diversity in the office of general services.

6. "LGBT individual" shall mean a person who identifies as lesbian, gay, bisexual or transgender.

7. "State agency" shall mean: (a)(i) any state department; or (ii) any division, board, commission or bureau of any state department; or (iii) the state university of New York and the city university of New York, including all their constituent units except community colleges and the independent institutions operating statutory or contract colleges on behalf of the state; or (iv) a board, a majority of whose members are appointed by the governor or who serve by virtue of being state officers or employees as defined in subparagraph (i), (ii) or (iii) of paragraph (i) of subdivision one of section seventy-three of the public officers law.

(b) a "state authority," as defined in subdivision one of section two of the public authorities law, and the following:

Albany County Airport Authority;
Albany Port District Commission;
Alfred, Almond, Hornellsville Sewer Authority;
Battery Park City Authority;
Cayuga County Water and Sewer Authority;
(Nelson A. Rockefeller) Empire State Plaza Performing Arts Center Corporation;
Industrial Exhibit Authority;
Livingston County Water and Sewer Authority;
Long Island Power Authority;
Long Island Rail Road;
Long Island Market Authority;
Manhattan and Bronx Surface Transit Operating Authority;
Metro-North Commuter Railroad;
Metropolitan Suburban Bus Authority;
Metropolitan Transportation Authority;
Natural Heritage Trust;
New York City Transit Authority;
New York Convention Center Operating Corporation;

New York State Bridge Authority;
New York State Olympic Regional Development Authority;
New York State Thruway Authority;
Niagara Falls Public Water Authority;
Niagara Falls Water Board;
Port of Oswego Authority;
Power Authority of the State of New York;
Roosevelt Island Operating Corporation;
Schenectady Metroplex Development Authority;
State Insurance Fund;
Staten Island Rapid Transit Operating Authority;
State University Construction Fund;
Syracuse Regional Airport Authority;
Triborough Bridge and Tunnel Authority;
Upper Mohawk valley regional water board;
Upper Mohawk valley regional water finance authority;
Upper Mohawk valley memorial auditorium authority;
Urban Development Corporation and its subsidiary corporations.

(c) the following only to the extent of state contracts entered into for its own account or for the benefit of a state agency as defined in paragraph (a) or (b) of this subdivision:
Dormitory Authority of the State of New York;
Facilities Development Corporation;
New York State Energy Research and Development Authority;
New York State Science and Technology Foundation.

(d) "state contract" shall mean: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of twenty-five thousand dollars, whereby a contracting agency is committed to expend or does expend funds in return for labor, services including but not limited to legal, financial and other professional services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; (ii) a written agreement in excess of one hundred thousand dollars whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; and (iii) a written agreement in excess of one hundred thousand dollars whereby the owner of a state assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project.

8. "Veteran" shall mean a person who served in and who has received an honorable or general discharge from the United States army, navy, air force, marines, coast guard, and/or reserves thereof, and/or the army national guard, air national guard, New York guard and/or the New York naval militia.

§ 369-n. Division of supplier diversity. 1. The head of the division of supplier diversity shall be the director who shall be appointed by the governor and who shall hold office at the pleasure of the commissioner.

2. The director may appoint such deputies, assistants, and other employees as may be needed for the performance of the duties prescribed herein subject to the provisions of the civil service law and the rules and regulations of the civil service commission. The director may request and shall receive from any (a) department, division, board, bureau, or executive commission of the state or (b) state agency, such

assistance as may be necessary to carry out the provisions of this article.

3. The director shall have the following powers and duties:

(a) Develop, collect, summarize and disseminate information that will be helpful to persons and organizations throughout the state in undertaking or promoting the establishment and successful operation of an LGBT, disability or veteran-owned business.

(b) Develop and make available to state agencies a directory of certified LGBT, disability and veteran-owned business enterprises which shall, wherever practicable, be divided into categories of labor, services, supplies, equipment, materials and recognized construction trades and which shall indicate areas or locations of the state where such enterprises are available to perform services. Such directory shall be posted on the office of general services website.

(c) Assist state agencies in the development of programs to foster and promote the use of LGBT, disability and veteran-owned business enterprises on state contracts.

(d) Coordinate the plans, programs and operations of the state government which affect or may contribute to the establishment, preservation and development of LGBT, disability and veteran-owned business enterprises.

(e) To appoint independent hearing officers who by contract or terms of employment shall preside over adjudicatory hearings pursuant to this section for the office of general services and who are assigned no other work by the office of general services.

(f) In conjunction with the commissioner, develop a comprehensive statewide plan and operational guidelines to promote LGBT, disability and veteran-owned business enterprises and to assist them in obtaining opportunities to participate in the procurement of goods and services by the state, including identification of barriers to business development and investigation and evaluation of their impact on achieving the objectives of this article.

4. The commissioner shall:

(a) Coordinate training of all procurement personnel of state agencies, emphasizing increased sensitivity and responsiveness to the unique needs and requirements of LGBT, disability and veteran-owned business enterprises.

(b) Conduct a coordinated review of all existing and proposed state training and technical assistance activities in direct support of the supplier diversity program to assure consistency with the objectives of this article.

(c) Evaluate and assess availability of firms for the purpose of increasing participation of such firms in state contracting in consultation with relevant state entities.

(d) Provide advice and technical assistance to promote LGBT, disability and veteran-owned business enterprises' understanding of state procurement laws, practices and procedures to facilitate and increase the participation of LGBT, disability and veteran-owned business enterprises in state procurement.

(e) Establish regular performance reporting systems regarding implementation of the programs designed to increase LGBT, disability and veteran-owned business participation in procurement contracts by state agencies.

(f) Submit a report by the thirty-first of December each year, with the first report due by the thirty-first of December in the calendar year next succeeding the calendar year in which this article shall have

become a law, to the governor, the temporary president of the senate, and the speaker of the assembly. Such report shall include information including, but not limited to, the number of contracts entered into pursuant to this article, the average amount of such contracts, the percentage of contracts awarded to LGBT, disability and veteran-owned business enterprises by each state agency, the number of LGBT, disability and veteran-owned business enterprises certified, the number of applications for certification as an LGBT, disability or veteran-owned business enterprise, the number of denials for such certification, the number of appeals of such denials, and the outcome of such appeals and the average time that is required for such certification to be completed. The report shall be posted on a public website maintained by the office of general services.

5. (a) The director, or in the absence of the director, the commissioner, within ninety days of the effective date of this article, shall promulgate rules and regulations providing for the establishment of a statewide certification program including rules and regulations governing the approval, denial, or revocation of any such certification. Such rules and regulations shall include, but not be limited to, such matters as may be required to ensure that the established procedures thereunder shall at least be in compliance with the code of fair procedure set forth in section seventy-three of the civil rights law. In addition to a statewide certification program, the director, or in the absence of the director, the commissioner, shall approve third-party agencies to perform verification of LGBT, disability and/or veteran-owned business enterprises. The division shall accept certifications by approved third-party agencies, and is authorized to develop and implement a streamlined verification process for any LGBT, disability or veteran-owned business enterprise that has a certification through an approved third-party agency. Approved third-party agencies shall include the National Gay and Lesbian Chamber of Commerce for the certification of LGBT-owned business enterprises and the United States Business Leadership Network for the certification of disability-owned enterprises.

(b) Following application for certification pursuant to this section, the director shall provide the applicant with written notice of the status of the application, including notice of any outstanding deficiencies, within thirty days. Within sixty days of submission of a final completed application, the director shall provide the applicant with written notice of a determination by the director approving or denying such certification and, in the event of a denial, a statement setting forth the reasons for such denial. Upon a determination denying or revoking certification, the business enterprise for which certification has been so denied or revoked shall, upon written request made within thirty days from receipt of notice of such determination, be entitled to a hearing before an independent hearing officer designated for such purpose by the director. In the event that a request for a hearing is not made within such thirty-day period, such determination shall be deemed to be final. The independent hearing officer shall conduct a hearing and upon the conclusion of such hearing, issue a written recommendation to the director to affirm, reverse, or modify such determination of the director. Such written recommendation shall be issued to the parties. The director, within thirty days, by order, shall accept, reject or modify such recommendation of the hearing officer and set forth in writing the reason therefor. The director shall serve a copy of such order and reasons therefor upon the business enterprise by personal service or by certified mail return receipt requested. The order of the

director shall be subject to review pursuant to article seventy-eight of the civil practice law and rules.

(c) All certifications shall be valid for a period of two years.

§ 369-o. Opportunities for certified LGBT, disability and veteran-owned business enterprises. 1. The director, or in the absence of the director, the commissioner, within ninety days of the effective date of this article shall promulgate rules and regulations for the following purposes:

(a) provide measures and procedures to ensure that certified LGBT, disability and veteran-owned business enterprises are afforded the opportunity for meaningful participation in the performance of state contracts and to assist in state agencies' identification of those state contracts for which certified LGBT, disability and/or veteran-owned business enterprises may best perform;

(b) provide for measures and procedures that assist state agencies in the identification of state contracts where LGBT, disability and veteran contract goals are practical, feasible and appropriate for the purpose of increasing the utilization of LGBT, disability and veteran-owned business enterprise participation on state contracts;

(c) achieve a statewide goal for participation on state contracts by LGBT, disability and veteran-owned business enterprises at a percentage to be determined by the commissioner;

(d) provide for procedures relating to submission and receipt of applications by LGBT, disability or veteran-owned business enterprises for certification;

(e) provide for the monitoring and compliance of state contracts by state agencies with respect to the provisions of this article;

(f) provide for the requirement that state agencies submit regular reports, as determined by the director, with respect to their supplier diversity program activity, including but not limited to, utilization reporting and state contract monitoring and compliance; and

(g) provide for any other purposes to effectuate this article.

2. State agencies shall administer the rules and regulations promulgated by the director for the implementation of this article.

§ 369-p. Severability. If any clause, sentence, paragraph, section or part of this article shall be adjudged by any court of competent jurisdiction to be invalid, the judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part of this article directly involved in the controversy in which the judgment shall have been rendered.

§ 3. The commissioner of the office of general services shall conduct a study to determine a statewide goal for participation on state contracts by LGBT, disability and veteran-owned business enterprises and to determine whether providing for the reservation or set-aside of certain procurements by state agencies should be required in order to achieve the objectives of article 17-B of the executive law.

§ 4. No later than one year after this act shall have become a law, the commissioner of the office of general services shall complete the study pursuant to section three of this act.

§ 5. This act shall take effect immediately and shall expire and be deemed repealed five years after such effective date.