

STATE OF NEW YORK

9428

IN SENATE

March 11, 2026

Introduced by Sen. C. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to voiding certain agreements conditioning the right of a subcontractor's or material supplier's right to commence a lawsuit or arbitration proceeding for breach of contract or quantum meruit

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

- 1 Section 1. Subdivision 2 of section 5-322.1 of the general obligations
2 law, as added by chapter 224 of the laws of 2009, is amended to read as
3 follows:
4 2. A covenant, promise, agreement or understanding in, or in
5 connection with or collateral to a contract or agreement relative to the
6 construction, alteration, repair or maintenance of a building, struc-
7 ture, appurtenances and appliances including moving, demolition and
8 excavating connected therewith, purporting to condition a subcontrac-
9 tor's or ~~materialman's~~ material supplier's right to (a) file a claim,
10 (b) commence a lawsuit or arbitration proceeding for breach of contract
11 or quantum meruit, and/or (c) commence an action on a payment bond on
12 exhaustion of another legal remedy is against public policy and is void
13 and unenforceable; provided that this subdivision shall not affect the
14 validity of any insurance contract, workers' compensation agreement or
15 other agreement issued by an admitted insurer.
16 § 2. This act shall take effect immediately and shall apply to all
17 contracts entered into, renewed, modified or amended on or after such
18 effective date.

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

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