**S01514 Text:**

 **STATE OF NEW YORK**

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 1514

 2025-2026 Regular Sessions

 **IN SENATE**

 January 10, 2025

 \_\_\_\_\_\_\_\_\_\_\_

 Introduced by Sens. HARCKHAM, HINCHEY, JACKSON, MATTERA, PALUMBO, RAMOS,

 ROLISON, WEBB -- read twice and ordered printed, and when printed to

 be committed to the Committee on Labor

 AN ACT to amend the labor law, in relation to issuing stop-work orders

 for misclassification of employees

 **The People of the State of New York, represented in Senate and Assem-**

 **bly, do enact as follows:**

 1 Section 1. The labor law is amended by adding a new section 45 to read

 2 as follows:

 3 **§ 45. Misclassification of employees; stop-work orders. 1. If the**

 4 **commissioner determines, after an investigation pursuant to the**

 5 **provisions of this chapter, that an employer has knowingly misclassified**

 6 **employees as independent contractors or provided false, incomplete, or**

 7 **misleading information to an insurance company on the number of employ-**

 8 **ees of such employer, the commissioner shall notify such employer in**

 9 **writing of their intention to issue a stop-work order. Such notice**

 10 **shall:**

 11 **a. be served in a manner consistent with section three hundred eight**

 12 **of the civil practice law and rules;**

 13 **b. notify such employer of their right to a hearing;**

 14 **c. notify such employer that they shall have seventy-two hours to**

 15 **address the violation or violations before the stop-work order will be**

 16 **issued; and**

 17 **d. state the factual basis upon which the commissioner has based their**

 18 **decision to issue a stop-work order and how such employer shall come**

 19 **into compliance.**

 20 **2. a. After receipt of such notice, the employer shall have seventy-**

 21 **two hours to come into compliance and to notify the commissioner of such**

 22 **compliance. Within seventy-two hours after the employer's opportunity to**

 23 **come into compliance, if the employer has not come into compliance, the**

 24 **commissioner shall issue a stop-work order requiring the cessation of**

 EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets

 [] is old law to be omitted.

 LBD04513-01-5

 S. 1514 2

 1 **all business operations of the employer at every site at which the**

 2 **violation occurs.**

 3 **b. A stop-work order shall take effect when served upon the employer**

 4 **or when served at the worksite.**

 5 **c. A stop-work order shall remain in effect until the commissioner**

 6 **issues an order releasing the stop-work order upon finding that the**

 7 **employer has come into compliance and has paid any penalty assessed.**

 8 **3. An employer who is subject to a stop-work order shall have the**

 9 **right to apply to the commissioner, not more than ten days after the**

 10 **order is issued, for a hearing to contest whether the employer committed**

 11 **the violation on which the order was based.**

 12 **4. Failure or refusal to comply with a stop-work order issued by the**

 13 **commissioner shall, in addition to any other penalties authorized by**

 14 **law, result in the assessment of a penalty of not less than one thousand**

 15 **dollars and not more than five thousand dollars for each day the employ-**

 16 **er is found not to be in compliance.**

 17 **5. An employee affected by a stop-work order pursuant to this section**

 18 **shall be paid their regular rate for the period the stop-work order is**

 19 **in place or the first ten days the employee would have been scheduled to**

 20 **work if the stop-work order had not been issued, whichever is less, by**

 21 **the employer that was served the stop-work order.**

 22 **6. Stop-work orders and any additional penalties imposed under this**

 23 **chapter against a corporation, partnership or sole proprietorship shall**

 24 **be effective against any successor entity that has one or more of the**

 25 **same principals or officers as the corporation, partnership or sole**

 26 **proprietorship against which the stop-work order was issued and are**

 27 **engaged in the same or equivalent trade or activity.**

 28 **7. For the purposes of this section, there shall be a rebuttable**

 29 **presumption of unlawful retaliation if an employer in any manner**

 30 **discriminates, retaliates, or takes any adverse action against any**

 31 **employee within ninety days of the employee initiating a complaint**

 32 **pursuant to this article.**

 33 **8. The commissioner shall promulgate any rules and regulations neces-**

 34 **sary to carry out the provisions of this section.**

 35 § 2. This act shall take effect on the one hundred eightieth day after

 36 it shall have become a law.