



NEW YORK STATE SENATOR

Jack M. Martins

## Senate Labor Committee Holds Public Hearing Examining “Prompt Pay” Reforms for New York’s Construction Industry

JACK M. MARTINS May 23, 2016

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The New York State Senate’s Labor Committee today held a public hearing examining “prompt pay” reforms for New York’s construction industry to ensure that companies get paid in a timely manner.

Right now in the construction industry, contractors and subcontractors must often wait months to be paid under the current system. These lengthy delays often cause them serious cash flow and liquidity problems that jeopardize their ability to stay in business. That threatens economic development, hinders business growth, and puts jobs at risk.

“The most basic rule in business is if money is only going out and not coming in, you can’t survive. Right now, there are companies owed millions of dollars for services they performed who’ve been waiting months, and in some cases years, to get paid. While they wait, they still have to pay their workers, purchase materials, and pay other bills of their own. The current system is putting tremendous stress on their finances and endangering their very existence. Today’s hearing is the first step in exploring reforms to ensure that businesses are being paid in timely manner,” said Senator Jack M. Martins, Chairman of the Senate’s Labor Committee.

The Senate Labor Committee is exploring “prompt pay” reforms to help address these problems and ensure that businesses are paid in a timely manner. Today’s hearing brought in stakeholders to testify, provide input, and answer questions from the Committee. Those who testified at the hearing include:

- Joseph Hogan, Vice President – Building Services, AGC New York State
- Peter Rescigno, Government Affairs Associate, New York Electrical Contractors Association
- Henry Kita, Executive Director, Subcontractors Trade Association
- Michael Misenhimer, Executive Director, Empire State Subcontractors Association, Inc.
- James Melius, M.D., Administrator, New York State Laborers Tri Funds

Representatives from the following organizations were unable to attend the hearing but will be providing written testimony:

- Dormitory Authority of the State of New York
- New York State School Construction Authority
- State University of New York Construction Fund
- Northeast Regional Council of Carpenters
- New York State Building & Construction Trades Council
- Northeastern Retail Lumber Association

The New York State Association of Electrical Contractors submitted written testimony.