



General Assembly

February Session, 2026

Raised Bill No. 487

LCO No. 3044



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT CONCERNING THE USE OF FISCAL INTERMEDIARIES BY
STATE AGENCIES FOR PAYROLL SERVICES.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) As used in this section,
2 "state agency" means a department, board, council, commission,
3 institution or other executive branch agency and "fiscal intermediary"
4 means an organization that contracts with a state agency to provide
5 payroll, taxes or administrative services for the state agency.

6 (b) On and after October 1, 2026, any state agency that enters into,
7 amends or renews a contract with a fiscal intermediary that includes
8 payroll services shall ensure that such contract requires wages to be paid
9 in a timely manner and includes a provision imposing financial
10 penalties to be paid by the fiscal intermediary to the state agency in the
11 event the fiscal intermediary fails to process payroll within the
12 timeframe set forth in such contract. Any such contract shall provide
13 that such penalty shall be in an amount equivalent to fifty per cent of
14 the value of the unpaid wages.

15 (c) The applicable state agency shall impose any penalty required
16 under this section and if the fiscal intermediary fails to pay such penalty,
17 the Attorney General, upon complaint of the state agency, may bring an
18 action in the Superior Court to recover such penalty.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section

Statement of Purpose:

To require state agency contracts with fiscal intermediaries for payroll services to provide for financial penalties in the event that the fiscal intermediary fails to timely process payroll.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]