



Dear neighbors,

After weeks of negotiations and passage of bills simply to extend the deadline for the budget and keep the government running, we are finally starting the process of voting on the FY27 State Budget. As I do each year, I will write a series of newsletters providing a summary of some of the major agreements and explain what they mean in practice.

This newsletter focuses on the [Public Protection & General Government \(PPGG\)](#) bill. Each year the budget consists of 10 unique bills with six of them being policy bills. The remaining 4 bills include all of the fiscal allocations of the budget. PPGG is a policy bill so the descriptions below do not include fiscal allocations. I've included explanatory titles for each topic so you can choose where to focus based on your interests. PPGG includes an extensive section, Part LL, focused on immigration protections. As it is such an important topic and the section is so long I'm dedicating the entire next newsletter that will be released tomorrow to this section.

In March we voted on the [Debt Service bill](#). This bill provides the funding New York State needs to make this year's scheduled payments on money the State previously borrowed for infrastructure and capital projects. This includes projects such as roads, bridges, schools, public universities, housing, environmental infrastructure, and other long-term public investments. The bill appropriates roughly \$9 billion for these payments for fiscal year 2027.

In this coming week, we will vote on the remainder of the budget bills. All 10 budget bills combined include over 4000 pages of content so this newsletter and the upcoming budget newsletters will include highlights that I believe will be of greatest interest.

# State Budget



## Public Protection & General Government (PPGG)

**Providing Greater Protections from Ghost Guns, 3D-Printed Firearms, and Rapid-Fire Conversion Devices**

The budget expands New York’s firearm laws to cover certain semi-automatic pistols that can be easily converted into machine guns using small aftermarket conversion devices, sometimes called “switches” or pistol converters, which can allow a pistol to fire continuously with a single pull of the trigger. The bill also updates state law to address the growing use of both 3D printers and computer-guided milling machines to manufacture firearms and firearm components from digital design files. The bill creates new criminal penalties for illegally manufacturing or distributing ghost guns, rapid-fire conversion devices, and digital files specifically intended to produce illegal firearms or firearm components.

The legislation also expands the State’s enforcement tools related to ghost guns and illegally modified firearms. It creates new penalties for knowingly distributing digital firearm manufacturing files to unlicensed individuals in New York, allows prosecution for possessing those files with the intent to illegally manufacture weapons, and directs State Police to maintain a public list of pistols classified as readily convertible into machine guns. The bill also directs New York State agencies and technical experts to study technology that could prevent certain 3D printers from producing illegal firearm parts. If regulators determine the technology is feasible, future regulations could require some machines sold in New York to include software designed to detect and block digital firearm-printing files. The legislation preserves exceptions for licensed gunsmiths, firearms dealers, military personnel, and certain other lawful users, while expanding enforcement authority aimed at reducing the spread of ghost guns and illegally modified firearms.

### **Establishing Guardrails for Drones to Ensure Public Safety**

The budget creates new rules for the unlawful use of drones. It makes it a crime to use a drone to commit or assist in a crime, interfere with emergency response or law enforcement, harass or unlawfully surveil others, deliver contraband to correctional facilities, create serious public safety risks, or conduct unauthorized surveillance of sensitive sites such as military facilities. The bill also restricts drone operation over certain sensitive locations, including airports, correctional facilities, emergency response sites, critical infrastructure, schools, and large public gatherings without authorization.

The legislation does not prohibit ordinary lawful drone use. Recreational, commercial, agricultural, educational, journalistic, and infrastructure-related uses remain permitted so long as they comply with applicable laws and are not operated recklessly. The bill also authorizes trained law enforcement personnel to respond to credible drone threats and creates a “New York State Blue

List,” requiring state agencies and local governments to purchase drones and drone-related security technology only from vetted vendors that meet federal security standards.

### **Ensuring Temporary Orders of Protection Actually Provide Protection**

Under current practice, if a judge issues an arrest warrant along with a temporary order of protection, there can be situations where the order becomes unclear or expires while law enforcement is still trying to locate the person. This legislation provides that the temporary order stays in place until the defendant appears before the court, unless the case is dismissed or the judge later decides to end the order. This change is to ensure that victims do not lose legal protections simply because a defendant has not yet been arrested or appeared in court.

### **Expanding Judicial Flexibility in Mental Health Courts**

These are specialized courts designed to connect eligible individuals with treatment, supervision, and supportive services rather than relying solely on the traditional criminal justice process. Under prior law, if someone failed to complete or comply with the program, the case would automatically return to the original criminal court. This legislation removes that automatic reversion requirement, giving courts greater flexibility in determining how to handle cases when a participant does not successfully complete a mental health court program.

### **Expanding Workers’ Compensation Medical Care and ensuring fraud prevention**

The legislation expands the range of healthcare professionals who may provide care to injured workers by exchanging the narrower term “physician” for the broader term “provider” throughout several sections of relevant law. The language expands both which healthcare professionals are allowed to evaluate injured workers for possible workers’ compensation and which healthcare professionals are officially authorized to provide treatment.

The bill strengthens protections for injured workers by prohibiting employers, insurers, or carriers from improperly interfering with treatment decisions or access to medically necessary care. The bill also updates the rules for approving, reviewing, and overseeing medical care within the workers’ compensation system. The changes are intended to modernize the medical side of workers’ compensation, improve access to care, and strengthen accountability and oversight within the system.

The legislation also authorizes and provides funding for dedicated workers' compensation fraud units within district attorneys' offices to investigate and prosecute fraudulent claims, fraudulent medical billing practices, employer fraud, premium fraud, and related financial crimes within the workers' compensation system. Funding comes from assessments on workers' compensation insurers and self-insured employers rather than through the State's general fund. The bill also requires annual public reporting on funding, staffing, investigations, arrests, prosecutions, convictions, and restitution tied to fraud enforcement.

### **Changes to How Auto Insurance Rates Are Determined**

The budget language prohibits auto insurance companies from using a person's ZIP code, educational background, employment status, or homeownership status when determining rates for private motor vehicle insurance policies. This change is intended to reduce the use of socioeconomic factors and instead place greater emphasis on driving-related factors when setting premiums. Factors like where someone lives, whether they own a home, or their educational background may not directly reflect how safely they drive, but can still result in higher insurance costs for lower-income individuals and communities.

### **Staged Car Accidents and Insurance Fraud Prevention**

The legislation makes clear that a person can be charged with insurance fraud not only for filing a fraudulent claim, but also for knowingly organizing, participating in, recruiting for, encouraging, or helping arrange a staged motor vehicle collision intended to generate insurance payouts. The change is intended to help law enforcement and prosecutors more directly target organized fraud schemes that intentionally cause crashes in order to collect insurance money. These staged accidents can put drivers, passengers, and first responders at risk, while also contributing to higher insurance costs for consumers.

### **Reducing Alcohol Distribution Fees Affecting Small Businesses**

The budget prohibits alcohol wholesalers from charging retailers certain add-on fees related to distribution, including fees for delivered products that are damaged, ordering less than a full case, small deliveries that do not meet a minimum order threshold, attorney or collection-related fees, and similar charges. The change is intended to prevent wholesalers from shifting their operating

costs onto smaller businesses like restaurants, bars, liquor stores, and other small retailers through fees outside the standard pricing system.

In good health,



Anna Kelles, Ph.D.

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