



MEMO OF SUPPORT

[A1194 \(Solages\)](#)

Protects Interest on Lawyer Accounts (IOLA) from raids

March 21, 2025

TITLE OF BILL

An act to amend the state finance law, in relation to the use of funds and payments from the IOLA [Interest on Lawyer Accounts] fund.

STATEMENT OF SUPPORT

Reinvent Albany strongly supports this bill because it will protect vital public services from being raided by the Executive.

Last year, the Governor's executive budget proposed raiding \$100 million from the Interest on Lawyer Account fund, which supports legal services for low-income New Yorkers. After an outcry from lawyers and advocates, the Governor's office reversed the raid. Then, when the final budget was released, the raid reappeared, diverting \$55 million mostly to the Homeowner Protection program and [shocking the legal community](#).

Reinvent Albany is opposed to raids on government programs that benefit the needy, particularly those that are backed by dedicated taxes or revenue sources that are paid with the explicit understanding that they will fund important public services. Unfortunately, when the executive branch routinely raids dedicated funds, it's necessary to pass legislation that protects the public interest by preserving the integrity of such funds.

We urge the Legislature to pass the bill, and the Governor to sign it.

SUMMARY OF PROVISIONS

Sections 1 and 2 respectively amend State Finance Law §97-v(3)(f) (the IOLA fund) and (h) to provide that funds shall not be used for any purpose other than stated in these sections.

Section 3 states that the bill takes effect on April 1st after it becomes law.