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2009-2010 Regular Sessions

IN SENATE

April 1, 2009

Introduced by Sen. ADAMS -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, the state finance law, the general obligations law, the labor law and the executive law, in relation to enacting the "New York consumer and worker protection act"

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. This act shall be known and may be cited as the "New York 2 consumer and worker protection act".

S 2. The general business law is amended by adding a new article 24-D to read as follows:

ARTICLE 24-D

NEW YORK CONSUMER AND WORKER PROTECTION ACT

SECTION 375. LEGISLATIVE INTENT.

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20 21 375-A. NOTICE CONCERNING OUTSOURCING OF JOBS.

ADVANCEMENT, JOB OPPORTUNITIES, WAGES AND CONSUMER PROTECTION.

375-B. RATIFICATION OF CERTAIN AGREEMENTS.

S 375. LEGISLATIVE INTENT. THE LEGISLATURE RECOGNIZES THE NECESSITY TO FLOW OF SKILLED AND UNSKILLED LABOR OUT OF NEW YORK STATE, TO END NEW YORK STATE TAXPAYER SUBSIDIES FOR MOVING AMERICAN JOBS OVERSEAS, TO PROTECT THE SECURITY OF SENSITIVE, PRIVATE MEDICAL AND FINANCIAL PERSONAL INFORMATION IN ORDER TO PREVENT IDENTITY THEFT AND OTHER FRAUD, COMMITMENT TO GOVERNMENT PROCUREMENT AGREEMENTS PREVENT STATE WITH FOREIGN COUNTRIES WITHOUT SUBJECTING SUCH AGREEMENTS TO RATIFICA-TION BY THE LEGISLATURE. IN MANY CASES, CONSUMERS ARE NOT INFORMED THAT THEIR SENSITIVE PERSONAL INFORMATION IS BEING SENT OVERSEAS. THE LATURE FINDS THAT WHILE THE PRACTICE OF OUTSOURCING JOBS MAY ALLOW FIRMS TO REDUCE COSTS IN THE SHORT TERM, THE COST TO THE STATE OF NEW YORK AND UNITED STATES IN THE LONG TERM IS DETRIMENTAL TO DOMESTIC TECHNICAL

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

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S 375-A. NOTICE CONCERNING OUTSOURCING OF JOBS. 1. FOR PURPOSES OF THIS SECTION:

- "OUTSOURCING JOBS" MEANS TO RELOCATE OR MOVE EMPLOYMENT, JOBS, OR POSITIONS FROM THE STATE OF NEW YORK OR THE UNITED STATES OR ITS TERRI-TORIES TO AN OUTSIDE LOCALITY.
- "MANUFACTURER" MEANS A PERSON, FIRM OR CORPORATION ENGAGED IN MAKING, CONVERTING, PROCESSING, ALTERING, REPAIRING, FINISHING PREPARING ANY CONSUMER PRODUCT FOR SALE TO A CONSUMER.
- C. "IMPORTER" MEANS A PERSON, FIRM OR CORPORATION ENGAGED IN THE 9 10 DISTRIBUTION OF ANY CONSUMER PRODUCT FOR SALE OR LEASE TO A CONSUMER IN 11
- 12 D. "MERCHANT" MEANS A PERSON, FIRM OR CORPORATION ENGAGED IN THE SALE, DISPLAY OR OFFERING FOR SALE CONSUMER PRODUCTS OR MERCHANDISE AT RETAIL 13 14 TO A CONSUMER.
 - 2. ANY MERCHANT, MANUFACTURER, FIRM, CORPORATION, ASSOCIATION OR AGENT OR EMPLOYEE THEREOF LICENSED TO DO BUSINESS WITHIN THIS STATE WHICH IS INVOLVED IN THE PRACTICE OF OUTSOURCING JOBS OR SERVICES TO FOREIGN LOCATIONS SHALL DISCLOSE SUCH OUTSOURCING TO ANY CONSUMER DOING BUSINESS WITH SUCH ENTITY. SUCH SERVICES SHALL INCLUDE PROFESSIONAL AND CONSUMER SERVICES, INCLUDING BUT NOT LIMITED TO, HEALTH, ACCOUNTING, BANKING, MORTGAGE, AND INCOME TAX PREPARATION.
 - 3. SUCH MERCHANTS, MANUFACTURERS, FIRMS, CORPORATIONS, ASSOCIATIONS OR AGENTS OR EMPLOYEES THEREOF SHALL CONSPICUOUSLY POST THE DISCLOSURE REQUIRED BY SUBDIVISION TWO OF THIS SECTION IN THE PLACES OF BUSINESS OF SUCH ENTITIES AND DISTRIBUTE A WRITTEN DISCLOSURE TO CONSUMERS.
 - THE PROVISIONS OF THIS SECTION SHALL NOT BE DEEMED TO ALTER OR OTHERWISE SUPERSEDE ANY OTHER DISCLOSURE REQUIREMENT IMPOSED BY STATE OR FEDERAL LAW.
 - 5. A VIOLATION OF THIS SECTION SHALL BE DEEMED TO BE BOTH A DECEPTIVE ACT AND FALSE ADVERTISING AND SHALL BE SUBJECT TO THE PENALTIES OTHER-WISE PRESCRIBED IN ARTICLE TWENTY-TWO-A OF THIS CHAPTER.
 - S 375-B. RATIFICATION OF CERTAIN AGREEMENTS. AS PROVIDED IN SECTION THIRTEEN OF THE EXECUTIVE LAW, THE STATE, THROUGH THE GOVERNOR, SHALL NOT ENTER INTO OR ADOPT OR SUPPORT ANY MULTI-NATIONAL PROCUREMENT AGREE-MENT OR AGREE TO AMEND OR RENEW ANY EXISTING MULTI-NATIONAL PROCUREMENT AGREEMENT WITH ANY MULTI-NATIONAL TRADE ORGANIZATION, CORPORATION OR OTHER BUSINESS ENTITY WITHOUT THE RATIFICATION BY THE LEGISLATURE OF SUCH AGREEMENT.
 - S 3. The state finance law is amended by adding a new section 147 to read as follows:
- S 147. STATE CONTRACTS; OUTSOURCING PROHIBITED. 1. DEFINITIONS. FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING 43 MEANINGS:
- 44 A. "DEVELOPMENTAL ASSISTANCE" (1) SHALL MEAN ANY FORM OF PUBLIC 45 ASSISTANCE, INCLUDING TAX EXPENDITURES, MADE FOR THE PURPOSE OF STIMU-LATING ECONOMIC DEVELOPMENT OF A CORPORATION, INDUSTRY, GEOGRAPHIC 46 JURISDICTION OR ANY OTHER SECTOR OF THE STATE'S ECONOMY, INCLUDING BUT 47 48 NOT LIMITED TO INDUSTRIAL DEVELOPMENT BONDS, TRAINING GRANTS, LOANS, 49 LOAN GUARANTEES, ENTERPRISE ZONES, EMPOWERMENT ZONES, TAX INCREMENT 50 FINANCING, FEE WAIVERS, LAND PRICE SUBSIDIES, INFRASTRUCTURE WHOSE PRIN-51 CIPAL BENEFICIARY IS A SINGLE BUSINESS OR DEFINED GROUP OF BUSINESSES AT THE TIME IT IS BUILT OR IMPROVED, MATCHING FUNDS, TAX ABATEMENTS, TAX CREDITS AND TAX DISCOUNTS OF EVERY KIND, INCLUDING CORPORATE FRANCHISE, 53 PERSONAL INCOME, SALES AND COMPENSATING USE, RAW MATERIALS, REAL PROPER-54
- TY, JOB CREATION, INDIVIDUAL INVESTMENT, EXCISE, UTILITY, INVENTORY,

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1 ACCELERATED DEPRECIATION, AND RESEARCH AND DEVELOPMENT TAX CREDITS AND 2 DISCOUNTS.

(2) SHALL NOT INCLUDE:

- (I) ASSISTANCE GENERALLY AVAILABLE TO ALL BUSINESSES OR TO A GENERAL CLASS OF SIMILAR BUSINESSES, SUCH AS A LINE OF BUSINESS, SIZE, LOCATION, OR SIMILAR GENERAL CRITERIA;
- (II) REDEVELOPMENT PROPERTY POLLUTED AS DEFINED IN THE ENVIRONMENTAL CONSERVATION LAW OR PURSUANT TO FEDERAL LAW, RULES, OR REGULATIONS;
- (III) ASSISTANCE PROVIDED FOR THE SOLE PURPOSE OF RENOVATING OLD OR DECAYING BUILDING STOCK OR BRINGING SUCH STOCK INTO COMPLIANCE WITH THE RELEVANT BUILDING AND FIRE CODES, AND ASSISTANCE PROVIDED FOR DESIGNATED HISTORIC PRESERVATION DISTRICTS, PROVIDED THAT SUCH ASSISTANCE IN EITHER CASE IS EQUAL TO OR LESS THAN FIFTY PERCENT OF THE TOTAL COST;
 - (IV) ASSISTANCE FOR HOUSING;
 - (V) ASSISTANCE FOR POLLUTION CONTROL OR ABATEMENT;
 - (VI) ASSISTANCE FOR ENERGY CONSERVATION;
 - (VII) TAX REDUCTIONS RESULTING FROM CONFORMITY WITH FEDERAL TAX LAW;
 - (VIII) WORKERS' COMPENSATION AND UNEMPLOYMENT COMPENSATION;
 - (IX) BENEFITS DERIVED FROM REGULATION;
- (X) ASSISTANCE FOR COLLABORATION BETWEEN AN INSTITUTION OF HIGHER EDUCATION WITHIN THE STATE AND A BUSINESS;
- (XI) GENERAL CHANGES IN TAX INCREMENT FINANCING LAW AND OTHER GENERAL TAX LAW CHANGES OF A PRINCIPALLY TECHNICAL NATURE;
- (XII) FEDERAL ASSISTANCE UNTIL SUCH ASSISTANCE HAS BEEN REPAID TO AND REINVESTED BY THE STATE OR A MUNICIPAL AGENCY; AND
- (XIII) FEDERAL LOAN FUNDS PROVIDED THROUGH THE UNITED STATES DEPART-MENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION.
- B. "OUTSOURCING JOBS" MEANS TO RELOCATE OR MOVE EMPLOYMENT, JOBS, OR POSITIONS FROM THE STATE OF NEW YORK OR THE UNITED STATES OR ITS TERRITORIES TO AN OUTSIDE LOCALITY.
- 2. THE STATE AND ANY GOVERNMENTAL AGENCY OR POLITICAL SUBDIVISION OR PUBLIC BENEFIT CORPORATION OF THE STATE SHALL NOT ENGAGE IN THE PRACTICE OF OUTSOURCING JOBS AND SHALL NOT CONTRACT FOR ANY PURPOSE, IN ANY FORM, WITH ANY ENTITY WHICH ENGAGES IN THE PRACTICE OF OUTSOURCING JOBS WHEN STATE FUNDS ARE USED FOR SUCH JOBS OR SERVICES.
- 3. A CLAUSE SHALL BE INSERTED IN ALL SPECIFICATIONS OR CONTRACTS HERE-AFTER MADE OR AWARDED BY THE STATE, OR ANY PUBLIC DEPARTMENT OR OFFICIAL THEREOF, PROHIBITING ANY CONTRACTOR, TO WHOM ANY CONTRACT SHALL BE LET, GRANTED OR AWARDED, AS REQUIRED BY LAW, FROM OUTSOURCING JOBS. IF ANY CONTRACTOR, TO WHOM ANY CONTRACT IS HEREAFTER LET, GRANTED OR AWARDED, AS REQUIRED BY LAW, BY THE STATE, OR BY ANY PUBLIC DEPARTMENT OR OFFICIAL THEREOF, SHALL OUTSOURCE JOBS AS PROHIBITED BY THIS SECTION, THE STATE SHALL REVOKE AND ANNUL SUCH CONTRACT, AND THE STATE, PUBLIC DEPARTMENT OR OFFICER, AS THE CASE MAY BE, SHALL BE RELIEVED AND DISCHARGED FROM ANY AND ALL LIABILITY AND OBLIGATIONS GROWING OUT OF SUCH CONTRACT, AND SHALL FORFEIT AND LOSE ALL MONEYS, THERETOFORE EARNED UNDER SUCH CONTRACT EXCEPT SO MUCH AS MAY BE REQUIRED TO PAY HIS OR HER EMPLOYEES.
- 4. NO CONTRACTOR THAT RECEIVES DEVELOPMENTAL ASSISTANCE FROM THE STATE SHALL ENGAGE IN THE PRACTICE OF OUTSOURCING JOBS. IF SUCH CONTRACTOR ENGAGES IN SUCH PROHIBITED PRACTICE, SUCH CONTRACTOR SHALL RETURN SUCH ASSISTANCE TO THE STATE. ANY CONTRACTOR THAT VIOLATES THE PROVISIONS OF THIS SECTION SHALL NOT RECEIVE ANY STATE DEVELOPMENTAL ASSISTANCE FOR A PERIOD OF FIVE YEARS FROM THE DATE OF THE LATEST VIOLATION OR DETERMINATION OF VIOLATION OF THIS SECTION, WHICHEVER IS LATER.

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- 6. EACH REPORT SHALL BE MADE AVAILABLE TO THE PUBLIC IN AN EASILY ACCESSIBLE FORMAT, INCLUDING BUT NOT LIMITED TO AN ELECTRONIC VERSION VIA THE WORLD WIDE WEB.
- 11 S 4. The general obligations law is amended by adding a new section 12 5-707 to read as follows:
 - S 5-707. CONSENT TO TRANSMISSION OF PERSONAL INFORMATION. 1. NO CORPORATION OR OTHER BUSINESS ENTITY SHALL SELL, SHARE, TRANSFER OR OTHERWISE DISCLOSE NONPUBLIC PERSONAL INFORMATION TO OR WITH ANY NONAFFILIATED THIRD PARTIES WHICH ARE LOCATED OUTSIDE THE UNITED STATES OR ITS TERRITORIES WITHOUT THE PRIOR WRITTEN CONSENT OF THE CONSUMER TO WHOM THE NONPUBLIC PERSONAL INFORMATION RELATES.
 - 2. FOR PURPOSES OF THIS SECTION:
 - A. "NONAFFILIATED THIRD PARTY" MEANS ANY ENTITY THAT IS NOT AN AFFILIATE OF, OR RELATED BY COMMON OWNERSHIP OR AFFILIATED BY CORPORATE CONTROL WITH, THE FINANCIAL INSTITUTION, BUT DOES NOT INCLUDE A JOINT EMPLOYEE OF THAT INSTITUTION AND A THIRD PARTY.
 - B. "CONSUMER" MEANS AN INDIVIDUAL RESIDENT OF THIS STATE, OR INDIVIDUAL'S LEGAL REPRESENTATIVE, WHO OBTAINS OR HAS OBTAINED FROM A FINANCIAL INSTITUTION A FINANCIAL PRODUCT OR SERVICE TO BE USED PRIMARI-LY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES. FOR PURPOSES OF SECTION, AN INDIVIDUAL RESIDENT OF THIS STATE IS SOMEONE WHOSE LAST KNOWN MAILING ADDRESS, OTHER THAN AN ARMED FORCES POST OFFICE OR FLEET POST OFFICE ADDRESS, AS SHOWN IN THE RECORDS OF THE FINANCIAL INSTITU-TION, IS LOCATED IN THIS STATE. FOR PURPOSES OF THIS SECTION, AN INDI-VIDUAL IS NOT A CONSUMER OF A FINANCIAL INSTITUTION SOLELY BECAUSE HE OR SHE IS (I) A PARTICIPANT OR BENEFICIARY OF AN EMPLOYEE BENEFIT PLAN THAT A FINANCIAL INSTITUTION ADMINISTERS OR SPONSORS, OR FOR WHICH THE FINAN-CIAL INSTITUTION ACTS AS A TRUSTEE, INSURER OR FIDUCIARY, (II) COVERED UNDER A GROUP OR BLANKET INSURANCE POLICY OR GROUP ANNUITY CONTRACT ISSUED BY THE FINANCIAL INSTITUTION, (III) A BENEFICIARY IN A WORKERS' COMPENSATION PLAN, (IV) A BENEFICIARY OF A TRUST FOR WHICH THE FINANCIAL INSTITUTION IS A TRUSTEE OR (V) A PERSON WHO HAS DESIGNATED THE FINAN-INSTITUTION AS TRUSTEE FOR A TRUST, PROVIDED THAT THE FINANCIAL INSTITUTION PROVIDES ALL REQUIRED NOTICES REQUIRED BY THIS SECTION TO THE PLAN SPONSOR, GROUP OR BLANKET INSURANCE POLICYHOLDER OR GROUP ANNU-ITY CONTRACT HOLDER.
- 44 "NONPUBLIC PERSONAL INFORMATION" MEANS PERSONALLY IDENTIFIABLE 45 INFORMATION (I) PROVIDED BY A CONSUMER OR (II) RESULTING FROM ANY TRANS-ACTION WITH THE CONSUMER OR ANY SERVICE PERFORMED FOR THE CONSUMER. 47 NONPUBLIC PERSONAL INFORMATION DOES NOT INCLUDE PUBLICLY AVAILABLE 48 INFORMATION WHERE THERE IS A REASONABLE BASIS TO BELIEVE THAT 49 INFORMATION IS LAWFULLY MADE AVAILABLE TO THE GENERAL PUBLIC FROM FEDER-50 STATE OR LOCAL GOVERNMENT RECORDS, WIDELY DISTRIBUTED MEDIA OR DISCLOSURES TO THE GENERAL PUBLIC THAT ARE REQUIRED TO BE MADE BY FEDER-51 AL, STATE OR LOCAL LAW. NONPUBLIC PERSONAL INFORMATION SHALL INCLUDE ANY 53 LIST, DESCRIPTION OR OTHER GROUPING OF CONSUMERS, AND PUBLICLY AVAILABLE 54 INFORMATION PERTAINING TO THEM, THAT IS DERIVED USING ANY NONPUBLIC 55 PERSONAL INFORMATION OTHER THAN PUBLICLY AVAILABLE INFORMATION, BUT SHALL NOT INCLUDE ANY LIST, DESCRIPTION OR OTHER GROUPING OF CONSUMERS, 56

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1 AND PUBLICLY AVAILABLE INFORMATION PERTAINING TO SUCH CONSUMERS, THAT IS 2 DERIVED WITHOUT USING ANY NONPUBLIC PERSONAL INFORMATION.

- S 5. The labor law is amended by adding a new section 201-g to read as follows:
- S 201-G. NOTICE OF OUTSOURCING; PROHIBITED REPLACEMENT TRAINING. 1. FOR PURPOSES OF THIS SECTION, "OUTSOURCING JOBS" MEANS TO RELOCATE OR MOVE EMPLOYMENT, JOBS, OR POSITIONS FROM THE STATE OF NEW YORK TO AN OUTSIDE LOCALITY OTHER THAN A LOCALITY LOCATED WITHIN THE UNITED STATES OR ITS TERRITORIES.
- 2. ANY EMPLOYER THAT ENGAGES OR IS PLANNING ON ENGAGING IN THE PRACTICE OF OUTSOURCING JOBS WHICH ARE WITHIN NEW YORK STATE TO A LOCATION OUTSIDE THE UNITED STATES OR ITS TERRITORIES SHALL PROVIDE ITS AFFECTED EMPLOYEES WITH AT LEAST ONE HUNDRED EIGHTY DAYS NOTICE IMMEDIATELY PRIOR TO SUCH OUTSOURCING. THE NOTICE REQUIRED BY THIS SECTION SHALL ALSO BE PROVIDED TO THE DEPARTMENT AT LEAST ONE HUNDRED EIGHTY DAYS IMMEDIATELY PRIOR TO SUCH OUTSOURCING.
- 3. ANY EMPLOYEE DISPLACED BY THE PRACTICE OF OUTSOURCING JOBS SHALL NOT BE REQUIRED, AS A CONDITION OF RECEIPT OF SEVERANCE PAY, TO TRAIN EMPLOYEES OUTSIDE THE UNITED STATES OR ITS TERRITORIES WHO ARE REPLACING SUCH DISPLACED EMPLOYEE.
- 4. ANY EMPLOYER FOUND TO BE IN VIOLATION OF THIS SECTION SHALL BE SUBJECT TO THE PENALTIES OF SECTION TWO HUNDRED THIRTEEN OF THIS ARTICLE.
- S 6. The executive law is amended by adding a new section 13 to read as follows:
- 13. PROCUREMENT AGREEMENTS BETWEEN THE GOVERNOR AND MULTINATIONAL ORGANIZATIONS. NOTWITHSTANDING ANY OTHER LAW, THE STATE, THROUGH SHALL NOT ENTER INTO OR ADOPT OR SUPPORT ANY MULTINATIONAL PROCUREMENT AGREEMENT OR AGREE TO AMEND OR RENEW ANY EXISTING MULTINA-TIONAL PROCUREMENT AGREEMENT WITH ANY MULTINATIONAL TRADE ORGANIZATION, CORPORATION OR OTHER BUSINESS ENTITY WITHOUT RATIFICATION BY THE LEGIS-SUCH AGREEMENT. ANY SUCH AGREEMENT SHALL BE DEEMED RATIFIED LATURE OF BY THE LEGISLATURE AFTER THE GOVERNOR'S CERTIFICATION TO PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, AND THE SECRETARY OF STATE, THAT SUCH CONTRACT, THROUGH ITS TERMS, BETWEEN THE STATE MULTINATIONAL TRADE ORGANIZATION, CORPORATION OR OTHER BUSINESS ENTITY BY STATUTE, BY EXECUTIVE ORDER, OR BY THE TERMS OF AGREEMENT ENTERED INTO BY OR ON BEHALF OF SUCH ORGANIZATION, CORPORATION OTHER BUSINESS ENTITY, PROVIDES ASSURANCE THAT SUCH MULTINATIONAL TRADE ORGANIZATION, CORPORATION OR OTHER BUSINESS ENTITY WILL ADHERE CARRY OUT THEPROVISIONS OF SUCH AGREEMENT PURSUANT TO THE PROVISIONS OF ARTICLE TWENTY-FOUR-D OF THE GENERAL BUSINESS LAW, SECTION ONE HUNDRED FORTY-SEVEN OF THE STATE FINANCE LAW, SECTION 5-707 OF GENERAL OBLIGATIONS LAW, AND SECTION TWO HUNDRED ONE-G OF THE LABOR LAW, AND UPON A MAJORITY VOTE BY THE SENATE AND ASSEMBLY APPROVING SUCH AGREEMENT.
- S 7. Nothing in this act shall be construed to impede, infringe or diminish the integrity of collective bargaining agreements in existence and effect on the effective date of this act. Nothing in this act shall be construed to impede, infringe or diminish any agreement or contract provisions in existence and effect on the effective date of this act.
- S 8. If any item, clause, sentence, subparagraph, paragraph, subdivision, section, or any other part of this act, or the application thereof to any person or circumstances, is held to be invalid, such holding shall not affect, impair, or invalidate the remainder of this act, or of the application of such section or part of a section held invalid, to

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any other person or circumstances, but shall be confined in its operation to the item, clause, sentence, subparagraph, paragraph, subdivision, section, or other part of this act directly involved in such holding, or to the person and circumstances therein involved.

S 9. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall apply to agreements or contracts entered into on or after such date.