AN ACT to amend the general business law, in relation to prohibiting the disclosure of personally identifiable information by an internet service provider without the express written approval of the customer.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general business law is amended by adding a new section 399-k to read as follows:

§ 399-k. Disclosure of personally identifiable information by an internet service provider; prohibited. 1. For the purposes of this section the following terms shall have the following meanings:

(a) "Consumer" means a person who agrees to pay a fee to an internet service provider for access to the internet for personal, family, or household purposes, and who does not resell access.

(b) "Internet service provider" means a business or person who provides consumers authenticated access to, or presence on, the internet by means of a switched or dedicated telecommunications channel upon which the provider provides transit routing of internet protocol (IP) packets for and on behalf of the consumer. Internet service provider does not include the offering, on a common carrier basis, of telecommunications facilities or of telecommunications by means of these facilities.

(c) "Ordinary course of business" means debt-collection activities, order fulfillment, request processing, or the transfer of ownership.

(d) "Personally identifiable information" means information that identifies:

(i) a consumer by physical or electronic address or telephone number;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [−] is old law to be omitted.
(ii) a consumer as having requested or obtained specific materials or services from an internet service provider;

(iii) internet or online sites visited by a consumer; or

(iv) any of the contents of a consumer's data-storage devices.

2. Except as provided in subdivisions three and four of this section, an internet service provider shall not knowingly disclose personally identifiable information resulting from the customer's use of the telecommunications or internet service provider without express written approval from the customer.

(a) A telecommunications or internet service provider ("ISP") that has entered into a franchise agreement, right-of-way agreement, or other contract with the state of New York or any political subdivision thereof, or that uses facilities that are subject to such agreements, even if it is not a party to the agreement, shall not collect nor disclose personal information from a customer resulting from the customer's use of the telecommunications or internet service provider without express written approval from the customer; and

(b) No such telecommunication or internet service provider shall refuse to provide its services to a customer on the grounds that the customer has not approved the collection or disclosure of the customer's personal information.

3. An internet service provider shall disclose personally identifiable information concerning a consumer:

(a) pursuant to a grand jury subpoena;

(b) to an investigative or law enforcement officer while acting as authorized by law;

(c) pursuant to a court order in a civil proceeding upon a showing of compelling need for the information that cannot be accommodated by other means;

(d) to a court in a civil action for conversion commenced by the internet service provider or in a civil action to enforce collection of unpaid subscription fees or purchase amounts, and then only to the extent necessary to establish the fact of the subscription delinquency or purchase agreement, and with appropriate safeguards against unauthorized disclosure;

(e) to the consumer who is the subject of the information, upon written or electronic request and upon payment of a fee not to exceed the actual cost of retrieving the information;

(f) pursuant to subpoena, including an administrative subpoena, issued under authority of a law of this state or another state or the United States; or

(g) pursuant to a warrant or court order.

4. An internet service provider may disclose personally identifiable information concerning a consumer to:

(a) any person if the disclosure is incident to the ordinary course of business of the internet service provider;

(b) another internet service provider for purposes of reporting or preventing violations of the publish acceptable use policy or customer service agreement of the internet service provider; except that the recipient may further disclose the personally identifiable information only as provided by this chapter;

(c) any person with the authorization of the consumer; or

(d) as required by subdivision three of this section.

5. (a) The internet service provider shall obtain the consumer's authorization of the disclosure of personally identifiable information in writing or by electronic means.
(b) The request for authorization must reasonably describe the types of persons to whom personally identifiable information may be disclosed and the anticipated uses of the information.

(c) In order for an authorization to be effective, a contract between an internet service provider and the consumer must state that the authorization will be obtained by an affirmative act of the consumer.

(d) The provision in the contract must be conspicuous.

(e) Authorization shall be obtained in a manner consistent with self-regulating guidelines issued by representatives of the internet service provider or online industries, or in any other manner reasonably designed to comply with this section.

6. The internet service provider shall take reasonable steps to maintain the security and privacy of a consumer's personally identifiable information.

7. Except for purposes of establishing a violation of this chapter, personally identifiable information obtained in any manner other than as provided in this chapter shall not be received in evidence in a civil action.

8. A consumer who prevails or substantially prevails in an action brought under this section is entitled to the greater of five hundred dollars or actual damages. Costs, disbursements, and reasonable attorney fees may be awarded to a party awarded damages for a violation of this section. The damages available under this section are exempted from any mandatory arbitration clauses that may exist in the contract between the internet service provider and the consumer. In an action under this section, it is a defense that the defendant has established and implemented reasonable practices and procedures to prevent violations of this section.

9. This section does not limit any greater protection of the privacy of information under other law, except that:

(a) nothing in this chapter limits the authority under other state or federal law of law enforcement or prosecuting authorities to obtain information; and

(b) if federal law is enacted that regulates the release of personally identifiable information by internet service providers but does not preempt state law on the subject, state law prevails.

10. This section shall apply to internet service providers in the provision of services to consumers in this state.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.