STATE OF NEW YORK

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7772

IN SENATE

February 18, 2020
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Introduced by Sen. THOMAS -- read twice and ordered printed, and when
  printed to be committed to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to the validity
  of mandatory arbitration clauses on tickets issued by a common carrier

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

1   Section 1. The general obligations law is amended by adding a new
2 section 5-338 to read as follows:
3   § 5-338. Validity of certain contracts printed on tickets.   1. No
4 covenant, agreement or understanding in or in connection with, or colla-
5 teral to, any contract, ticket or similar writing, entered into between
6 the owner or operator of a common carrier or a common carrier of passen-
7 gers by motor vehicle in this state, and a passenger of such common
8 carrier, shall contain a mandatory arbitration clause for claims or
9 disputes alleging negligence of the owner, operator or person in charge
10 of such common carrier, or their agents, servants or employees. Any
11 such mandatory arbitration clause shall be deemed to be void as against
12 public policy and wholly unenforceable; provided that any such arbi-
13 tration clause shall be considered severable, and all other provisions
14 of the contract shall remain in effect and given full force.
15   2. The term "mandatory arbitration clause" shall mean a term or
16 provision which requires the parties to such contract to submit any
17 controversy thereafter arising under such contract to arbitration prior
18 to the commencement of any legal action to enforce the provisions of
19 such contract and which also further provides language to the effect
20 that the decision of the arbitrator or panel of arbitrators in its
21 application to the consumer party shall be final and not subject to
22 court review.
23   § 2. This act shall take effect immediately.

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

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