STATE OF NEW YORK

7559

2025-2026 Regular Sessions

IN ASSEMBLY

April 1, 2025

Introduced by M. of A. BLUMENCRANZ -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to prohibiting the sale, transfer, or continued use of consumer genetic data upon financial distress, bankruptcy, or dissolution of a company handling such data

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

Section 1. Short title. This act shall be known and may be cited as the "genetic privacy and protection act."

§ 2. The general business law is amended by adding a new article 42-A to read as follows:

ARTICLE 42-A

PROTECTION OF CONSUMER GENETIC DATA IN FINANCIAL DISTRESS

Section 1200. Definitions.
1201. Mandatory deletion of genetic data upon financial distress or bankruptcy.
1202. Prohibition on sale, transfer, or continued use of genetic data.
1203. Annual financial health disclosures.
1204. Enforcement and penalties.

§ 1200. Definitions. As used in this section, the following terms shall have the following meanings:

1. "Genetic data" means any data, analysis, or information concerning an individual's DNA, inherited characteristics, or genetic predispositions derived from testing, sequencing, or other means.

2. "Genetic data holder" means any company, entity, or organization that collects, stores, or processes consumer genetic data.

3. "Financial distress" means any of the following conditions:

(a) A public announcement of a merger, acquisition, or sale of assets;

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

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(b) A company's filing for protection under Title 11 of the United States Code (Bankruptcy Code); or

(c) Notice of material financial instability as determined by state regulators.

§ 1201. Mandatory deletion of genetic data upon financial distress or bankruptcy. 1. A genetic data holder shall, within thirty days of experiencing financial distress that is likely to lead to seeking bankruptcy protection, permanently delete all consumer genetic data in its possession.

2. A genetic data holder shall provide written notification to all affected consumers regarding the deletion of their data within fifteen days of such deletion.

§ 1202. Prohibition on sale, transfer, or continued use of genetic data. 1. No genetic data holder may sell, lease, share, or otherwise transfer consumer genetic data as part of a bankruptcy proceeding, financial restructuring, or asset liquidation.

2. No third-party acquiring assets of a genetic data holder may use or retain consumer genetic data for any purpose unless the original consumer provides explicit and renewed consent.

§ 1203. Annual financial health disclosures. 1. Any genetic data holder domiciled or doing business or operating in New York state shall submit an annual financial stability disclosure report to the department of state subject to legislative oversight by the governor, temporary president of the senate, speaker of the assembly, and minority leaders of the senate and the assembly.

2. If such report indicates material financial instability, the company shall be required to immediately halt all new collection and processing of consumer genetic data pending review and notify consumers of such instability.

§ 1204. Enforcement and penalties. 1. Whenever it appears to the attorney general, either upon complaint or otherwise, that any genetic holder domiciled or doing business or operated in this state has engaged in or is about to engage in any of the acts or practices stated to be unlawful under this article, the attorney general may bring an action or special proceeding in the name and on behalf of the people of the state of New York to enjoin any violation of this article.

2. Any violation of this section shall be subject to a civil penalty of up to fifty thousand dollars per affected consumer, payable to the New York state office of victim services.

§ 2. This act shall take effect immediately.