STATE OF NEW YORK

10708

IN SENATE

September 30, 2026

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the general municipal law and the general business law, in relation to prohibiting nondisclosure agreements intended to conceal information about the development of a data center from the public or intended to prevent public review thereof

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

Section 1. The general municipal law is amended by adding a new section 103-i to read as follows:

§ 103-i. Prohibition on certain data center agreements. 1. For the purposes of this section, the term "data center" shall mean a facility or proposed facility where:

(a) such facility's primary services are storage, management, and processing of digital data; and

(b) such facility is used to house computer and network systems, including but not limited to associated components such as servers and network equipment and appliances; telecommunications systems; data storage systems; systems for monitoring and managing infrastructure performance, internet-related equipment and services, data connections, and environmental controls; fire protection systems; and security systems and services.

2. (a) No municipal corporation shall enter into a contract or other agreement, including a nondisclosure agreement, that has the purpose or effect of concealing the details of the development of a data center from the public or preventing public review of a data center.

(b) The provisions of paragraph (a) of this subdivision shall not apply to a contract or other agreement that has the sole purpose of preventing public disclosure of a trade secret.

3. No municipal corporation shall permit or approve a project for the creation of a data center if such data center or an agent thereof has violated the provisions of section eighteen hundred one of the general business law, or if such municipal corporation has violated the provisions of subdivision two of this section.

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

LBD16407-01-6

§ 2. The general business law is amended by adding a new article 48 to read as follows:

ARTICLE 48
DATA CENTERS

Section 1800. Definitions.
1801. Prohibited agreements.

§ 1800. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Data center" shall mean a facility or proposed facility where:

(a) such facility's primary services are storage, management, and processing of digital data; and

(b) such facility is used to house computer and network systems, including but not limited to associated components such as servers and network equipment and appliances; telecommunications systems; data storage systems; systems for monitoring and managing infrastructure performance, internet-related equipment and services, data connections, and environmental controls; fire protection systems; and security systems and services.

2. "Municipal corporation" means a county, city, town, or village.

§ 1801. Prohibited agreements. 1. No data center, or any agent thereof, shall enter into any contract or other agreement, including a nondisclosure agreement, that has the purpose or effect of concealing the details of the development of such data center from the public or preventing public review of such data center.

2. This section shall not apply to a contract or other agreement that has the sole purpose of preventing public disclosure of a trade secret.

§ 3. This act shall take effect immediately.