

STATE OF NEW YORK

6765--A

R. R. 114

2025-2026 Regular Sessions

IN ASSEMBLY

March 12, 2025

Introduced by M. of A. TORRES, ROZIC -- read once and referred to the Committee on Consumer Affairs and Protection -- reported and referred to the Committee on Codes -- reported and referred to the Committee on Rules -- ordered to a third reading -- amended on the special order of third reading, ordered reprinted as amended, retaining its place on the special order of third reading

AN ACT to amend the general business law, in relation to requiring disclosure of algorithmically set prices

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "Preventing Algorithmic Pricing Discrimination Act".

3 § 2. Section 349-a of the general business law is renumbered 349-h and
4 a new section 349-a is added to read as follows:

5 § 349-a. Pricing. 1. As used in this section, the following terms
6 shall have the following meanings:

7 (a) "Algorithm" means a computational process that uses a set of rules
8 to define a sequence of operations.

9 (b) "Clear and conspicuous disclosure" means disclosure in the same
10 medium as, and provided on, at, or near and contemporaneous with every
11 advertisement, display, image, offer or announcement of a price for
12 which notice is required, using lettering and wording that is easily
13 visible and understandable to the average consumer.

14 (c) "Consumer" means a natural person who is seeking or solicited to
15 purchase, lease or receive a good or service for personal, family or
16 household use.

17 (d) "Consumer data" means any data that identifies or could reasonably
18 be linked, directly or indirectly, with a specific natural person or
19 device, excluding location data.

20 (e) "Dynamic pricing" means pricing that fluctuates dependent on
21 conditions where models retrain or recalibrate on information in near

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

LBD10796-04-5

1 real-time, excluding promotional pricing offers, loyalty program bene-
2 fits or other temporary discounts or changes to pricing related to
3 retention of existing customers.

4 (f) "Personalized algorithmic pricing" means dynamic pricing derived
5 from or set by an algorithm that uses consumer data as defined in this
6 section, which may vary among individual consumers or consumer popu-
7 lations.

8 (g) "Person" means any natural person, firm, organization, partner-
9 ship, association, corporation, or any other entity domiciled or doing
10 business in New York state.

11 2. Any person who knowingly advertises, promotes, labels or publishes
12 a statement, display, image, offer or announcement of personalized algo-
13 rithmic pricing using consumer data specific to a particular individual
14 shall include with such statement, display, image, offer or announcement
15 a clear and conspicuous disclosure that states:

16 "THIS PRICE WAS SET BY AN ALGORITHM USING YOUR PERSONAL DATA".

17 3. Whenever there shall be a violation of this section, an application
18 may be made by the attorney general in the name of the people of the
19 state of New York to a court or justice having jurisdiction by a special
20 proceeding to issue an injunction, and upon notice to the respondent of
21 not less than five days, to enjoin and restrain the continuance of such
22 violations; and if it shall appear to the satisfaction of the court or
23 justice that the respondent has, in fact, violated this section, an
24 injunction may be issued by such court or justice, enjoining and
25 restraining any further violation, without requiring proof that any
26 person has, in fact, been injured or damaged thereby. Whenever the court
27 shall determine that a violation of this section has occurred, the court
28 may impose a civil penalty of not more than one thousand dollars for
29 each violation. In connection with any such application, the attorney
30 general is authorized to take proof and make a determination of the
31 relevant facts and to issue subpoenas in accordance with the civil prac-
32 tice law and rules.

33 4. Nothing in this section shall apply to any insurer licensed, regu-
34 lated, or otherwise authorized to do business in the state of New York
35 under the insurance law or any excess lines insurer, including any
36 persons, agents, or affiliates acting on behalf of such insurer.

37 5. Nothing in this section shall apply to financial services, includ-
38 ing but not limited to financial institutions, financial institution
39 affiliates, broker-dealers, registered investment advisors, and entities
40 that provide consumer credit products such as credit cards, personal
41 loans, and mortgages.

42 § 3. Subdivision 3 of section 396 of the general business law is
43 renumbered subdivision 4 and a new subdivision 3 is added to read as
44 follows:

45 3. a. For purposes of this subdivision, "protected class data" means
46 information about an individual person or groups of people that direct-
47 ly, in combination, or by implication identifies a characteristic that
48 is legally protected from discrimination under the laws of this state or
49 under federal law, including but not limited to ethnicity, national
50 origin, age, disability, sex, sexual orientation, gender identity and
51 expression, pregnancy outcomes and reproductive health care.

52 b. No person, firm, partnership, association or corporation, or agent
53 or employee thereof, shall use protected class data in setting a price
54 for, offering, marketing, or selling any good or service if (1) the use
55 of that data has the effect of withholding or denying any of the accom-
56 modations, advantages, and privileges accorded to others, or (2) the

1 price for such good or service is different from the price offered to
2 other individuals or groups based in whole or in part on the use of
3 protected class data.

4 c. Nothing in this subdivision shall apply to any insurer licensed,
5 regulated, or otherwise authorized to do business in the state of New
6 York under the insurance law or any excess lines insurer, including any
7 persons, agents, or affiliates acting on behalf of such insurer.

8 d. Nothing in this subdivision shall apply to financial services,
9 including but not limited to financial institutions, financial institu-
10 tion affiliates, broker-dealers, registered investment advisors, and
11 entities that provide consumer credit products such as credit cards,
12 personal loans, and mortgages.

13 § 4. Paragraph d of subdivision 4 of section 396 of the general busi-
14 ness law, as added by chapter 689 of the laws of 2022 and as renumbered
15 by section three of this act, is amended to read as follows:

16 d. In addition to any other remedies provided in this section, any
17 person aggrieved by a violation of subdivision three of this section may
18 file an action in accordance with section two hundred ninety-seven of
19 the executive law. Nothing in this section shall in any way limit rights
20 or remedies which are otherwise available under law to the attorney
21 general or any other person authorized to bring an action under this
22 section.

23 § 5. This act shall take effect on the sixtieth day after it shall
24 have become a law.