

STATE OF NEW YORK

8856

2025-2026 Regular Sessions

IN ASSEMBLY

June 9, 2025

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

AN ACT to amend the general business law, in relation to enacting the "mandatory arbitration and business licensing act (MABLA)"

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 cited as the
2 "mandatory arbitration and business licensing act (MABLA)".

3 § 2. The general business law is amended by adding a new section 398-
4 ee to read as follows:

5 § 398-ee. Mandatory arbitration and business licensing act. 1. Defi-
6 nitions.

7 (a) "Person" shall mean any natural person, partnership, corporation,
8 association or any other legal entity or individual.

9 (b) "State" shall mean the state of New York and any state department,
10 board, bureau, division, commission, committee, public benefit corpo-
11 ration, public authority, council, office or other governmental entity
12 performing a governmental or proprietary function for the state.

13 (c) "Local government" shall mean any county, city, town, village,
14 school district, board of cooperative educational services, local public
15 benefit corporation or other municipal corporation or political subdivi-
16 sion of the state.

17 (d) "Consumer" shall mean an individual person residing in this state
18 or purchasing consumer goods or services in this state.

19 (e) "Consumer goods or services" shall mean goods, wares, paid
20 merchandise or services the intended use or benefit of which is intended
21 for the personal, family or household purposes or other benefit of such
22 consumer, including but not limited to services the provision of which
23 requires the provider to have a covered license.

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

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1 (f) "Consumer dispute" shall mean a dispute arising out of a contract
2 or agreement between a consumer and the seller or provider of consumer
3 goods or services.

4 (g) "Covered license" shall mean an occupational, professional, or
5 business license issued by the state or a local government that is
6 necessary to: (i) own, operate or provide services as part of or on
7 behalf of: (A) a transportation network company as defined in section
8 one thousand six hundred ninety-one of the vehicle and traffic law; (B)
9 a taxi or for-hire vehicle or commuter van service; (C) a privately
10 operated bus company, or (D) a rental-car company of any nature; (ii)
11 own or operate a restaurant, store, or business located in the state
12 that sells food or liquor to New York residents; (iii) own or operate a
13 business located in the state that sells firearms; or (iv) provide
14 medical, dental, chiropractic, nursing home services, or pharmaceutical
15 products or pharmaceutical services.

16 (h) "Employer" shall mean any employer within the state and shall mean
17 any such person, firm, partnership, institution, corporation, or associ-
18 ation that employs one or more persons.

19 (i) "Employee" shall mean an individual person residing or employed to
20 work in this state for an employer.

21 (j) "Employment dispute" shall mean a dispute between an employer and
22 employee arising out of the relationship of employer and employee.

23 (k) "Mandatory arbitration clause" shall mean a term or provision
24 contained in a written contract or agreement that requires the parties
25 to such contract or agreement, or related non-signatories, and/or third-
26 party beneficiaries, to submit any matter arising under such contract or
27 agreement to arbitration prior to the commencement of any legal action
28 to enforce the provisions of such contract and which further provides
29 language to the effect that the decision of the arbitrator or panel of
30 arbitrators in its application to the consumer party shall be final and
31 not subject to court review.

32 2. Licensing requirement. Notwithstanding any other law, rule or regu-
33 lation, no state agency or local government shall, after the effective
34 date of this section, issue or renew a covered license to any person
35 that refuses to certify that such person will not, as the owner or oper-
36 ator of a business or provider of services in the state or a local
37 government operating pursuant to such license:

38 (a) require an employee, as a condition of employment, continued
39 employment, or the receipt of any employment-related benefit, to enter
40 into a mandatory arbitration clause to resolve an employment dispute; or

41 (b) require a consumer to agree to a mandatory arbitration clause to
42 resolve a consumer dispute arising out of a contract or agreement for
43 the sale or purchase of consumer goods or services.

44 3. Exceptions and applicability. (a) Nothing in this section shall
45 prevent the enforcement of any mandatory arbitration clause or agree-
46 ment, nor render unenforceable any mandatory arbitration clause or
47 agreement.

48 (b) Nothing in this section shall be interpreted to allow the state or
49 a local government to invalidate or revoke any covered license or to
50 allow any state or local government agency to cancel or invalidate any
51 covered license that was issued prior to the effective date of this
52 section.

53 (c) Nothing in this section shall be interpreted to require the holder
54 of a covered license to renew such license; provided that any renewal
55 otherwise required after the effective date of this section must comply
56 with this section.

1 (d) This section shall not apply in relation to any mandatory arbi-
2 tration clause contained in any contract negotiated between an employer
3 and a labor union through collective bargaining.

4 (e) This section shall not apply to any post-dispute settlement agree-
5 ments or negotiated severance agreements.

6 4. Regulations. Any state or local government department or agency
7 responsible for issuing or renewing a covered license is authorized to
8 adopt such rules and regulations as is necessary to effectuate the
9 purposes of this section.

10 § 3. If any provision of this article or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not
12 affect other provisions or applications of this article that can be
13 given effect without the invalid provision or application, and to this
14 end the provisions of this article are declared to be severable.

15 § 4. This act shall take effect immediately and shall only apply to
16 covered licenses issued or renewed after the effective date of this act.