



Alerts

Governor Cuomo Proposes Greater Data Privacy Protections and BankTech Assistance for New York Financial Institutions

January 28, 2021

Hinshaw Privacy & Cyber Bytes

[Happy Data Privacy Day!](#) Today we report on New York Governor Andrew Cuomo's recent State of the State address, in which he announced the state's [2021 policy agenda](#). Included in the Governor's agenda are enhanced consumer protections over data privacy—mirroring both the California Consumer Privacy Act (CCPA) and the EU's General Data Protection Regulation (GDPR)—and proposing technology resources and assistance to community and regional banks as part of post COVID-19 reconstruction efforts.

Data Privacy

Governor Cuomo proposes a comprehensive law aimed at enhancing digital privacy. Specifically, the law will provide New York residents with greater transparency and protection over their personal data. Various enforcement mechanisms will ensure accountability for the illegal use of consumer data. Entities will be required to disclose the purpose for which they are collecting consumer information, and use will be restricted solely to those purposes. The proposed legislation is aimed at protecting sensitive information such as health, biometric, and location data.

Included in the proposed privacy law will be a Consumer Data Privacy Bill of Rights, which will grant every resident the right to access, control and erase their collected data, and protect against discrimination for exercising these rights.

Nearly a dozen consumer privacy related bills have already been introduced in the 2021-2022 New York legislative session. [SB 567](#) closely resembles the CCPA but provides an additional private right of action for all violations. [Assembly Bill A680](#), the "New York Privacy Act," is similar to the GDPR and requires consent for all processing activities and third-party disclosures, without any exceptions. The New York Privacy Act is identical to the previous ["It's Your Data Act,"](#) SB 5642, which was introduced but did not advance out of committee in the 2019-2020 legislative session. It is currently unclear which of the recently introduced privacy bills will advance this year, and how they will relate to the Governor's proposed legislation.

Service Areas

Privacy, Security & Artificial Intelligence



BankTech

The agenda also proposes new efforts to advance local economic development and financial inclusion among community and regional banks and credit unions. Relied upon by many small businesses, these institutions often function at a disadvantage, as they do not have the same resources, expertise, or ability to acquire and use emerging technologies as their larger counterparts. The New York BankTech Innovation Network, to be established by the Department of Financial Services, would create tools to assist these institutions in implementing new technologies. Proposals thus far include a set of corporate best practices to ensure technologies comply with applicable requirements, standard vetting criteria for technology vendors, and a forum for Network members to pool information, work together, and foster business connections.