



NEW YORK STATE SENATOR

Andrew Gounardes

Senator Andrew Gounardes and Borough President Eric Adams Introduce First-of-Its-Kind Bill to Return the Value of New Yorkers' Data from Big Tech Commercialization

ANDREW GOUNARDES May 12, 2021

| ISSUE: **THE DATA ECONOMY LABOR COMPENSATION AND ACCOUNTABILITY ACT (DELCAA)**,
NYS SENATOR ANDREW GOUNARDES

Brooklyn, NY -- This morning, Senator Andrew Gounardes and Brooklyn Borough President Eric Adams held a press conference in front of the Department of Education to announce the introduction of the The Data Economy Labor Compensation and Accountability Act (DELCAA) that will, for the first time, return the value of New Yorkers' user data that companies commercialize, and generate revenue to invest in digital literacy and workforce redevelopment. The data economy, in which millions of data points are gathered, organized, and exchanged by a series of vendors to make a profit, has produced enough value in industrialized countries to equal about seven percent of global GDP. New Yorkers, however, have yet to see any compensation for the free labor they provide to big tech companies. This act will hold companies that benefit from the sale of data accountable, and will target data processors and data controllers - regardless of where they are located - that profit from New Yorkers' consumer data.

Every day, tech companies like Amazon, Apple, Facebook, and Google capitalize on the unpaid labor of billions of people to create their products and services through targeted

advertising, advanced artificial intelligence, and research studies, among others. Through these practices, data is collected, processed, and sold in a variety of ways - real-time bidding, the aggregation and access of anonymous user information, as well as the creation of scores connected to individual credit, health risk, and more. This has created immense wealth for a small handful of companies due to their ability to extract free labor from billions of people across the globe every day, including countless New Yorkers.

The DECLAA will enact the equivalent of a 2% tax on annual receipts earned off the data of New York residents from all domestic and foreign sources, multiplied by the percentage of their data subjects residing in New York State. This act will generate an estimated hundreds of millions of dollars in annual revenue for New York. This revenue will be dedicated to investments in digital literacy and workforce redevelopment, as well as increased funding for STEAM (science, technology, engineering, arts, and mathematics), infrastructure in K-12 education, and workforce reskilling and retraining. The act will also create the Office of Consumer Data Protection (OCDP), which will establish and promote rules and regulations around properly safeguarding personal data. The OCDP will be the office where all data controllers and processors must annually register and report to in order to be in state compliance, and failure to register will be subject to fines. In order to ensure the law wouldn't crush small businesses or stop startups from launching the next big idea, the DECLAA will also include a tax exemption for companies if they have been established within the previous three years, or if their gross receipts total less than \$5 million

"I'm proud to introduce the first comprehensive sales tax on data in U.S. history," said **Senator Andrew Gounardes**. "We create billions and billions of dollars in value for these companies that are making money off of us, money that we see no return from. That's why we must take a communal approach to compensate us for the data that we create and the work that we do for these companies, and then put that compensation towards greater use for all of us

in the form of workforce development, digital literacy, education, and much more. It's time that internet users receive fair repayment for their data and the labor required to create it, and I look forward to having New York lead the charge on this effort."

"Tech sector profits have soared during the pandemic – but despite fueling this boom, New Yorkers haven't seen their fair share," said **Brooklyn Borough President Eric Adams**. "This new legislation will return the value of the user data New Yorkers produce on a daily basis, and ensure the gains of the burgeoning tech economy are more broadly and equitably shared by investing the revenue in STEAM education, digital literacy programs, and closing the digital divide. I thank Senator Gounardes for his partnership on this groundbreaking legislation, and look forward to working with our colleagues in Albany to get this done."

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2021-S6727

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate

- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Establishes the office of consumer data protection and imposes a tax on data controllers and data processors

May 13, 2021

In Senate Committee **Finance**

Sponsored by **Andrew Gounardes**

Do you support this bill?