



## MEMORANDUM IN OPPOSITION

S.3754 (Hoylman) / A.5777 (Dinowitz)

**AN ACT** to amend the general obligations law, in relation to prohibiting employers from requiring certain conditions or preconditions of employment

The Capital Region Chamber, representing 2,900 businesses and organizations from throughout the Capital Region that employ more than 160,000 area residents, strongly opposes S.3754/A.5777, which would prohibit employers from requiring arbitration agreements in the event of a dispute with employees.

This legislation would bar arbitration agreements as a condition of employment. Arbitration is an effective and fair method to resolve employment related disputes. The associated costs for employers and employees are lower and allows for a faster resolution in comparison to what is available through the courts system. The rules governing arbitration, as well as oversight by the courts, ensure a fair process for all parties involved.

It is important to note that this bill is preempted by the Federal Arbitration Act. The United States Supreme Court has ruled that the Federal Arbitration Act governs such agreements and preempts state laws to the contrary.

If this legislation were enacted, employers and employees would see increased costs and slower dispute resolutions.

For these stated reasons, the Capital Region Chamber opposes this legislation.

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