

6551

I N S E N A T E

February 4, 2014

Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to requiring credit cards to contain smart chip technology

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 458-b of the general business law is amended by
2 adding a new subdivision 5 to read as follows:
3 5. "SMART CHIP" MEANS A CREDIT CARD TECHNOLOGY WHERE CARDS ARE EMBED-
4 DED WITH CHIPS AND A CARDHOLDER MUST PUT IN THEIR PIN OR SIGN FOR EACH
5 TRANSACTION TO BE APPROVED. THIS INCLUDES "CHIP AND PIN" AND "CHIP AND
6 SIGNATURE" AS SECURE METHODS TO PROTECT AGAINST CARD HACKERS AND FRAUD.
7 (A) "CHIP AND PIN" REQUIRES A CONSUMER TO ENTER A PIN NUMBER AFTER
8 EACH TRANSACTION FOR APPROVAL.
9 (B) "CHIP AND SIGNATURE" REQUIRES A CONSUMER TO INSERT THE CARD INTO A
10 PORTABLE ELECTRONIC READER AND THEN SUBSEQUENTLY SIGN FOR APPROVAL OF
11 THE TRANSACTION.
12 S 2. Section 458-k of the general business law is renumbered 458-l and
13 a new 458-k is added to read as follows:
14 S 458-K. SMART CHIP TECHNOLOGY. CREDIT SERVICE BUSINESSES ARE REQUIRED
15 TO ISSUE CREDIT CARDS CONTAINING SMART CHIP TECHNOLOGY AS DEFINED IN
16 SUBDIVISION FIVE OF SECTION FOUR HUNDRED FIFTY-EIGHT-B OF THIS ARTICLE.
17 S 3. This act shall take effect immediately and shall apply to all
18 credit cards issued or reissued on and after January 1, 2015.

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

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