

STATE OF NEW YORK

5619

2017-2018 Regular Sessions

IN ASSEMBLY

February 13, 2017

Introduced by M. of A. SIMANOWITZ -- read once and referred to the
Committee on Economic Development

AN ACT to amend the general business law, in relation to a franchisee's
right to choose their own processing services provider

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Section 687 of the general business law is amended by
2 adding a new subdivision 6 to read as follows:

3 6. It is unlawful to restrain a franchisee, directly or indirectly,
4 from sourcing processing services for electronic credit cards, credit
5 cards, credit identifications, debit cards, pre-paid cards or other
6 transaction authorization cards from process services providers of the
7 franchisee's choosing where such services are used, or could be reason-
8 ably anticipated to be used, by such franchisee in a substantial amount
9 of its commercial transactions. Notwithstanding anything in this subdi-
10 vision, it shall not be a violation of this subdivision for a franchisor
11 to promulgate reasonable written specified standards as to the nature
12 and quality for such processing service providers.

13 § 2. This act shall take effect immediately.

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

LBD09306-01-7