S T A T E O F N E W Y O R K

5700

2009-2010 Regular Sessions

I N S E N A T E

May 28, 2009

Introduced by Sen. KLEIN -- 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 prohibiting the issuance of a credit card to any person under the age of twenty-one years, unless such person has received parental consent and completed a course of instruction in financial responsibility and liability

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

Section 1. Section 515 of the general business law, as amended by chapter 1050 of the laws of 1971, is amended to read as follows:

S 515. Issuance of credit cards. 1. Notwithstanding any other provision of law, no person shall issue a credit card in violation of the provisions of an act of congress entitled "Truth in Lending Act" and the regulations thereunder, as such act and regulations may from time to time be amended.

2. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO ISSUER SHALL ISSUE A CREDIT CARD TO ANY INDIVIDUAL IN THIS STATE UNDER THE AGE OF TWENTY-ONE YEARS UNLESS:

(A) SUCH INDIVIDUAL PROVIDES THE ISSUER WITH THE WRITTEN CONSENT, OF SUCH INDIVIDUAL'S PARENT OR GUARDIAN, TO THE ISSUANCE OF A CREDIT CARD TO THE INDIVIDUAL UNDER THE AGE OF TWENTY-ONE YEARS;

(B) SUCH INDIVIDUAL PROVIDES THE ISSUER WITH WRITTEN PROOF OF THE COMPLETION OF A COURSE OF INSTRUCTION IN FINANCIAL RESPONSIBILITY AND LIABILITY CONDUCTED IN ACCORDANCE WITH THE STANDARDS ESTABLISHED BY THE STATE CONSUMER PROTECTION BOARD.

3. THE STATE CONSUMER PROTECTION BOARD SHALL ESTABLISH STANDARDS AND REQUIREMENTS FOR COURSES OF INSTRUCTION IN FINANCIAL RESPONSIBILITY AND LIABILITY FOR INDIVIDUALS UNDER TWENTY-ONE YEARS OF AGE, AND FOR THE PROVIDERS OF SUCH COURSES. SUCH BOARD SHALL ESTABLISH A PROCESS FOR THE PROVISION OF CERTIFICATION TO COURSES OF INSTRUCTION AND THE PROVIDER

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

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THEREOF WHICH COMPLY WITH THE STANDARDS ESTABLISHED PURSUANT TO THIS SUBDIVISION.

4. The issuance of a credit card in violation of the provisions of subdivision one of this section shall constitute a misdemeanor.

S 2. This act shall take effect immediately, provided that subdivision 2 of section 515 of the general business law, as amended by section one of this act, shall take effect on the first of January next succeeding the date on which this act shall have become a law.