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

7899

2011-2012 Regular Sessions

I N A S S E M B L Y

May 20, 2011

Introduced by M. of A. NOLAN -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to a consumer warning about transfer of funds

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

Section 1. The general business law is amended by adding a new section 399-ff to read as follows:

S 399-FF. CONSUMER WARNING ABOUT TRANSFER OF FUNDS. 1. A FINANCIAL INSTITUTION AS DEFINED IN SECTION 5-1501 OF THE GENERAL OBLIGATIONS LAW, OR ANY OTHER BUSINESS ENGAGED IN THE WIRE OR ELECTRONIC TRANSFER OF FUNDS WHICH, AT THE REQUEST OF AN INDIVIDUAL WHO IN PERSON OR BY ELECTRONIC MEANS TRANSFERS FUNDS TO ANOTHER PERSON, BUSINESS OR ENTITY, SHALL REQUIRE THE PERSON REQUESTING THE TRANSFER TO READ AND SIGN THE FOLLOWING CONSUMER NOTICE PRIOR TO COMPLETING A TRANSFER OF FUNDS:

"WARNING: PLEASE DO NOT FALL VICTIM TO CONSUMER FRAUD. ARE YOU SENDING MONEY TO CLAIM LOTTERY WINNINGS? ARE YOU SENDING MONEY BECAUSE YOU WERE 'GUARANTEED' A CREDIT CARD OR LOAN? ARE YOU RESPONDING TO AN INTERNET OR PHONE OFFER THAT YOU ARE NOT SURE IS HONEST? ARE YOU SENDING MONEY TO SOMEONE YOU DO NOT KNOW OR WHOSE IDENTITY YOU CANNOT VERIFY? IF SO, PLEASE ASK THE SALES CLERK OR REPRESENTATIVE TO STOP YOUR TRANSFER RIGHT AWAY."

THE NOTICE SET OUT IN THIS SECTION SHALL APPEAR ON THE SAME FORM USING THE SAME FORMAT AS THE FORM BY WHICH THE PERSON REQUESTING THE TRANSFER AUTHORIZES SUCH TRANSFER.

2. A VIOLATION OF THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE BY A CIVIL PENALTY OF NOT MORE THAN FIVE HUNDRED DOLLARS FOR EACH VIOLATION.

S 2. This act shall take effect on the one hundred twentieth day after it shall have become a law.

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

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