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

5175

2011-2012 Regular Sessions

I N A S S E M B L Y

February 14, 2011

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

AN ACT to amend the general business law, in relation to prohibiting issuers from accepting personal financial information of holders from a third-party

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 518-b to read as follows:

S 518-B. PROHIBITED CREDIT CARD USER INFORMATION REQUESTS. 1. ISSUERS OF CREDIT CARDS AND DEBIT CARDS ARE PROHIBITED FROM KNOWINGLY ACCEPTING OR SOLICITING THE PERSONAL FINANCIAL INFORMATION OF A HOLDER FROM A THIRD-PARTY. PROVIDED, HOWEVER, THAT NO PROVISION OF THIS SECTION SHALL BE DEEMED TO PROHIBIT AN ISSUER OF A CREDIT CARD OR DEBIT CARD FROM ACCEPTING OR SOLICITING FROM A BANKING ORGANIZATION, AS DEFINED IN SECTION TWO OF THE BANKING LAW, THE PERSONAL INFORMATION OF A HOLDER FOR THE PURPOSE OF VERIFYING THE IDENTITY OF SUCH HOLDER AND PREVENT IMPROPER OR UNAUTHORIZED USE.

2. A VIOLATION OF THE PROVISIONS OF THIS SECTION BY AN ISSUER SHALL BE PUNISHABLE BY A CIVIL PENALTY NOT TO EXCEED TWO THOUSAND DOLLARS FOR EACH SUCH VIOLATION.

S 2. This act shall take effect on the first of September next succeeding the date on which 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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