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

2247

2011-2012 Regular Sessions

I N S E N A T E

January 18, 2011

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to proceeds from prepaid telephone calling cards

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

Section 1. Section 92-f of the public service law is amended by adding a new subdivision 9 to read as follows:

9. ANY PREPAID TELEPHONE CALLING CARD DISTRIBUTOR WHO OFFERS OR SELLS TO THE PUBLIC IN OR FROM THE STATE OF NEW YORK SHALL, NO LATER THAN THE NEXT BUSINESS DAY AFTER RECEIPT THEREOF, DEPOSIT ALL SUCH PROCEEDS IN AN ESCROW ACCOUNT IN A BANK, TRUST COMPANY, SAVINGS BANK, OR STATE OR FEDERAL SAVINGS AND LOAN ASSOCIATION, LOCATED IN THIS STATE. MONIES DEPOSITED IN ESCROW SHALL BE RELEASED UPON USE OF SUCH CARDS FOR WHICH SUCH MONIES HAVE BEEN DEPOSITED TO THE EXTENT THAT SUCH MONIES REPRESENT PAYMENT FOR PREPAID TELEPHONE CALLING CARDS SOLD. SUCH MONIES SHALL BE RELEASED TO LONG DISTANCE TELEPHONE CARRIERS AT THE TIME SUCH PREPAID CALLING CARD IS PURCHASED. EACH PREPAID TELEPHONE CALLING CARD CUSTOMER SHALL, UNTIL USE OF SUCH CARD, RETAIN A PROPERTY INTEREST IN THAT PORTION OF THE DEPOSIT WHICH EQUALS THE AMOUNT HE HAS PAID FOR SUCH CARD.

S 2. This act shall take effect on the first day of the calendar month next succeeding the thirtieth day after it shall have became a law and shall apply to any prepaid calling cards sold or distributed on or after such effective date.

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

LBD07387-01-1