

4301

2013-2014 Regular Sessions

I N   S E N A T E

March 20, 2013

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Introduced by Sen. GOLDEN -- 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  
unsolicited mailing of convenience checks to consumers

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

1     Section 1. The general business law is amended by adding a new section  
2     520-d to read as follows:  
3     S 520-D. UNSOLICITED CONVENIENCE CHECKS. 1. AS USED IN THIS SECTION,  
4     THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:  
5     (A) "CHECK" MEANS ANY NEGOTIABLE INSTRUMENT, AS DEFINED BY SECTION  
6     3-104 OF THE UNIFORM COMMERCIAL CODE, THAT HAS IMPRINTED ON IT THE HOLD-  
7     ER'S NAME AND THE DEPOSITORY INSTITUTION'S NAME, LOCATION, AND ROUTING  
8     NUMBER.  
9     (B) "UNSOLICITED CHECK" MEANS ANY CHECK MAILED OR OTHERWISE DELIVERED  
10    TO A HOLDER BY AN ISSUER OR AGENT ACTING ON BEHALF OF AN ISSUER FOR THE  
11    PURPOSE OF DRAWING ON AN EXISTING ACCOUNT THAT IS AN EXTENSION OF CREDIT  
12    OR ACTIVATING AN ACCOUNT TO OBTAIN CREDIT OTHER THAN:  
13    (1) IN RESPONSE TO A REQUEST OR APPLICATION FOR A CHECK OR ACCOUNT; OR  
14    (2) AS A SUBSTITUTE FOR A CHECK OR ACCOUNT PREVIOUSLY ISSUED TO THE  
15    PERSON TO WHOM THE CHECK IS MAILED OR OTHERWISE DELIVERED.  
16    2. NO HOLDER IN WHOSE NAME AN UNSOLICITED CHECK IS ISSUED SHALL BE  
17    LIABLE FOR ANY AMOUNT RESULTING FROM USE OF THAT CHECK OR ACCOUNT,  
18    UNLESS THE HOLDER HAS ACCEPTED THE CHECK OR ACCOUNT BY USING THE CHECK  
19    OR ACCOUNT. FAILURE TO DESTROY OR RETURN AN UNSOLICITED CHECK SHALL NOT  
20    CONSTITUTE ACCEPTANCE OF THE CHECK OR ACCOUNT.  
21    3. ANY AGREEMENT ENTERED INTO BY A HOLDER WHICH WAIVES, LIMITS OR  
22    DISCLAIMS THE RIGHTS SET FORTH IN THIS SECTION SHALL BE VOID AS CONTRARY  
23    TO PUBLIC POLICY.  
24    S 2. This act shall take effect immediately.

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

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