

1848

2015-2016 Regular Sessions

I N A S S E M B L Y

January 13, 2015

Introduced by M. of A. GUNTHER, DenDEKKER, TITUS, BENEDETTO, SIMANOWITZ,
BROOK-KRASNY, SKOUFIS, ZEBROWSKI, OTIS, HOOPER, MONTESANO -- Multi-
Sponsored by -- M. of A. ARROYO, COOK, GLICK, MARKEY, MOSLEY, PERRY,
RIVERA -- read once and referred to the Committee on Consumer Affairs
and Protection

AN ACT to amend the banking law, in relation to requiring credit cards
to contain smart chip technology

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

1 Section 1. Section 2 of the banking law is amended by adding a new
2 subdivision 30 to read as follows:
3 30. SMART CHIP. THE TERM, "SMART CHIP" MEANS A CREDIT CARD TECHNOLOGY
4 WHERE CARDS ARE EMBEDDED WITH CHIPS AND A CARDHOLDER MUST PUT IN THEIR
5 PIN OR SIGN FOR EACH TRANSACTION TO BE APPROVED. THIS INCLUDES "CHIP AND
6 PIN" AND "CHIP AND SIGNATURE" AS SECURE METHODS TO PROTECT AGAINST CARD
7 HACKERS AND FRAUD.
8 (A) "CHIP AND PIN" REQUIRES A CONSUMER TO ENTER A PIN NUMBER AFTER
9 EACH TRANSACTION FOR APPROVAL.
10 (B) "CHIP AND SIGNATURE" REQUIRES A CONSUMER TO INSERT THE CARD INTO A
11 PORTABLE ELECTRONIC READER AND THEN SUBSEQUENTLY SIGN FOR APPROVAL OF
12 THE TRANSACTION.
13 S 2. The banking law is amended by adding a new section 9-w to read as
14 follows:
15 S 9-W. SMART CHIP TECHNOLOGY. A LENDING INSTITUTION, AS DEFINED IN
16 PARAGRAPH (A) OF SUBDIVISION ONE OF SECTION NINE-T OF THIS ARTICLE,
17 SHALL NOT ISSUE CREDIT CARDS OR DEBIT CARDS WITHOUT SMART CHIP TECHNOLO-
18 GY AS DEFINED IN SUBDIVISION THIRTY OF SECTION TWO OF THIS ARTICLE.
19 S 3. This act shall take effect immediately and shall apply to all
20 credit cards issued or reissued on and after January 1, 2016.

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

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