

2158

2015-2016 Regular Sessions

I N   S E N A T E

January 21, 2015

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Introduced by Sens. GRIFFO, GOLDEN -- read twice and ordered printed,  
and when printed to be committed to the Committee on Banks

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 ASSEMBLY, 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 TECHNOLOGY AS DEFINED IN SUBDIVISION THIRTY OF SECTION TWO OF THIS ARTICLE.

18    S 3. This act shall take effect immediately and shall apply to all  
19    credit cards issued or reissued on and after January 1, 2016.  
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EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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