STATE OF NEW YORK

5744--A

Cal. No. 405

2017-2018 Regular Sessions

IN ASSEMBLY

February 15, 2017

Introduced by M. of A. ZEBROWSKI, WEPRIN -- read once and referred to the Committee on Banks -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the banking law, in relation to the order in which a payor bank shall pay checks

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The banking law is amended by adding a new section 9-x to read as follows:

§ 9-x. Banking institutions to pay checks drawn therein in order of presentation. 1. Notwithstanding any law, rule or regulation to the contrary, every banking institution that provides consumer checking accounts shall either pay checks in the order wherein they are received or pay checks from smallest to largest dollar amount for each business day's transactions.

2. If a check is dishonored for insufficient funds and thereafter smaller checks which could be paid are received, the smaller checks shall be honored within amounts on deposit in the subject account.

3. The banking institution shall disclose to consumers in writing the order in which checks are drawn. The written disclosure shall be provided to the consumer at the time the account is opened and prior to any change in such policy. The superintendent shall promulgate rules and regulations necessary for the implementation of this section.

4. As used in this section, "consumer checking accounts" means accounts established by natural persons primarily for personal, family or household purposes.

§ 2. This act shall take effect on the first of January 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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