

# STATE OF NEW YORK

4056

2017-2018 Regular Sessions

## IN SENATE

February 2, 2017

Introduced by Sen. CARLUCCI -- 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 issuers from accepting nonpublic personal information of holders from a third-party

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

1 Section 1. The general business law is amended by adding a new section  
2 518-b to read as follows:

3 § 518-b. Prohibited credit card user information requests. 1. Issuers  
4 of credit cards and debit cards are prohibited from accepting or solici-  
5 ting the nonpublic personal information of a holder from a third-party.  
6 Provided, however, that no provision of this section shall be deemed to  
7 prohibit an issuer of a credit card or debit card from accepting or  
8 soliciting from a banking organization, as defined in section two of the  
9 banking law, the nonpublic personal information of a holder for the  
10 purpose of verifying the identity of such holder and preventing improper  
11 or unauthorized use.

12 2. Nonpublic personal information shall have the same meaning as in 15  
13 U.S.C. § 6809(4).

14 3. This section shall not prohibit the disclosure of nonpublic  
15 personal information to a third party:

16 (a) As necessary to effect, administer, or enforce a transaction  
17 requested or authorized by the consumer;

18 (b) In order to service or process a financial product or service  
19 requested or authorized by the consumer;

20 (c) In order to maintain or service the consumer's account held by the  
21 issuer of the credit or debit card; or

22 (d) To protect against or prevent actual or potential fraud, unauthor-  
23 ized transactions, claims, or other liability.

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

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1 4. A violation of the provisions of this section by an issuer shall be  
2 punishable by a civil penalty not to exceed two thousand dollars for  
3 each such violation.

4 § 2. This act shall take effect on the first of September next  
5 succeeding the date on which it shall have become a law.