STATE OF NEW YORK

8505

IN SENATE

May 9, 2018

Introduced by Sen. PARKER -- 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 randomized in-game purchases in video games

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

Section 1. The general business law is amended by adding a new section 396-kk-1 to read as follows:

§ 396-kk-1. Video games; randomized in-game purchase items. 1. Definitions. For purposes of this section:

(a) "Video game" means an interactive electronic amusement device, disk, cartridge or other object that utilizes a computer, microprocessor or similar electronic circuitry and its own monitor, a television set or a computer monitor, and such device or object is designed to allow a person to manipulate the images presented by such device or object.

(b) "Video game publisher" means an entity that publishes video games that have either been created internally or through a separate entity.

(c) "Retailer" means any person or entity who offers video games for sale, including resale by the purchaser, through any means, including, but not limited to, sales outlets, catalogs, or the internet.

2. Disclosure. (a) Video game publishers that distribute video games within the state that contain a system of purchasing randomized reward or rewards or a consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward or rewards shall prominently disclose and publish to the consumer the probability rates of receiving each type of randomized reward or rewards at the time of purchase and at the time any mechanism to receive a randomized reward or rewards is activated so as to meaningfully inform the consumer's decision prior to the purchase or activation of any mechanism to receive a randomized reward or rewards.

(b) Video games distributed within the state that contain a system of purchasing randomized reward or rewards or a consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward or rewards shall:

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

LBD14839-03-8

(1) bear a prominent, easily legible, bright red label on its packaging which reads: "Warning: contains in-game purchases and gambling-like mechanisms which may be harmful or addictive"; or

(2) if purchased digitally and downloaded through the internet or an online application, prominently disclose to the consumer at the time of consumer purchase a bright red label that is easily legible and which reads: "Warning: contains in-game purchases and gambling-like mechanisms which may be harmful or addictive", so as to meaningfully inform the consumer's decision prior to purchase.

(c) No video game publisher shall at any time modify a video game distributed within the state to contain or otherwise permit the inclusion of additional content for which the game was not appropriately labeled at the time of original sale.

3. Audit of video games. The division of consumer protection is authorized to audit the code of video games sold within the state and subject to this section to ensure that the probability rates for receiving each type of randomized reward or rewards are calculated correctly and working properly. Such division may contract with a third party to provide additional assistance as needed. Such division shall not publicly disclose proprietary information beyond that which is necessary to fulfill the intent of this section.

4. Sale restrictions. It shall be unlawful for any retailer to sell to any person under eighteen years of age a video game that contains a system of further purchasing:

(a) A randomized reward or rewards; or

(b) A virtual item which can be redeemed to directly or indirectly receive a randomized reward or rewards.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law. The director of the division of consumer protection is authorized to promulgate any and all rules and regulations and take any other measures necessary to implement this act on its effective date on or before such date.