

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:

1 Section 1. The general business law is amended by adding a new section
2 396-kk-1 to read as follows:

3 § 396-kk-1. Video games; randomized in-game purchase items. 1. Defi-
4 nitions. For purposes of this section:

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

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

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

15 2. Disclosure. (a) Video game publishers that distribute video games
16 within the state that contain a system of purchasing randomized reward
17 or rewards or a consumable virtual item that can be redeemed and direct-
18 ly or indirectly converted to a randomized reward or rewards shall prom-
19 inently disclose and publish to the consumer the probability rates of
20 receiving each type of randomized reward or rewards at the time of
21 purchase and at the time any mechanism to receive a randomized reward or
22 rewards is activated so as to meaningfully inform the consumer's deci-
23 sion prior to the purchase or activation of any mechanism to receive a
24 randomized reward or rewards.

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

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

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

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

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

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

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

25 (a) A randomized reward or rewards; or

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

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