

STATE OF NEW YORK

9588

IN ASSEMBLY

January 27, 2020

Introduced by M. of A. DenDEKKER -- read once and referred to the
Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to establishing a
set grace period for the use of credit card reward points

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

1 Section 1. The general business law is amended by adding a new section
2 520-e to read as follows:

3 § 520-e. Grace period for use of credit card reward points. 1. As used
4 in this section, the following terms shall have the following meanings:

5 (a) "credit card points" or "points" shall mean denominated units that
6 can be accumulated in an account in connection with a credit card
7 reward, loyalty, or other incentive program, often referred to as points
8 or for certain travel-related rewards as miles, which are redeemable,
9 fungible, or otherwise exchangeable, in whole or in part, for rewards;

10 (b) "rewards" shall mean goods, services, cash, merchant-specific gift
11 cards, travel benefits, or one or more other things of value; and

12 (c) "rewards program" shall mean any agreement between a holder and an
13 issuer or between a holder and a third-party regarding points related to
14 an account.

15 2. If any credit card account or rewards program is modified,
16 cancelled, closed or terminated, the holder must receive notice from the
17 issuer of such cancellation, closure, termination or modification as
18 soon as possible, and in any event within fifteen days of such cancella-
19 tion, closure, termination or modification. Beginning with the date on
20 which notice is sent, the holder shall have ninety days to redeem,
21 exchange, or otherwise use any credit card points that the holder accu-
22 mulated at the time of such modification, cancellation, closure, or
23 termination as permitted under the terms of the agreement or agreements
24 between the holder and the issuer, and the holder and any third-party
25 which is servicing the applicable credit card account or related rewards
26 program, subject to the availability of rewards.

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

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1 3. It shall be unlawful for any agreement between an issuer and a
2 holder, or any rewards program, to provide for the expiration of credit
3 card points.

4 4. The provisions of subdivision two of this section shall not apply
5 in the case of fraud by the holder with respect to the credit card
6 account or any related rewards program, or misuse by the holder of the
7 credit card account or any related rewards program.

8 5. Any agreement entered into by a holder that waives, limits or
9 disclaims the rights set forth in this section shall be void as contrary
10 to public policy.

11 § 2. This act shall take effect one year after it shall have become a
12 law.