

STATE OF NEW YORK

9677

IN ASSEMBLY

February 4, 2020

Introduced by M. of A. ABINANTI -- read once and referred to the Committee on Banks

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:

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

3 § 9-x. Banking institutions to pay checks drawn therein in order of
4 presentation. 1. Notwithstanding any law, rule or regulation to the
5 contrary, every banking institution that provides consumer checking
6 accounts shall either pay checks in the order wherein they are received
7 or pay checks from smallest to largest dollar amount for each business
8 day's transactions.

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

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

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

20 § 2. This act shall take effect on the first of January next succeed-
21 ing 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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