

# STATE OF NEW YORK

1416

2019-2020 Regular Sessions

## IN SENATE

January 14, 2019

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.

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

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

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

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

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

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

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

29 (a) A randomized reward or rewards; or

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

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