

STATE OF NEW YORK

133--A

Cal. No. 769

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sens. MAYER, GAUGHRAN, JACKSON, KRUEGER, LIU, MANNION, MYRIE, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

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 Assembly, 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 regarding points related to an account.

14 2. If any credit card account or rewards program is modified,
15 cancelled, closed or terminated, the holder must be provided notice from
16 the issuer of such cancellation, closure, termination or modification as
17 soon as possible, and in any event within forty-five days of such
18 cancellation, closure, termination or modification. Beginning with the

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

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1 date on which notice is sent, the holder shall have ninety days to
2 redeem, exchange, or otherwise use any credit card points that the hold-
3 er accumulated at the time of such modification, cancellation, closure,
4 or termination as permitted under the terms of the agreement or agree-
5 ments between the holder and the issuer which is servicing the applica-
6 ble credit card account or related rewards program, subject to the
7 availability of rewards.

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

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

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

18 § 2. This act shall take effect one year after it shall have become a
19 law, and shall apply to all credit card agreements entered into,
20 renewed, modified or amended on or after such effective date.