

STATE OF NEW YORK

166--B

Cal. No. 186

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sens. GIANARIS, ADDABBO, BIAGGI, GAUGHRAN, HINCHEY, KENNEDY, KRUEGER, LIU, PARKER, SERRANO, STAVISKY, STEWART-COUSINS -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading -- again amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the banking law, in relation to requiring transmitters of money to provide a certain warning to consumers

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 652-c to
2 read as follows:

3 § 652-c. Required warning. 1. A person engaged in the business of
4 receiving money for transmission or transmitting money by wire or elec-
5 tronic transfer which, at the request of an individual who in-person, by
6 telephone or electronic means transmits funds to another person, busi-
7 ness or entity, shall clearly and prominently warn the person requesting
8 the transmission prior to completing such transmission of funds. Such
9 warning shall include, but not be limited to, the following information:

10 (a) a title in bold, capital letters saying "Warning: do not fall
11 victim to consumer fraud.";

12 (b) questions or information that alert a consumer about the dangers
13 of sending funds for lottery winnings, credit card guarantees or loans,
14 internet or phone offers, to persons unknown to the consumer or persons
15 whose identity the consumer cannot verify and any other fraud alert;

16 (c) information about how to ask questions of the sales clerk or
17 representative; and

18 (d) information about how to stop a transfer.

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

LBD03068-06-1

1 2. For the purposes of this section, "clearly and prominently" means:
2 (a) in written communications, including print and those made through an
3 electronic medium (such as video and interactive media including, but
4 not limited to, the internet, online services, and electronic mail) the
5 warning shall appear on the same form as the form used to authorize the
6 transmission of funds, or if no written form is used, via a sign in a
7 location reasonably designed to provide such notice, shall be in a type
8 size sufficiently noticeable for an ordinary consumer to read and
9 comprehend the written warning and shall be in a type that contrasts
10 with the background against which the written warning appears; and (b)
11 in oral communications, the warning shall be delivered in a volume and
12 cadence sufficient for an ordinary consumer to hear and comprehend. If
13 any communication is presented solely through oral, written or visual
14 means, the warning shall be made through the same means.

15 3. The warning required by this section shall not apply to an elec-
16 tronic funds transfer in which funds are not transferred directly to
17 another person and are not available for immediate use, nor shall any
18 warning be required in an electronic funds transfer made with a gift
19 certificate as defined in section three hundred ninety-six-i of the
20 general business law.

21 4. A violation of the provisions of this section shall be punishable
22 by a civil penalty of not more than two hundred fifty dollars for the
23 first violation and five hundred dollars for each subsequent violation.

24 § 2. This act shall take effect on the one hundred eightieth day after
25 it shall have become a law.