

# STATE OF NEW YORK

5698--A

2021-2022 Regular Sessions

## IN ASSEMBLY

February 24, 2021

Introduced by M. of A. ROZIC -- read once and referred to the Committee on Consumer Affairs and Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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  
19 date on which notice is sent, the holder shall have ninety days to  
20 redeem, exchange, or otherwise use any credit card points that the hold-  
21 er accumulated at the time of such modification, cancellation, closure,  
22 or termination as permitted under the terms of the agreement or agree-  
23 ments between the holder and the issuer which is servicing the applica-

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

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1 ble credit card account or related rewards program, subject to the  
2 availability of rewards.

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

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

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

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