STATE OF NEW YORK

5698--B

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 -- reported and referred to the Committee on Rules -- Rules Committee discharged, bill amended, ordered reprinted as amended and recommitted to the Committee on Rules

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:

Section 1. The general business law is amended by adding a new section 520-e to read as follows:

§ 520-e. Grace period for use of credit card reward points. 1. As used in this section, the following terms shall have the following meanings:

(a) "credit card points" or "points" shall mean denominated units that can be accumulated in an account in connection with a credit card reward, loyalty, or other incentive program, often referred to as points or for certain travel-related rewards as miles, which are redeemable, fungible, or otherwise exchangeable, in whole or in part, for rewards;

(b) "rewards" shall mean goods, services, cash, merchant-specific gift cards, travel benefits, or one or more other things of value;

(c) "rewards program" shall mean any agreement between a holder and an issuer regarding points related to an account; and

(d) "modified" or "modification" shall mean a change that has the effect of eliminating points, reducing the value of points, affecting the ability of a holder to accumulate points, limiting or reducing rewards availability, limiting a holder's use of points or the credit card account, otherwise diminishing the value of the rewards program or the credit card account to the holder or changing the obligations of the holder with respect to the rewards program or credit card account.

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

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2. If any credit card account or rewards program is modified, cancelled, closed or terminated, the holder must be provided notice from the issuer of such cancellation, closure, termination or modification as soon as possible, and in any event within forty-five days of such cancellation, closure, termination or modification. Beginning with the date on which notice is sent, the holder shall have ninety days to redeem, exchange, or otherwise use any credit card points that the holder accumulated at the time of such modification, cancellation, closure, or termination as permitted under the terms of the agreement or agreements between the holder and the issuer which is servicing the applicable credit card account or related rewards program, subject to the availability of rewards.

3. It shall be unlawful for any agreement between an issuer and a holder, or any rewards program, to provide for the expiration, forfeiture or cancellation of credit card points prior to the expiration of the ninety day period set forth in subdivision two of this section.

4. The provisions of subdivisions two and three of this section shall not apply in the case of fraud by the holder with respect to the credit card account or any related rewards program, or misuse by the holder of the credit card account or any related rewards program.

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

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