

STATE OF NEW YORK

8999--A

IN ASSEMBLY

February 1, 2024

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

AN ACT to amend the banking law, in relation to prohibiting fees for benefit banking services

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 9-aa to
2 read as follows:

3 § 9-aa. Benefit banking services. 1. As used in this section:

4 (a) "benefit banking services" means any service rendered through a
5 bank relating to the use of an electronic benefit transfer card includ-
6 ing deposit; disbursement via electronic fund transfer, checks, or other
7 mechanisms; reconciliation; reporting; or electronic cash management for
8 benefit programs; and

9 (b) "electronic benefit transfer card" means:

10 (i) any medical assistance card, food stamp assistance card, public
11 assistance card, or any other identification, authorization card or
12 electronic access device issued by the state or a social services
13 district as defined in subdivision seven of section two of the social
14 services law which entitles a person to obtain public assistance bene-
15 fits under a local, state or federal program administered by the state,
16 its political subdivisions or social services districts; or

17 (ii) any unemployment insurance program card, occupational training
18 act program card, adoption subsidy electronic payments program card, or
19 card issued by the New York child support program which entitles a
20 person to receive funds under a local, state or federal program adminis-
21 tered by the state, its political subdivisions or social services
22 districts.

23 2. No banking organization shall impose any fee for benefit banking
24 services attributable to the use of an electronic benefit transfer card.

25 3. No operator or owner of an automated teller machine shall impose
26 any fee for benefit banking services attributable to the use of an elec-
27 tronic benefit transfer card.

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

LBD05406-05-4

1 § 2. This act shall take effect immediately and shall apply to any
2 contract for benefit banking services as defined in section 9-aa of the
3 banking law, as added by section one of this act, entered into on or
4 after such effective date between the state, or any agency, subdivision
5 or department thereof, and any institution subject to the New York state
6 banking law, notwithstanding the terms of such current contracts.