

STATE OF NEW YORK

8999--B

Cal. No. 336

IN ASSEMBLY

February 1, 2024

Introduced by M. of A. TAPIA, STIRPE, DICKENS, WEPRIN, TAYLOR, BURDICK, ALVAREZ, ARDILA, EPSTEIN, CRUZ, WILLIAMS, DAVILA, HYNDMAN, LUCAS, REYES, CUNNINGHAM -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

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) "bank" means:

5 (i) any corporation or limited liability investment company subject to
6 the provisions of this chapter;

7 (ii) any banking corporation or credit unions organized under the laws
8 of the United States or any other state;

9 (iii) any private banker; or

10 (iv) any bank-based financial services company or federal reserve
11 bank;

12 (b) "benefit banking services" means any service rendered through a
13 bank relating to the use of an electronic benefit transfer card includ-
14 ing deposit; disbursement via electronic fund transfer, checks, or other
15 mechanisms; reconciliation; reporting; or electronic cash management for
16 benefit programs; and

17 (c) "electronic benefit transfer card" means:

18 (i) any medical assistance card, food stamp assistance card, public
19 assistance card, or any other identification, authorization card or
20 electronic access device issued by the state or a social services
21 district as defined in subdivision seven of section two of the social
22 services law which entitles a person to obtain public assistance bene-

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

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1 fits under a local, state or federal program administered by the state,
2 its political subdivisions or social services districts; or

3 (ii) any unemployment insurance program card, occupational training
4 act program card, adoption subsidy electronic payments program card, or
5 card issued by the New York child support program which entitles a
6 person to receive funds under a local, state or federal program adminis-
7 tered by the state, its political subdivisions or social services
8 districts.

9 2. No bank shall impose any fee for benefit banking services attribut-
10 able to the use of an electronic benefit transfer card.

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

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