

STATE OF NEW YORK

9057

IN ASSEMBLY

February 5, 2024

Introduced by M. of A. LEE -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to mandating acceptance of the New York city identity card as a primary form of identification at state-chartered banks, savings banks, savings and loan associations, and credit unions

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. The legislature hereby finds and
2 declares that:

3 (a) Local law no. 35 for the year 2014 amended subchapter 1 of chapter
4 1 of title 3 of the administrative code of the city of New York by
5 adding a section 3-115, creating the New York city identity card
6 program. One of the main objectives of the program was to expand access
7 to bank-approved identification cards, thereby reducing the number of
8 unbanked residents across the city. In 2015, federal regulatory authori-
9 ties notified the city agencies in charge of administering the program
10 that banks could use the New York city identity card to satisfy the
11 minimum requirements of federal anti-money laundering laws. In 2016, the
12 New York State Department of Financial Services further "encourage[~~a~~]
13 New York state-chartered and licensed financial institutions to accept
14 the Municipal ID as a form of acceptable identification card."

15 (b) Despite authorization by federal and state regulatory authorities,
16 only approximately one-third of city banks accept the New York city
17 identity card, leaving many city residents on the margins of the finan-
18 cial system. As of 2017, 11.2 percent of households in New York city had
19 no bank account and ten neighborhoods accounted for nearly 35 percent of
20 those households. Residents of color, undocumented residents, and resi-
21 dents living below the poverty line are disproportionately impacted and
22 are at greater risk of falling victim to predatory financial services,
23 imperiling their financial futures and aggravating economic inequality
24 across the state.

25 (c) The purpose of this legislation is to ensure that our most vulner-
26 able residents are not cut off from traditional banking services.

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

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1 Mandating acceptance of the New York city identity card at state-char-
2 tered financial institutions will allow all residents to build their
3 financial futures and advance the state's goal of facilitating broader
4 financial inclusion.

5 § 2. The banking law is amended by adding a new section 13 to read as
6 follows:

7 § 13. Acceptance of New York city identity card. 1. Definitions. As
8 used in this section:

9 (a) "Charter" shall mean the organization certificate or comparable
10 document of a state banking institution, or the license for a state
11 branch or agency of a foreign banking corporation, or a similar organ-
12 izational document for a federal banking institution or a federal branch
13 or agency, and "chartered" shall mean the formal act of the state or
14 appropriate federal regulatory agency in approving and conveying such
15 charter of a banking institution.

16 (b) "New York city identity card" refers to the identity card issued
17 by the city of New York pursuant to subdivision c of section 3-115 of
18 the administrative code of the city of New York.

19 2. State-chartered banks, savings banks, savings and loan associ-
20 ations, and credit unions shall accept the New York city identity card
21 as a primary source of identification for account-opening purposes. In
22 the event a customer's New York city identity card does not contain a
23 residential or business street address, a state-chartered bank, savings
24 bank, savings and loan association, or credit union shall not deny a
25 customer account-opening services, provided the customer can furnish a
26 residential or business street address of their next of kin or another
27 contact individual pursuant to 31 CFR § 1020.220(a)(2)(i)(3)(ii).
28 Receipt of a New York city identity card shall be deemed to satisfy the
29 customer identification program requirements of state-chartered banks,
30 savings banks, savings and loan associations, and credit unions pursuant
31 to section 116.2 of title three of the rules and regulations of the
32 state of New York. Nothing in subdivision two of section twelve-a of
33 this article shall be deemed to annul this section.

34 § 3. This act shall take effect immediately.