

# STATE OF NEW YORK

9057--A

## IN ASSEMBLY

February 5, 2024

Introduced by M. of A. LEE, ARDILA, TAPIA, O'DONNELL, DAVILA -- 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 mandating acceptance of the New York city identity card as a primary form of identification at all banking organizations

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[~~d~~]  
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.

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

LBD13677-02-4

1 (c) The purpose of this legislation is to ensure that our most vulner-  
2 able residents are not cut off from traditional banking services.  
3 Mandating acceptance of the New York city identity card at state-char-  
4 tered financial institutions will allow all residents to build their  
5 financial futures and advance the state's goal of facilitating broader  
6 financial inclusion.

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

9 § 13. Acceptance of New York city identity card. 1. As used in this  
10 section, "New York city identity card" refers to the identity card  
11 issued by the city of New York pursuant to subdivision c of section  
12 3-115 of the administrative code of the city of New York.

13 2. All banking organizations shall accept the New York city identity  
14 card as a primary source of identification for account-opening purposes.  
15 In the event a customer's New York city identity card does not contain a  
16 residential or business street address, a banking organization shall not  
17 deny a customer account-opening services, provided the customer can  
18 furnish a residential or business street address of their next of kin or  
19 another contact individual pursuant to 31 CFR §  
20 1020.220(a)(2)(i)(3)(ii). Receipt of a New York city identity card  
21 shall be deemed to satisfy the customer identification program require-  
22 ments of all banking organizations pursuant to section 116.2 of title  
23 three of the rules and regulations of the state of New York. Nothing in  
24 subdivision two of section twelve-a of this article shall be deemed to  
25 annul this section.

26 § 3. This act shall take effect immediately.