

# STATE OF NEW YORK

9057--B

## IN ASSEMBLY

February 5, 2024

Introduced by M. of A. LEE, ARDILA, TAPIA, O'DONNELL, DAVILA, GONZALEZ-ROJAS, LEVENBERG, BURDICK, TAYLOR, CUNNINGHAM, REYES, BORES, L. ROSENTHAL -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- 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 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. This act shall be known and may be cited as the "pro-bank-  
2 ing act".  
3 § 2. Legislative findings. The legislature hereby finds and declares  
4 that:  
5 (a) Local law no. 35 for the year 2014 amended subchapter 1 of chapter  
6 1 of title 3 of the administrative code of the city of New York by  
7 adding a section 3-115, creating the New York city identity card  
8 program. One of the main objectives of the program was to expand access  
9 to bank-approved identification cards, thereby reducing the number of  
10 unbanked residents across the city. In 2015, federal regulatory authori-  
11 ties notified the city agencies in charge of administering the program  
12 that banks could use the New York city identity card to satisfy the  
13 minimum requirements of federal anti-money laundering laws. In 2016, the  
14 New York State Department of Financial Services further "encourage[~~a~~]  
15 New York state-chartered and licensed financial institutions to accept  
16 the Municipal ID as a form of acceptable identification card."  
17 (b) Despite authorization by federal and state regulatory authorities,  
18 only approximately one-third of city banks accept the New York city  
19 identity card, leaving many city residents on the margins of the finan-  
20 cial system. As of 2017, 11.2 percent of households in New York city had  
21 no bank account and ten neighborhoods accounted for nearly 35 percent of  
22 those households. Residents of color, undocumented residents, and resi-  
23 dents living below the poverty line are disproportionately impacted and  
24 are at greater risk of falling victim to predatory financial services,

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

LBD13677-06-4

1 imperiling their financial futures and aggravating economic inequality  
2 across the state.

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

9 § 3. The banking law is amended by adding a new section 13 to read as  
10 follows:

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

13 (a) "New York city identity card" refers to the identity card issued  
14 by the city of New York pursuant to subdivision c of section 3-115 of  
15 the administrative code of the city of New York.

16 (b) "Charter" means the organization certificate or comparable docu-  
17 ment of a state banking institution, or the license for a state branch  
18 or agency of a foreign banking corporation, or a similar organizational  
19 document for a federal banking institution or a federal branch or agen-  
20 cy, and "chartered" means the formal act of the state or appropriate  
21 federal regulatory agency in approving and conveying such charter of a  
22 banking institution.

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

37 3. The superintendent is empowered to exempt any bank, savings and  
38 loan association, or credit union subject to subdivision two of this  
39 section upon demonstrating that it would be unable to comply with rele-  
40 vant federal laws or regulations, including without limitation customer  
41 identification programs pursuant to 31 U.S.C. 5318(l) regarding anti-mo-  
42 ney laundering laws, or upon demonstrating such other reasons for  
43 inability to comply that the superintendent finds sufficient.

44 § 4. Severability. If any clause, sentence, paragraph, section or part  
45 of this act shall be adjudged by any court of competent jurisdiction to  
46 be invalid and after exhaustion of all further judicial review, the  
47 judgment shall not affect, impair or invalidate the remainder thereof,  
48 but shall be confined in its operation to the clause, sentence, para-  
49 graph, section or part of this act directly involved in the controversy  
50 in which the judgment shall have been rendered.

51 § 5. This act shall take effect on the one hundred eightieth day after  
52 it shall have become a law. Effective immediately, the addition, amend-  
53 ment and/or repeal of any rule or regulation necessary for the implemen-  
54 tation of this act on its effective date are authorized to be made and  
55 completed on or before such effective date.