STATE OF NEW YORK

9862

IN ASSEMBLY

April 24, 2024

Introduced by M. of A. SOLAGES -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to requiring issuers of credit and debit cards to use certain merchant category codes for firearm merchants

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

Section 1. The general business law is amended by adding a new article 29-BBB to read as follows:

ARTICLE 29-BBB
CREDIT AND DEBIT CARDS

Section 529. Definitions.
529-a. Merchant category codes.

§ 529. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Credit card" means and includes any credit card, credit plate, charge plate, courtesy card, or other identification card or device issued by a person to another person which may be used to obtain a cash advance or a loan or credit or to purchase or lease property or services on the credit of the issuer or of the holder.

2. "Debit card" means a card, plate or other similar device issued by a person to another person which may be used, without a personal identification number, code or similar identification number, to purchase or lease property or services. The term does not include a credit card or a check, draft or similar instrument.

3. "Person" includes an individual, corporation, partnership or association, two or more persons having a joint or common interest or any other legal or commercial entity.

4. "Issuer" means a person who issues a credit card or a debit card.

5. "Holder" means a person to whom such a credit card or debit card is issued or who has agreed with the issuer to pay obligations arising from the use of a credit card or debit card issued to another person.

6. "Processor" means a person who facilitates the use of credit cards or debit cards between a holder and a seller.

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

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7. "Processor service" means the credit card or debit card facilitation service provided by the processor.

8. "Seller" means any person who honors credit cards or debit cards which may be used to purchase property.

§ 529-a. Merchant category codes. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Dealer of ammunition" means any person who engages in the business of purchasing, selling or keeping ammunition.

(b) "Dealer of firearms" means a gunsmith or dealers in firearms licensed pursuant to section 400.00 of the penal law.

(c) "Firearm" has the same meaning as that term is defined in subdivision three of section 265.00 of the penal law.

2. (a) On or before July first, two thousand twenty-four, each issuer shall make the merchant category code for firearms and ammunition businesses established by the international organization for standardization on September ninth, two thousand twenty-two, available for processors which provide processor services for sellers who are dealers of ammunition or dealers of firearms.

(b) On and after May first, two thousand twenty-five, each processor shall assign to each dealer of ammunition and dealer of firearms the merchant category code for firearms and ammunition businesses established by the international organization for standardization on September ninth, two thousand twenty-two.

3. Whenever there shall be a violation of this section, the attorney general shall give written notice to the person violating this section identifying the specific provisions of this section that are or were being violated. The attorney general shall not bring an action under this section where, within thirty days of receiving such written notice, the person cures the violation and provides the attorney general with a written statement confirming the violation was cured, including supporting documentation on how the violation was cured, and stating how internal policies were changed to prevent such violations in the future. If the violations were not cured or proper written notice not received by the attorney general within thirty days of written notice being received by such person violating this section, an application may be made by the attorney general in the name of the people of the state of New York to a court or justice having jurisdiction by a special proceeding to issue an injunction, and upon notice to the defendant of not less than five days, to enjoin and restrain the continuance of such violations; and if it shall appear to the satisfaction of the court or justice that the defendant has, in fact, violated this section, an injunction may be issued by such court or justice, enjoining and restraining any further violation, without requiring proof that any person has, in fact, been injured or damaged thereby. In any such proceeding, the court may make allowances to the attorney general as provided in paragraph six of subdivision (a) of section eighty-three hundred three of the civil practice law and rules, and direct restitution. Whenever the court shall determine that a violation of this section has occurred, the court may impose a civil penalty of not more than ten thousand dollars for each violation and reasonable attorney's fees and costs incurred in investigating and bringing an action under this section. In connection with any such proposed application, the attorney general is authorized to take proof and make a determination of the relevant facts and to issue subpoenas in accordance with the civil practice law and rules.

§ 2. This act shall take effect immediately.