STATE OF NEW YORK

7826

2023-2024 Regular Sessions

IN SENATE

December 20, 2023

Introduced by Sen. RAMOS -- read twice and ordered printed, and when printed to be committed 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 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:

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

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

(b) Despite authorization by federal and state regulatory authorities, only approximately one-third of city banks accept the New York city identity card, leaving many city residents on the margins of the financial system. As of 2017, 11.2 percent of households in New York city had no bank account and ten neighborhoods accounted for nearly 35 percent of those households. Residents of color, undocumented residents, and residents living below the poverty line are disproportionately impacted and 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.

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

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

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

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

(a) "Charter" shall mean the organization certificate or comparable document of a state banking institution, or the license for a state branch or agency of a foreign banking corporation, or a similar organizational document for a federal banking institution or a federal branch or agency, and "chartered" shall mean the formal act of the state or appropriate federal regulatory agency in approving and conveying such charter of a banking institution.

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

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

§ 3. This act shall take effect immediately.