

STATE OF NEW YORK

9057--C

R. R. 75

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, FALL, WEPRIN, CRUZ, MITAYNES -- 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 -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

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 covered entities

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-

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

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1 cial system. As of 2017, 11.2 percent of households in New York city had
2 no bank account and ten neighborhoods accounted for nearly 35 percent of
3 those households. Residents of color, undocumented residents, and resi-
4 dents living below the poverty line are disproportionately impacted and
5 are at greater risk of falling victim to predatory financial services,
6 imperiling their financial futures and aggravating economic inequality
7 across the state.

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

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

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

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

21 (b) "Covered entity" means all banking organizations, foreign banking
22 corporations licensed by the superintendent, and interstate branches
23 established pursuant to article five-C of this chapter.

24 2. Covered entities shall accept the New York city identity card as a
25 primary source of identification for account-opening purposes. In the
26 event a customer's New York city identity card does not contain a resi-
27 dential or business street address, a covered entity shall not deny a
28 customer account-opening services, provided the customer can furnish a
29 residential or business street address of their next of kin or another
30 contact individual consistent with federal laws and regulations.
31 Receipt of a New York city identity card shall be deemed to satisfy the
32 customer identification program requirements of all covered entities
33 consistent with laws, rules and regulations of the state of New York.
34 Nothing in subdivision two of section twelve-a of this article shall be
35 deemed to annul this section.

36 3. The superintendent is empowered to exempt any covered entity
37 subject to subdivision two of this section upon a demonstration that it
38 would be unable to comply with relevant federal laws or regulations,
39 including without limitation, customer identification programs regarding
40 anti-money laundering laws, or upon a demonstration of other reasons for
41 inability to comply that the superintendent finds sufficient.

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

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