

STATE OF NEW YORK

8479--A

IN SENATE

February 5, 2024

Introduced by Sens. MYRIE, CLEARE, GOUNARDES, HARCKHAM -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- reported favorably from said committee and committed to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to requiring payment card networks 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:

1 Section 1. The general business law is amended by adding a new article
2 29-BBB to read as follows:

3 ARTICLE 29-BBB
4 CREDIT AND DEBIT CARDS

5 Section 529. Definitions.

6 529-a. Merchant category-codes.

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

9 1. "Merchant acquirer" means an entity that establishes a relationship
10 with a merchant for the purposes of processing credit, debit, or prepaid
11 transactions.

12 2. "Payment card network" means an entity that provides services that
13 route transactions between participants on the network to conduct debit,
14 credit, or prepaid transactions for the purpose of authorization, clear-
15 ance, or settlement.

16 3. "Person" includes an individual, corporation, partnership or asso-
17 ciation, two or more persons having a joint or common interest or any
18 other legal or commercial entity.

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

20 § 529-a. Merchant category-codes. 1. For the purposes of this section,
21 the following terms shall have the following meanings:

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

LBD13704-02-4

1 (a) "Dealer of ammunition" means any person who engages in the busi-
2 ness of purchasing, selling or keeping ammunition in this state.

3 (b) "Dealer of firearms" means a gunsmith or dealers in firearms in
4 this state licensed pursuant to section 400.00 of the penal law, for
5 which the highest sales value is, or is expected to be, from the
6 combined sale in New York of firearms, firearm accessories, or ammuni-
7 tion, as stated by the business to its merchant acquirer in the ordinary
8 course of business.

9 (c) "Firearm" has the same meaning as that term is defined in subdivi-
10 sion three of section 265.00 of the penal law.

11 2. (a) On or before November first, two thousand twenty-four, each
12 payment card network shall make the merchant category-code for firearms
13 and ammunition businesses established by the international organization
14 for standardization on September ninth, two thousand twenty-two, avail-
15 able for merchant acquirers that provide payment services for dealers of
16 ammunition or dealers of firearms.

17 (b) On and after May first, two thousand twenty-five, each merchant
18 acquirer shall assign to each dealer of ammunition and dealer of
19 firearms in this state the merchant category-code for firearms and ammu-
20 nition businesses established by the international organization for
21 standardization on September ninth, two thousand twenty-two.

22 3. Whenever there shall be a violation of this section, the attorney
23 general shall give written notice to the person violating this section
24 identifying the specific provisions of this section that are or were
25 being violated. The attorney general shall not bring an action under
26 this section where, within thirty days of receiving such written notice,
27 the person cures the violation and provides the attorney general with a
28 written statement confirming the violation was cured, including support-
29 ing documentation on how the violation was cured, and stating how inter-
30 nal policies were changed to prevent such violations in the future. If
31 the violations were not cured or proper written notice not received by
32 the attorney general within thirty days of written notice being received
33 by such person violating this section, an application may be made by the
34 attorney general in the name of the people of the state of New York to a
35 court or justice having jurisdiction by a special proceeding to issue an
36 injunction, and upon notice to the defendant of not less than five days,
37 to enjoin and restrain the continuance of such violations; and if it
38 shall appear to the satisfaction of the court or justice that the
39 defendant has, in fact, violated this section, an injunction may be
40 issued by such court or justice, enjoining and restraining any further
41 violation, without requiring proof that any person has, in fact, been
42 injured or damaged thereby. In any such proceeding, the court may make
43 allowances to the attorney general as provided in paragraph six of
44 subdivision (a) of section eighty-three hundred three of the civil prac-
45 tice law and rules, and direct restitution. Whenever the court shall
46 determine that a violation of this section has occurred, the court may
47 impose a civil penalty of not more than ten thousand dollars for each
48 violation and reasonable attorney's fees and costs incurred in investi-
49 gating and bringing an action under this section. In connection with any
50 such proposed application, the attorney general is authorized to take
51 proof and make a determination of the relevant facts and to issue
52 subpoenas in accordance with the civil practice law and rules.

53 § 2. This act shall take effect immediately.