STATE OF NEW YORK

3304--A

2025-2026 Regular Sessions

IN ASSEMBLY

January 27, 2025

Introduced by M. of A. TAPIA -- read once and referred to the Committee on Banks -- recommitted to the Committee on Banks in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to prohibiting fees for electronic benefit transfer services

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

Section 1. The banking law is amended by adding a new section 9-aa to read as follows:

§ 9-aa. Electronic benefit transfer services. 1. As used in this section:

(a) "electronic benefit transfer services" means any service relating to the use of an electronic benefit transfer card including deposit, withdrawal, disbursement via electronic fund transfer, checks, or other mechanisms; reconciliation; reporting; or electronic cash management for benefit programs;

(b) "electronic benefit transfer card" means any card or device issued in connection with the electronic benefit transfer system established in section twenty-one-a of the social services law that allows individuals to access public assistance or benefit funds including:

(i) any medical assistance card, food stamp assistance card, public assistance card, or any other identification, authorization card or electronic access device issued by the state or a social services district as defined in subdivision seven of section two of the social services law which entitles a person to obtain public assistance benefits under a local, state or federal program administered by the state, its political subdivisions or social services districts; or

(ii) any unemployment insurance program card, occupational training act program card, adoption subsidy electronic payments program card, or card issued by the New York child support program which entitles a

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

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person to receive funds under a local, state or federal program administered by the state, its political subdivisions or social services districts;

(c) "interchange fee" means any fee established, charged, or received by a payment card network and paid by an acquirer for the purpose of compensating an issuer for its involvement in an electronic fund transaction; and

(d) "payment card network" means a payment card network as defined in section five hundred twenty-nine of the general business law.

2. No banking organization, out-of-state state bank that opens, occupies or maintains a branch in this state pursuant to article five-C of this chapter, or foreign banking corporation licensed by the superintendent to transact business in this state shall impose any fee for electronic benefit transfer services attributable to the use of an electronic benefit transfer card.

3. No operator or owner of an automated teller machine as defined in section seventy-five-b of this chapter shall impose any fee or surcharge for electronic benefit transfer services attributable to the use of an electronic benefit transfer card, except for interchange fees.

4. (a) Nothing in this section shall apply to any national bank, federal savings bank, federal savings and loan association, federal credit union, or any entity chartered or licensed by the United States.

(b) If any provision of this section or the application thereof to any person or circumstances is held to be invalid, such invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

§ 2. This act shall take effect immediately and shall apply to any contract for electronic benefit transfer services as defined in section 9-aa of the banking law, as added by section one of this act, entered into on or after such effective date between the state, or any agency, subdivision or department thereof, and any entity subject to the New York state banking law, general business law, or financial services law, notwithstanding the terms of such current contracts.