

STATE OF NEW YORK

3304

2025-2026 Regular Sessions

IN ASSEMBLY

January 27, 2025

Introduced by M. of A. TAPIA -- read once and referred to the Committee on Banks

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

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

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

3 § 9-aa. Benefit banking services. 1. As used in this section:

4 (a) "bank" means any corporation or limited liability investment
5 company subject to the provisions of this chapter, banking corporations
6 or credit unions organized under the laws of the United States or any
7 other state, private bankers, bank-based financial services companies
8 and federal reserve banks;

9 (b) "benefit banking services" means any service rendered through a
10 bank relating to the use of an electronic benefit transfer card includ-
11 ing deposit; disbursement via electronic fund transfer, checks, or other
12 mechanisms; reconciliation; reporting; or electronic cash management for
13 benefit programs; and

14 (c) "electronic benefit transfer card" means:

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

22 (ii) any unemployment insurance program card, occupational training
23 act program card, adoption subsidy electronic payments program card, or
24 card issued by the New York child support program which entitles a
25 person to receive funds under a local, state or federal program adminis-

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

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1 tered by the state, its political subdivisions or social services
2 districts.

3 2. No bank shall impose any fee for benefit banking services attribut-
4 able to the use of an electronic benefit transfer card.

5 3. No operator or owner of an automated teller machine shall impose
6 any fee for benefit banking services attributable to the use of an elec-
7 tronic benefit transfer card.

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