

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 523

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

AN ACT

RELATING TO CONSUMER PROTECTION; DECLARING AS AN UNLAWFUL PRACTICE AUTOMATIC WITHDRAWALS MADE PURSUANT TO AUTOMATIC PAYMENT AGREEMENTS FROM CERTAIN CONSUMER ACCOUNTS WITHOUT PRIOR OR IMMEDIATE NOTICE OF THOSE WITHDRAWALS; PROVIDING A DEFINITION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Unfair Practices Act is enacted to read:

"[NEW MATERIAL] AUTOMATIC PAYMENT AGREEMENTS--NOTICE REQUIRED.--

A. It is an unlawful practice within the meaning of the Unfair Practices Act for a person that has an automatic payment agreement with a consumer to fail to notify the consumer of each withdrawal from the consumer's credit or debit

.214814.4

underscored material = new
[bracketed material] = delete

1 account, or the consumer's account with a third party, prior to
2 or immediately upon making that withdrawal.

3 B. For purposes of this section, "automatic payment
4 agreement" means an agreement between a creditor and a consumer
5 that authorizes the creditor to periodically withdraw money
6 from a credit card or a checking or savings account to pay a
7 bill.

8 C. The provisions of this section shall not apply
9 to a federally insured depository institution or to an insurer
10 as defined in Section 59A-1-8 NMSA 1978."