

A.4204-A (Sayegh)

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<p>BILL</p> <p>A.4204-A (Sayegh)</p>
<p>SUBJECT</p> <p>Requiring Paper Equivalent of Digital Coupons in Retail Establishments</p>
<p>DATE</p> <p>March 19, 2026</p>
<p>OPPOSE</p>

The Business Council of New York State opposes A.4204-A (Sayegh), which requires every retail mercantile establishment offering a digital coupon to simultaneously provide a paper coupon of identical value. While touted as an access measure, this bill would reduce the total number of discounts available to New York consumers, raise costs for neighborhood retailers, and harm the very price-sensitive shoppers it intends to protect. New York should expand access to savings — not enact rules that restrict them. For the below reasons, The Business Council must oppose A.4204-A:

Retailers Do Not Control Promotion Formats

- For majority of promotions, Consumer Packaged Goods (CPG) manufacturers - not retailers - decide whether a discount is offered digitally or on paper. Retailers serve only as a conduit. The result will be that "digital only" CPG offers are simply prohibited in brick-and-mortar stores because there is no paper option, leaving consumers with fewer deals - not more.

The Bill Disadvantages Brick-and-Mortar Shoes

- A comparable paper-coupon mandate enacted in San Diego produced a stark and cautionary outcome and New York should take note: due to operational and compliance hurdles, major grocers removed nearly 92.5% of digital coupons within city limits to achieve compliance. Because many coupon sponsors do not offer physical versions of their digital discounts, the total number of available deals in San Diego stores was dramatically reduced. The mandate did not expand consumer savings - it eliminated them, and disproportionately hurt households already stretched thin by the cost of groceries.

Coupon Programs Are Voluntary - Mandates Will Reduce Them

- Manufacturers and retailers voluntarily offer consumer discounts, and many promotions are part of marketing tools to drive new customers and increase brand loyalty. However, if compliance costs rise or fraud exposure increases

under a paper requirement, businesses will rationally choose to offer fewer coupons or promotional savings.

The Bill Would Undermine Customer Loyalty and Rewards Programs

- Digital coupons are often tied to customer loyalty programs as an incentive for participation and many digital coupons are personalized to provide or highlight discounts to customers on items they frequently purchase. In some programs, customers accrue points on purchases that can be redeemed for discounts or free items - popular seasonal promotions like free holiday turkeys, and hams frequently operate as digital-only programs. If A.4204-A makes loyalty programs difficult or inefficient to operate, retailers may be forced to eliminate or significantly scale back these programs or decline to offer them in New York entirely - depriving consumers of one of the most valuable and personalized forms of savings available today.

Digital Systems Are Secure, Proven, and Broadly Accessible

- This bill fails to recognize and embrace the benefits, security and widespread use of digital systems today.
 - Digital platforms offer built-in accessibility features - language translation, text-to-speech, and visual aids - that paper coupons cannot replicate, making them more inclusive for consumers with disabilities or language barriers.
 - This bill would impose a paper requirement on private discount programs that the government itself has moved away from. Government programs, including SNAP and WIC, long ago replaced paper vouchers with electronic benefit transfer (EBT) cards precisely because digital systems reduce fraud, counterfeiting, and administrative overhead.
 - As of November 2024, 96% of Americans use the internet and 91% own a smartphone (Pew Research Center). Digital coupons are available free of charge to any consumer with internet/Wi-Fi access - a broader distribution than newspaper-clipped coupons ever achieved.

Enforcement

- Section 5 establishes a civil penalty framework enforced by municipal consumer affairs offices, town attorneys, city corporation counsel, and other municipal designees. However, the bill is silent as to whether it creates - or forecloses -

private right of action by individual consumer. Given the bill's silence, we believe it is not the intent of the sponsor to create a new private right of action, and therefore, recommend including express language clarifying that this section does not create, and shall not be construed to create, a private right of action under this section or any other law.

- Additionally, we recommend that the bill contains a 30-day right to cure provision to allow businesses to an oversight or issue before facing a lawsuit or fine.

The Business Council supports efforts to genuinely expand consumer access to discounts without restricting the modern, accessible, and fraud-resistant platforms that millions of New Yorkers already rely on. While A.4204-A is a well-intentioned bill, it will produce the opposite of its intended effect. The evidence from San Diego is clear: mandating paper equivalents causes retailers to pull digital promotions entirely, leaving consumers - especially lower-income households - with fewer savings options and higher grocery bills.

Therefore, The Business Council must oppose A.4204-A (Sayegh) and urges the Legislature to reject passage.