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I N S E N A T E

March 8, 2012

Introduced by Sen. BONACIC -- (at request of the Office of Court Administration) -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the New York city civil court act, the uniform district court act and the uniform city court act, in relation to the authority of a limited liability company to commence a commercial claim action or proceeding

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision (a) of section 1801-A of the New York city
2 civil court act, as amended by chapter 435 of the laws of 1992, is
3 amended to read as follows:

4 (a) The term "commercial claim" or "commercial claims" as used in this
5 article shall mean and include any cause of action for money only not in
6 excess of the maximum amount permitted for a small claim in the small
7 claims part of the court, exclusive of interest and costs, provided that
8 subject to the limitations contained in section eighteen hundred nine-A
9 of this article, the claimant is a corporation, partnership, LIMITED
10 LIABILITY COMPANY or association[,] which has its principal office in
11 the state of New York and provided that the defendant either resides, or
12 has an office for the transaction of business or a regular employment,
13 within the city of New York.

14 S 2. Section 1809-A of the New York city civil court act, as added by
15 chapter 653 of the laws of 1987, is amended to read as follows:

16 S 1809-A. Procedures relating to corporations, associations, insurers
17 and assignees. (a) Any corporation, including a municipal corporation
18 or public benefit corporation, partnership, LIMITED LIABILITY COMPANY or
19 association[,] which has its principal office in the city of New York
20 and an assignee of any commercial claim may institute an action or
21 proceeding under this article.

22 (b) No person or co-partnership, engaged directly or indirectly in the
23 business of collection and adjustment of claims, and no corporation,
24 LIMITED LIABILITY COMPANY or association, directly or indirectly, itself
25 or by or through its officers, agents or employees, shall solicit, buy

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

LBD14137-01-2

1 or take an assignment of, or be in any manner interested in buying or
2 taking an assignment of a bond, promissory note, bill of exchange, book
3 debt, or other thing in action, or any claim or demand, with the intent
4 and for the purpose of bringing an action or proceeding thereon under
5 this article.

6 (c) A corporation, partnership, LIMITED LIABILITY COMPANY or associ-
7 ation, which institutes an action or proceeding under this article shall
8 be limited to five such actions or proceedings per calendar month. Such
9 corporation, partnership, LIMITED LIABILITY COMPANY or association shall
10 complete and file with the clerk the required certification, provided it
11 is true and verified as to its truthfulness, as a prerequisite to the
12 institution of an action or proceeding in this part of the court.

13 (d) A corporation may appear as a party in any action brought pursuant
14 to this article by an attorney as well as by any authorized officer,
15 director or employee of the corporation provided that the appearance by
16 a non-lawyer on behalf of a corporation shall be deemed to constitute
17 the requisite authority to bind the corporation in a settlement or
18 trial. The court or arbitrator may make reasonable inquiry to determine
19 the authority of any person who appears for the corporation in a commer-
20 cial claims part case.

21 S 3. Subdivision (a) of section 1801-A of the uniformed district court
22 act, as amended by chapter 41 of the laws of 2006, is amended to read as
23 follows:

24 (a) The term "commercial claim" or "commercial claims" as used in this
25 act shall mean and include any cause of action for money only not in
26 excess of the maximum amount permitted for a small claim in the small
27 claims part of the court, exclusive of interest and costs, provided that
28 subject to the limitations contained in section eighteen hundred nine-A
29 of this article, the claimant is a corporation, partnership, LIMITED
30 LIABILITY COMPANY or association[,] which has its principal office in
31 the state of New York and provided that the defendant either resides, or
32 has an office for the transaction of business or a regular employment,
33 within the district in the county where the court is located.

34 S 4. Section 1809-A of the uniform district court act, as added by
35 chapter 653 of the laws of 1987, is amended to read as follows:

36 S 1809-A. Procedures relating to corporations, associations, insurers
37 and assignees.

38 (a) Any corporation, including a municipal corporation or public bene-
39 fit corporation, partnership, LIMITED LIABILITY COMPANY or associ-
40 ation[,] which has its principal office in the state of New York and an
41 assignee of any commercial claim may institute an action or proceeding
42 under this article.

43 (b) No person or co-partnership, engaged directly or indirectly in the
44 business of collection and adjustment of claims, and no corporation,
45 LIMITED LIABILITY COMPANY or association, directly or indirectly, itself
46 or by or through its officers, agents or employees, shall solicit, buy
47 or take an assignment of, or be in any manner interested in buying or
48 taking an assignment of a bond, promissory note, bill of exchange, book
49 debt, or other thing in action, or any claim or demand, with the intent
50 and for the purpose of bringing an action or proceeding thereon under
51 this article.

52 (c) A corporation, partnership, LIMITED LIABILITY COMPANY or associ-
53 ation[,] which institutes an action or proceeding under this article
54 shall be limited to five such actions or proceedings per calendar month.
55 Such corporation, partnership, LIMITED LIABILITY COMPANY or association
56 shall complete and file with the clerk the required certification,

1 provided it is true and verified as to its truthfulness, as a prerequi-
2 site to the institution of an action or proceeding in this part of the
3 court.

4 (d) A corporation may appear as a party in any action brought pursuant
5 to this article by an attorney as well as by any authorized officer,
6 director or employee of the corporation provided that the appearance by
7 a non-lawyer on behalf of a corporation shall be deemed to constitute
8 the requisite authority to bind the corporation in a settlement or
9 trial. The court or arbitrator may make reasonable inquiry to determine
10 the authority of any person who appears for the corporation in a commer-
11 cial claims part case.

12 S 5. Subdivision (a) of section 1801-A of the uniform city court act,
13 as amended by chapter 847 of the laws of 1990, is amended to read as
14 follows:

15 (a) The term "commercial claim" or "commercial claims" as used in this
16 act shall mean and include any cause of action for money only not in
17 excess of the maximum amount permitted for a small claim in the small
18 claims part of the court, exclusive of interest and costs, provided that
19 subject to the limitations contained in section eighteen hundred nine-A
20 of this article, the claimant is a corporation, partnership, LIMITED
21 LIABILITY COMPANY or association[,] which has its principal office in
22 the state of New York and provided that the defendant either resides, or
23 has an office for the transaction of business or a regular employment,
24 within the county in which the court is located. In a city court having
25 a basic monetary jurisdiction in civil matters of less than one thousand
26 dollars, the commercial claims jurisdiction of such court shall be equal
27 to its basic monetary jurisdiction.

28 S 6. Section 1809-A of the uniform city court act, as added by chapter
29 653 of the laws of 1987, is amended to read as follows:

30 S 1809-A. Procedures relating to corporations, associations, insurers
31 and assignees.

32 (a) Any corporation, including a municipal corporation or public bene-
33 fit corporation, partnership, LIMITED LIABILITY COMPANY or association,
34 which has its principal office in the state of New York and an assignee
35 of any commercial claim may institute an action or proceeding under this
36 article.

37 (b) No person or co-partnership, engaged directly or indirectly in the
38 business of collection and adjustment of claims, and no corporation,
39 LIMITED LIABILITY COMPANY or association, directly or indirectly, itself
40 or by or through its officers, agents or employees, shall solicit, buy
41 or take an assignment of, or be in any manner interested in buying or
42 taking an assignment of a bond, promissory note, bill of exchange, book
43 debt, or other thing in action, or any claim or demand, with the intent
44 and for the purpose of bringing an action or proceeding thereon under
45 this article.

46 (c) A corporation, partnership, LIMITED LIABILITY COMPANY or associ-
47 ation[,] which institutes an action or proceeding under this article
48 shall be limited to five such actions or proceedings per calendar month.
49 Such corporation, partnership, LIMITED LIABILITY COMPANY or association
50 shall complete and file with the clerk the required certification,
51 provided it is true and verified as to its truthfulness, as a prerequi-
52 site to the institution of an action or proceeding in this part of the
53 court.

54 (d) A corporation may appear as a party in any action brought pursuant
55 to this article by an attorney as well as by any authorized officer,
56 director or employee of the corporation provided that the appearance by

1 a non-lawyer on behalf of a corporation shall be deemed to constitute
2 the requisite authority to bind the corporation in a settlement or
3 trial. The court or arbitrator may make reasonable inquiry to determine
4 the authority of any person who appears for the corporation in a commer-
5 cial claims part case.

6 S 7. This act shall take effect immediately.