S T A T E O F N E W Y O R K

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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:

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

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

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

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

(b) No person or co-partnership, engaged directly or indirectly in the business of collection and adjustment of claims, and no corporation, LIMITED LIABILITY COMPANY or association, directly or indirectly, itself 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.

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

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

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

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

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

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

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

(a) Any corporation, including a municipal corporation or public benefit corporation, partnership, LIMITED LIABILITY COMPANY or association[,] which has its principal office in the state of New York and an assignee of any commercial claim may institute an action or proceeding under this article.

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

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

provided it is true and verified as to its truthfulness, as a prerequisite to the institution of an action or proceeding in this part of the court.

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

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

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

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

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

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

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

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

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

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

S 7. This act shall take effect immediately.