

218--A

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. ROSENTHAL, GLICK, JAFFEE, DenDEKKER, HOOPER, COOK, SCARBOROUGH, KELLNER, BOYLAND, ROBINSON, MILLER -- Multi-Sponsored by -- M. of A. CAHILL, GUNTHER, MAGEE, WEISENBERG -- read once and referred to the Committee on Consumer Affairs and Protection -- recommitted to the Committee on Consumer Affairs and Protection in accordance with Assembly Rule 3, sec. 2 -- reported and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to prohibiting debt collectors from collecting or attempting to collect a debt owed by a deceased debtor that is known to be deceased

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

1 Section 1. The general business law is amended by adding a new section
2 601-a to read as follows:
3 S 601-A. PROHIBITED PRACTICES REGARDING DECEASED DEBTORS. 1. FOR THE
4 PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING
5 MEANINGS:
6 (A) "DEBT" MEANS ANY OBLIGATION OR ALLEGED OBLIGATION OF A CONSUMER TO
7 PAY MONEY ARISING OUT OF A TRANSACTION IN WHICH THE MONEY, PROPERTY,
8 INSURANCE, OR SERVICES WHICH ARE THE SUBJECT OF THE TRANSACTION ARE
9 PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES, WHETHER OR NOT
10 SUCH OBLIGATION HAS BEEN REDUCED TO JUDGMENT;
11 (B) "DEBT COLLECTOR" MEANS AN INDIVIDUAL WHO, AS PART OF HIS OR HER
12 JOB, REGULARLY COLLECTS OR ATTEMPTS TO COLLECT DEBTS: (I) OWED OR DUE OR
13 ASSERTED TO BE OWED OR DUE TO ANOTHER; OR (II) OBTAINED BY, OR ASSIGNED
14 TO, SUCH PERSON, FIRM OR CORPORATION, THAT ARE IN DEFAULT WHEN OBTAINED
15 OR ACQUIRED BY SUCH PERSON, FIRM OR CORPORATION; AND

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

LBD02312-03-4

1 (C) "ATTEMPTING TO COLLECT A DEBT" MEANS ANY ACTION TAKEN OR COMMUNI-
2 CATION MADE BY A PRINCIPAL CREDITOR OR DEBT COLLECTOR TO ANY PERSON WHO
3 IS AUTHORIZED TO RECEIVE SUCH COMMUNICATIONS ABOUT A DEBT.

4 2. ANY PRINCIPAL CREDITOR OR DEBT COLLECTOR ATTEMPTING TO COLLECT A
5 DEBT INCURRED BY A DECEASED DEBTOR FROM A PERSON WHO THE PRINCIPAL CRED-
6 ITOR OR DEBT COLLECTOR KNOWS IS NOT LEGALLY REQUIRED TO PAY SUCH DEBT
7 SHALL DISCLOSE TO SUCH PERSON THAT HE OR SHE IS NOT LEGALLY REQUIRED TO
8 PAY SUCH DEBTS. IN ADDITION, SUCH PRINCIPAL CREDITOR OR DEBT COLLECTOR
9 SHALL NOT MAKE ANY MISREPRESENTATION ABOUT SUCH PERSON'S OBLIGATION TO
10 PAY SUCH DEBT.

11 3. (A) IN ADDITION TO ANY RIGHT OF ACTION GRANTED TO THE ATTORNEY
12 GENERAL PURSUANT TO THIS ARTICLE, ANY PERSON AGGRIEVED BY REASON OF ANY
13 VIOLATION OF THIS SECTION MAY BRING AN ACTION IN HIS OR HER OWN NAME TO
14 ENJOIN SUCH UNLAWFUL ACT OR PRACTICE, AN ACTION TO RECOVER HIS OR HER
15 ACTUAL DAMAGES OR FIVE HUNDRED DOLLARS, WHICHEVER IS GREATER, OR BOTH
16 SUCH ACTIONS. IN THE CASE OF ANY SUCCESSFUL ACTION TO ENFORCE THE FORE-
17 GOING LIABILITY, THE COURT MAY AWARD THE COSTS OF THE ACTION TOGETHER
18 WITH REASONABLE ATTORNEY'S FEES. EACH COMMUNICATION THAT FAILS TO COMPLY
19 WITH THE REQUIREMENTS OF THIS SECTION SHALL CONSTITUTE A SEPARATE
20 VIOLATION.

21 (B) ANY CONSUMER ENTITLED TO BRING AN ACTION UNDER THIS SUBDIVISION
22 MAY, IF THE UNLAWFUL ACT OR PRACTICE HAS CAUSED DAMAGE TO OTHER CONSUM-
23 ERS SIMILARLY SITUATED, BRING AN ACTION ON BEHALF OF HIMSELF AND SUCH
24 OTHER CONSUMERS TO RECOVER DAMAGES OR OBTAIN OTHER RELIEF AS PROVIDED
25 FOR IN THIS SUBDIVISION. ANY ACTION BROUGHT UNDER THIS SUBDIVISION SHALL
26 COMPLY WITH ARTICLE NINE OF THE CIVIL PRACTICE LAW AND RULES.

27 S 2. Subdivision 1 of section 602 of the general business law, as
28 added by chapter 753 of the laws of 1973, is amended to read as follows:

29 1. Except as otherwise provided by law, any person who [shall violate]
30 WILLFULLY VIOLATES the terms of this article [shall be], EXCEPT THE
31 TERMS CONTAINED IN SECTION SIX HUNDRED ONE-A OF THIS ARTICLE, IS guilty
32 of a misdemeanor, and each such violation shall be deemed a separate
33 offense.

34 S 3. This act shall take effect on the ninetieth day after it shall
35 have become a law.