

STATE OF NEW YORK

8131

IN SENATE

January 8, 2024

Introduced by Sen. HARCKHAM -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to providing for electronic notice for collateral loan brokers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 1 of section 49 of the general business law, as
2 amended by chapter 594 of the laws of 1997, is amended to read as
3 follows:

4 1. [~~No pledge shall be sold unless written or printed notice of inten-~~
5 ~~tion to sell with a statement of the article or articles to be sold has~~
6 ~~been first mailed by letter addressed to the pledgor at the address~~
7 ~~given at the time of pledging at least thirty days prior to the date of~~
8 ~~sale]~~ Notwithstanding any general or special statutes, local law and
9 ordinances to the contrary, upon the tendering of a pledge, the pledgor
10 shall provide a collateral loan broker an email address or phone number
11 to be used in the event a pledge is not timely redeemed for purposes of
12 providing a notice of intention to sell. No pledge shall be sold unless
13 a notice of intention to sell, with a statement of the article or arti-
14 cles to be sold, is forwarded electronically, by email or text message,
15 at least thirty days prior to the date of sale. A second notice of
16 intention to sell shall be forwarded electronically, by email or text
17 message, to the pledgor at least fifteen days prior to the sale. Alter-
18 natively, a pledgor may at the time of tendering a pledge elect to
19 receive a notice of intention to sell by United States postal service
20 mail with a statement of the articles to be sold by letter addressed to
21 the pledgor at the address given at the time of pledging at least thirty
22 days prior to the date of the sale. A pledgor may at any time prior to
23 the transmission of the second notice referenced above, or mailing of a
24 letter addressed to the pledgor, provide one or more updated addresses
25 or phone numbers to be used for purposes of transmission of a notice of
26 intention to sell and the collateral loan broker shall accordingly
27 employ a substitute new address or phone number. Copies of notices of
28 intention to sell sent pursuant to this subdivision shall be retained by

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

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1 a collateral loan broker for not less than six years. If the sale shall
2 be by public auction, then notice of every such sale shall be published
3 for at least six days previous thereto, in at least two of the daily
4 newspapers printed in the city where the business shall be carried on,
5 and also in two daily newspapers of the city where the sale is to take
6 place and to be designated by said mayor, and such notice shall specify
7 the time and place at which such sale is to take place and the name of
8 the auctioneers by whom the same is to be conducted together with a
9 statement of the class of pledges to be sold and the inclusive dates and
10 numbers of the pawn tickets of the pledges to be sold. If the pledge, at
11 such sale, shall be purchased back by the collateral loan broker, the
12 pledgor shall be entitled to redeem same within ten days thereafter by
13 tendering to the collateral loan broker the amount of the loan with the
14 interest due thereon, the amount of the auctioneer's lawful commission,
15 lawful extra care charges, and the expense of the advertisement of the
16 sale.

17 § 2. Subdivision 2 of section 50 of the general business law, as
18 amended by chapter 321 of the laws of 1983, is amended to read as
19 follows:

20 2. In the event there is any surplus money due to a pledgor after such
21 sale, the collateral loan broker shall give the pledgor written notice
22 thereof, by mailing to such pledgor, directed to him at the address
23 given at the time of pledging or in the event such pledgor has notified
24 the collateral loan broker, in writing, of a change of address, to such
25 new address, within thirty days after such sale, a notice which shall
26 state the name and address of the collateral loan broker, the number of
27 the pledge, the date of sale and the amount of any surplus, provided
28 however that in the event that the collateral loan broker has transmit-
29 ted a notice of sale via electronic means pursuant to section forty-nine
30 of this article, the notice of surplus herein shall be transmitted in a
31 manner identical to the means employed with regard to the notice of
32 sale, provided further that such electronic notice shall be required to
33 be transmitted one time to the electronic address provided by the pled-
34 gor at the time the article was pledged or to at least one or more
35 alternative electronic addresses if provided, in writing, hard copy or
36 electronic, to the collateral loan broker by the pledgor prior to the
37 transmittal of the notice of surplus as prescribed herein. In the event
38 any person entitled to such surplus fails to make claim for the same
39 within one year from the date of such sale, such surplus shall be paid
40 over, by the collateral loan broker, to the state comptroller in accord-
41 ance with the provisions of section one thousand three hundred one of
42 the abandoned property law.

43 § 3. This act shall take effect on the one hundred eightieth day after
44 it shall have become a law. Effective immediately, the addition, amend-
45 ment and/or repeal of any rule or regulation necessary for the implemen-
46 tation of this act on its effective date are authorized to be made and
47 completed on or before such effective date.