

# STATE OF NEW YORK

3228--A

Cal. No. 105

2025-2026 Regular Sessions

## IN ASSEMBLY

January 27, 2025

Introduced by M. of A. LAVINE, SANTABARBARA -- read once and referred to the Committee on Consumer Affairs and Protection -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

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 may provide a collateral loan broker an email address or phone number to  
11 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 and  
21 mailed to the pledgor at the address given at the time of pledging at  
22 least thirty days prior to the date of the sale. A pledgor may at any  
23 time prior to the transmission of the second notice referenced above, or

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

LBD07205-02-6

1 mailing of a letter addressed to the pledgor, provide one or more  
2 updated addresses or phone numbers to be used for purposes of trans-  
3 mission of a notice of intention to sell and the collateral loan broker  
4 shall accordingly employ a substitute new address or phone number.  
5 Copies of notices of intention to sell sent pursuant to this subdivision  
6 shall be retained by a collateral loan broker for not less than six  
7 years. If the sale shall be by public auction, then notice of every such

8 sale shall be published for at least six days previous thereto, in at  
9 least two of the daily newspapers printed in the city where the business  
10 shall be carried on, and also in two daily newspapers of the city where  
11 the sale is to take place and to be designated by said mayor, and such  
12 notice shall specify the time and place at which such sale is to take  
13 place and the name of the auctioneers by whom the same is to be  
14 conducted together with a statement of the class of pledges to be sold  
15 and the inclusive dates and numbers of the pawn tickets of the pledges  
16 to be sold. If the pledge, at such sale, shall be purchased back by the  
17 collateral loan broker, the pledgor shall be entitled to redeem same  
18 within ten days thereafter by tendering to the collateral loan broker  
19 the amount of the loan with the interest due thereon, the amount of the  
20 auctioneer's lawful commission, lawful extra care charges, and the  
21 expense of the advertisement of the sale.

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

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

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