STATE OF NEW YORK

6388

2025-2026 Regular Sessions

IN SENATE

March 13, 2025

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:

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

1. [~~No pledge shall be sold unless written or printed notice of intention to sell with a statement of the article or articles to be sold has been first mailed by letter addressed to the pledgor at the address given at the time of pledging at least thirty days prior to the date of sale~~] **Notwithstanding any general or special statutes, local law and ordinances to the contrary, upon the tendering of a pledge, the pledgor shall provide a collateral loan broker an email address or phone number to be used in the event a pledge is not timely redeemed for purposes of providing a notice of intention to sell. No pledge shall be sold unless a notice of intention to sell, with a statement of the article or articles to be sold, is forwarded electronically, by email or text message, at least thirty days prior to the date of sale. A second notice of intention to sell shall be forwarded electronically, by email or text message, to the pledgor at least fifteen days prior to the sale. Alternatively, a pledgor may at the time of tendering a pledge elect to receive a notice of intention to sell by United States postal service mail with a statement of the articles to be sold by letter addressed to the pledgor at the address given at the time of pledging at least thirty days prior to the date of the sale. A pledgor may at any time prior to the transmission of the second notice referenced above, or mailing of a letter addressed to the pledgor, provide one or more updated addresses or phone numbers to be used for purposes of transmission of a notice of**

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

LBD07205-01-5

intention to sell and the collateral loan broker shall accordingly employ a substitute new address or phone number. Copies of notices of intention to sell sent pursuant to this subdivision shall be retained by a collateral loan broker for not less than six years. If the sale shall be by public auction, then notice of every such sale shall be published for at least six days previous thereto, in at least two of the daily newspapers printed in the city where the business shall be carried on, and also in two daily newspapers of the city where the sale is to take place and to be designated by said mayor, and such notice shall specify the time and place at which such sale is to take place and the name of the auctioneers by whom the same is to be conducted together with a statement of the class of pledges to be sold and the inclusive dates and numbers of the pawn tickets of the pledges to be sold. If the pledge, at such sale, shall be purchased back by the collateral loan broker, the pledgor shall be entitled to redeem same within ten days thereafter by tendering to the collateral loan broker the amount of the loan with the interest due thereon, the amount of the auctioneer's lawful commission, lawful extra care charges, and the expense of the advertisement of the sale.

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

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

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.