

5269

2015-2016 Regular Sessions

I N S E N A T E

May 12, 2015

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the uniform commercial code and the general business law, in relation to prohibiting auto lenders from remotely disabling a vehicle without first giving notice of the disabling to the lender

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

1 Section 1. Subdivision (a) of section 9-102 of the uniform commercial
2 code is amended by adding a new paragraph 60-a to read as follows:
3 (60-A) "PAYMENT ASSURANCE DEVICE" MEANS ANY DEVICE INSTALLED IN A
4 VEHICLE THAT CAN BE USED TO REMOTELY DISABLE THE VEHICLE.
5 S 2. Subdivision 10 of section 601 of the general business law, as
6 added by chapter 342 of the laws of 2011, is renumbered subdivision 11
7 and amended and a new subdivision 10 is added to read as follows:
8 10. REMOTELY DISABLE A VEHICLE USING A PAYMENT ASSURANCE DEVICE
9 DEFINED IN PARAGRAPH SIXTY-A OF SUBDIVISION A OF SECTION 9-102 OF THE
10 UNIFORM COMMERCIAL CODE OR BY ANY OTHER MEANS IN ORDER TO REPOSSESS A
11 DEBTOR'S VEHICLE WITHOUT FIRST HAVING GIVEN WRITTEN NOTICE OF THE POSSI-
12 BLE REMOTE DISABLING OF A VEHICLE. THE NOTICE SHALL BE MAILED BY REGIS-
13 TERED OR CERTIFIED MAIL TO THE ADDRESS AT WHICH THE DEBTOR WILL BE
14 RESIDING ON THE EXPECTED DATE OF THE REMOTE DISABLING OF THE VEHICLE.
15 THE NOTICE SHALL BE POSTMARKED NO LATER THAN TEN DAYS PRIOR TO THE DATE
16 ON WHICH THE PRINCIPAL CREDITOR OR HIS AGENT OBTAINS THE RIGHT TO
17 REMOTELY DISABLE THE VEHICLE; OR
18 11. If such principal creditor or agent sends more than fifty informa-
19 tion subpoenas per month, fail to keep complete records concerning all
20 information subpoenas sent by such principal creditor or agent. Such
21 records shall be maintained for five years. Contemporaneous records
22 shall be kept that set forth with specificity the grounds for such prin-
23 cipal creditor or agent's reasonable belief, which must be certified and
24 accompany each information subpoena pursuant to rule fifty-two hundred

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

LBD11024-01-5

1 twenty-four of the civil practice law and rules, that the party receiv-
2 ing the subpoena has in its possession information about the debtor that
3 will assist the creditor in collecting his or her judgement. In addition
4 to any other penalty that [my] MAY be imposed, failure to maintain
5 records in accordance with this subdivision shall subject such principal
6 creditor or agent to a civil penalty of not more than fifty dollars per
7 subpoena, up to a maximum of five thousand dollars per violation, in an
8 action brought by the attorney general[.]; OR
9 S 3. Section 601 of the general business law is amended by adding a
10 new subdivision 12 to read as follows:
11 12. THE DATE ON WHICH THE PRINCIPAL CREDITOR OBTAINS THE RIGHT TO
12 UTILIZE A PAYMENT ASSURANCE DEVICE IN ORDER TO REMOTELY DISABLE A VEHI-
13 CLE MUST BE MADE AWARE TO THE BORROWER BEFORE A CONTRACT IS SIGNED
14 BETWEEN THE PRINCIPAL CREDITOR AND THE BORROWER.
15 S 4. This act shall take effect immediately.