

STATE OF NEW YORK

8393--B

Cal. No. 1081

IN SENATE

January 26, 2024

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the general business law, in relation to prohibiting motor vehicle manufacturers and dealers from charging a subscription fee for certain functions of a motor vehicle after the vehicle is sold

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
2 198-d to read as follows:

3 § 198-d. Vehicle feature subscriptions. (a) As used in this section:

4 (1) "Consumer" shall mean the purchaser, or lessee, other than for
5 purposes of resale, of a motor vehicle.

6 (2) "Dealer" shall have the same meaning as such term is defined by
7 section four hundred fifteen of the vehicle and traffic law.

8 (3) "Manufacturer" shall mean a person or business engaged in the
9 manufacturing or assembling of new motor vehicles.

10 (4) "Motor vehicle" shall have the same meaning as such term is
11 defined by section one hundred twenty-five of the vehicle and traffic
12 law.

13 (5) "Motor vehicle feature" shall mean any convenience or safety func-
14 tion included on the motor vehicle, including but not limited to heated
15 seats that typically is offered to a consumer as an upgrade at the time
16 of purchase or lease of the motor vehicle.

17 (6) "Subscription service" shall mean a service provided on a
18 subscription basis in exchange for a recurring payment, including, but
19 not limited to, a weekly, monthly, or annual payment charged to and made
20 by a consumer but shall not include a consumer's reoccurring payment
21 made pursuant to a retail installment contract or lease contract for the
22 purchase or lease of a motor vehicle.

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

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1 (b) No manufacturer, dealer, or agent of a manufacturer or dealer
2 shall offer to a consumer a subscription service for any motor vehicle
3 feature that:

4 (1) utilizes components and hardware already installed on the motor
5 vehicle at the time of purchase or lease by the consumer; and

6 (2) would function after activation without ongoing cost to or support
7 by the dealer, manufacturer, or any third-party service provider.

8 (c) The provisions of this section shall not:

9 (1) apply to navigation system updates, infotainment features, satel-
10 lite radio, in-vehicle Wi-Fi, telematics services, roadside assistance,
11 software-dependent driver assistance or driver automation features, or
12 vehicle-connected services that rely on cellular or other data networks
13 for continued operation; or

14 (2) be construed to prohibit a dealer or manufacturer from providing
15 any software update to a consumer, provided the dealer or manufacturer
16 does not charge the consumer a fee for any software update remedying a
17 safety-related defect that is required to be provided to the consumer at
18 no cost as required by Section 573.6 of Title 49 of the United States
19 Code.

20 (d) Any manufacturer, dealer, or agent of a manufacturer or dealer
21 that fails to comply with the requirements of this section shall be
22 assessed a civil penalty not to exceed two hundred fifty dollars per
23 point of sale for each violation.

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