S T A T E O F N E W Y O R K

314

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. GREENE -- read once and referred to the Committee on Transportation

AN ACT to amend the vehicle and traffic law, in relation to the financing of inventory by franchised motor vehicle dealers

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

Section 1. Subdivision 2 of section 463 of the vehicle and traffic law is amended by adding a new paragraph (hh) to read as follows:

(HH) TO CONDITION A FRANCHISED MOTOR VEHICLE DEALER'S PARTICIPATION IN ANY SALES INCENTIVE PROGRAM, OR TO OTHERWISE PROVIDE MORE FAVORABLE TERMS TO A FRANCHISED MOTOR VEHICLE DEALER OR TO SUCH DEALER'S CUSTOMERS, UPON THE FRANCHISED MOTOR VEHICLE DEALER'S PLACEMENT OR ACCEPTANCE OF LOANS OR OTHER FORMS OF FINANCING ON SUCH DEALER'S INVENTORY FROM EITHER THE FRANCHISOR OR FROM A BUSINESS ENTITY OWNED OR CONTROLLED BY THE FRANCHISOR OR OWNED OR CONTROLLED BY THE BUSINESS ENTITY THAT OWNS OR CONTROLS THE FRANCHISOR.

S 2. Section 463 of the vehicle and traffic law is amended by adding a new subdivision 2-c to read as follows:

2-C. NO BUSINESS ENTITY OWNED OR CONTROLLED BY A FRANCHISOR, OR OWNED OR CONTROLLED BY A BUSINESS ENTITY THAT OWNS OR CONTROLS THE FRANCHISOR, SHALL OFFER TO PROVIDE OR PROVIDE LOANS OR OTHER FORMS OF FINANCING TO A FRANCHISED MOTOR VEHICLE DEALER, OR TO SUCH DEALER'S CUSTOMERS, THE TERMS OF WHICH ARE DEPENDENT UPON THE FRANCHISED MOTOR VEHICLE DEALER'S PLACING OR ACCEPTING OTHER LOANS OR FORMS OF FINANCING ON THE FRANCHISED MOTOR VEHICLE DEALER'S INVENTORY THROUGH OR WITH SUCH BUSINESS ENTITY.

S 3. This act shall take effect immediately.

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

LBD02142-01-9