

1346--C

2011-2012 Regular Sessions

I N   A S S E M B L Y

(PREFILED)

January 5, 2011

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Introduced by M. of A. GANTT, ESPINAL, BRINDISI -- read once and referred to the Committee on Transportation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Transportation in accordance with Assembly Rule 3, sec. 2 -- reported and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the vehicle and traffic law, in relation to satisfaction of a security interest in a motor vehicle by a dealer

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

1     Section 1. The opening paragraph of section 2121 of the vehicle and  
2 traffic law is designated subdivision (a) and a new subdivision (b) is  
3 added to read as follows:  
4     (B) A DEALER WHO RECEIVES A MOTOR VEHICLE FOR THE PURPOSES OF RESALE  
5 AND WHO ARRANGES FOR THE SATISFACTION OF ANY SECURITY INTEREST IN SUCH  
6 VEHICLE, AND FOR WHICH A RELEASE OF SECURITY INTEREST HAS NOT BEEN  
7 ISSUED, MAY SUBMIT TO THE COMMISSIONER SUFFICIENT EVIDENCE TO DEMON-  
8 STRATE THAT SUCH SECURITY INTEREST HAS BEEN SATISFIED AND SHALL PROVIDE  
9 NOTICE TO THE LIENHOLDER TWO WEEKS PRIOR TO SUBMISSION TO THE COMMIS-  
10 SIONER. THE COMMISSIONER SHALL, UPON RECEIPT OF SUCH EVIDENCE, A PROPER  
11 APPLICATION AND THE APPROPRIATE FEE PURSUANT TO SECTION TWENTY-ONE  
12 HUNDRED TWENTY-FIVE OF THIS ARTICLE, PROMPTLY ISSUE, WITHIN NO MORE THAN  
13 FIFTEEN BUSINESS DAYS OF RECEIPT BY THE DEPARTMENT OF ALL REQUIRED  
14 INFORMATION AND FEES, EITHER A DUPLICATE CERTIFICATE WITHOUT SUCH LIEN  
15 INCLUDED THEREON, OR A CERTIFICATE WITHOUT SUCH LIEN INCLUDED THEREON.  
16 EVIDENCE THAT A SECURITY INTEREST HAS BEEN SATISFIED SHALL INCLUDE: (I)

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

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1 EVIDENCE THAT AN INTERBANK OR ELECTRONIC TRANSFER OF FUNDS HAS BEEN  
2 MADE; OR (II) EVIDENCE THAT A COPY OF A CASHIER'S OR BANK CHECK HAS BEEN  
3 DELIVERED; OR (III) OTHER EVIDENCE AS DETERMINED TO BE SATISFACTORY BY  
4 THE COMMISSIONER; AND (IV) EVIDENCE THAT THE AMOUNT DELIVERED TO THE  
5 LIENHOLDER IS EQUAL TO THE AMOUNT WHICH HAS BEEN REPRESENTED TO THE  
6 DEALER BY THE LIENHOLDER AS SUFFICIENT TO SATISFY SUCH LIEN. SUCH  
7 EVIDENCE SHALL BE ACCEPTED BY THE COMMISSIONER AS SUFFICIENT. ANY  
8 EVIDENCE SUBMITTED TO THE COMMISSIONER PURSUANT TO THIS SUBDIVISION MAY,  
9 SUBJECT TO APPROVAL OF THE COMMISSIONER, BE SUBMITTED IN ELECTRONIC  
10 FORM. IN ADDITION TO THE PENALTIES IMPOSED BY SECTION TWENTY-ONE  
11 HUNDRED THIRTY OF THIS ARTICLE, ANY DEALER WHO ALTERS OR FORGES EVIDENCE  
12 OF PAYMENT, OR FAILS TO MAKE A PAYMENT, SHALL BE LIABLE TO ANY PARTY FOR  
13 ANY DAMAGES RESULTING FROM THE ISSUANCE OF A NEW CERTIFICATE BY THE  
14 COMMISSIONER, PLUS ATTORNEY'S FEES AND COSTS INCURRED IN RECOVERING SUCH  
15 DAMAGES, PROVIDED HOWEVER NO SUBSEQUENT PURCHASER OF A VEHICLE WHERE THE  
16 SECURITY INTEREST WAS REMOVED BY THE COMMISSIONER UNDER THE PROVISIONS  
17 OF THIS SUBDIVISION SHALL BE LIABLE FOR ANY ERRORS IN THE REMOVAL OF  
18 SUCH SECURITY INTEREST, AND ANY DEALER WHO SO APPLIED FOR THE REMOVAL OF  
19 SUCH SECURITY INTEREST ON SUCH VEHICLE SHALL INDEMNIFY ANY SUCH PURCHAS-  
20 ER AND LIENHOLDER. THE COMMISSIONER IS AUTHORIZED TO ADOPT AND ENFORCE  
21 REASONABLE RULES AND REGULATIONS NECESSARY TO CARRY OUT THE PROVISIONS  
22 OF THIS SUBDIVISION.

23 S 2. This act shall take effect on the one hundred eightieth day after  
24 it shall have become a law.