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

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I N S E N A T E

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Introduced by Sens. LIBOUS, CARLUCCI, LARKIN -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Transportation in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

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:

Section 1. The opening paragraph of section 2121 of the vehicle and traffic law is designated subdivision (a) and a new subdivision (b) is added to read as follows:

(B) A DEALER WHO RECEIVES A MOTOR VEHICLE FOR THE PURPOSES OF RESALE AND WHO ARRANGES FOR THE SATISFACTION OF ANY SECURITY INTEREST IN SUCH VEHICLE, AND FOR WHICH A RELEASE OF SECURITY INTEREST HAS NOT BEEN ISSUED, MAY SUBMIT TO THE COMMISSIONER SUFFICIENT EVIDENCE TO DEMONSTRATE THAT SUCH SECURITY INTEREST HAS BEEN SATISFIED AND SHALL PROVIDE NOTICE TO THE LIENHOLDER TWO WEEKS PRIOR TO SUBMISSION TO THE COMMISSIONER. THE COMMISSIONER SHALL, UPON RECEIPT OF SUCH EVIDENCE, A PROPER APPLICATION AND THE APPROPRIATE FEE PURSUANT TO SECTION TWENTY-ONE HUNDRED TWENTY-FIVE OF THIS ARTICLE, PROMPTLY ISSUE, WITHIN NO MORE THAN FIFTEEN BUSINESS DAYS OF RECEIPT BY THE DEPARTMENT OF ALL REQUIRED INFORMATION AND FEES, EITHER A DUPLICATE CERTIFICATE WITHOUT SUCH LIEN

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

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INCLUDED THEREON, OR A CERTIFICATE WITHOUT SUCH LIEN INCLUDED THEREON. EVIDENCE THAT A SECURITY INTEREST HAS BEEN SATISFIED SHALL INCLUDE: (I) EVIDENCE THAT AN INTERBANK OR ELECTRONIC TRANSFER OF FUNDS HAS BEEN MADE; OR (II) EVIDENCE THAT A COPY OF A CASHIER'S OR BANK CHECK HAS BEEN DELIVERED; OR (III) OTHER EVIDENCE AS DETERMINED TO BE SATISFACTORY BY THE COMMISSIONER; AND (IV) EVIDENCE THAT THE AMOUNT DELIVERED TO THE LIENHOLDER IS EQUAL TO THE AMOUNT WHICH HAS BEEN REPRESENTED TO THE DEALER BY THE LIENHOLDER AS SUFFICIENT TO SATISFY SUCH LIEN. SUCH EVIDENCE SHALL BE ACCEPTED BY THE COMMISSIONER AS SUFFICIENT. ANY EVIDENCE SUBMITTED TO THE COMMISSIONER PURSUANT TO THIS SUBDIVISION MAY, SUBJECT TO APPROVAL OF THE COMMISSIONER, BE SUBMITTED IN ELECTRONIC FORM. IN ADDITION TO THE PENALTIES IMPOSED BY SECTION TWENTY-ONE HUNDRED THIRTY OF THIS ARTICLE, ANY DEALER WHO ALTERS OR FORGES EVIDENCE OF PAYMENT, OR FAILS TO MAKE A PAYMENT, SHALL BE LIABLE TO ANY PARTY FOR ANY DAMAGES RESULTING FROM THE ISSUANCE OF A NEW CERTIFICATE BY THE COMMISSIONER, PLUS ATTORNEY'S FEES AND COSTS INCURRED IN RECOVERING SUCH DAMAGES, PROVIDED HOWEVER NO SUBSEQUENT PURCHASER OF A VEHICLE WHERE THE SECURITY INTEREST WAS REMOVED BY THE COMMISSIONER UNDER THE PROVISIONS OF THIS SUBDIVISION SHALL BE LIABLE FOR ANY ERRORS IN THE REMOVAL OF SUCH SECURITY INTEREST, AND ANY DEALER WHO SO APPLIED FOR THE REMOVAL OF SUCH SECURITY INTEREST ON SUCH VEHICLE SHALL INDEMNIFY ANY SUCH PURCHASER AND LIENHOLDER. THE COMMISSIONER IS AUTHORIZED TO ADOPT AND ENFORCE REASONABLE RULES AND REGULATIONS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBDIVISION.

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