

1346--B

2011-2012 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 5, 2011

Introduced by M. of A. GANTT -- 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

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 CONCURRENT WITH OR PRIOR TO SUBMISSION TO THE
10 COMMISSIONER. THE COMMISSIONER SHALL, UPON RECEIPT OF SUCH EVIDENCE, A
11 PROPER APPLICATION AND THE APPROPRIATE FEE PURSUANT TO SECTION
12 TWENTY-ONE HUNDRED TWENTY-FIVE OF THIS ARTICLE, PROMPTLY ISSUE, WITHIN
13 NO MORE THAN FIFTEEN BUSINESS DAYS OF RECEIPT BY THE DEPARTMENT OF ALL
14 REQUIRED INFORMATION AND FEES, EITHER A DUPLICATE CERTIFICATE WITHOUT
15 SUCH LIEN INCLUDED THEREON, OR A CERTIFICATE WITHOUT SUCH LIEN INCLUDED
16 THEREON. EVIDENCE THAT A SECURITY INTEREST HAS BEEN SATISFIED SHALL
17 INCLUDE, BUT NOT BE LIMITED TO: (I) EVIDENCE THAT AN INTERBANK OR ELEC-
18 TRONIC TRANSFER OF FUNDS HAS BEEN MADE; OR (II) EVIDENCE THAT A COPY OF
19 A CASHIER'S OR BANK CHECK HAS BEEN DELIVERED; AND (III) EVIDENCE THAT
20 THE AMOUNT DELIVERED TO THE LIENHOLDER IS EQUAL TO THE AMOUNT WHICH HAS

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

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1 BEEN REPRESENTED TO THE DEALER BY THE LIENHOLDER AS SUFFICIENT TO SATIS-
2 FY SUCH LIEN. SUCH EVIDENCE SHALL BE ACCEPTED BY THE COMMISSIONER AS
3 SUFFICIENT. ANY EVIDENCE SUBMITTED TO THE COMMISSIONER PURSUANT TO THIS
4 SUBDIVISION MAY BE SUBMITTED IN ELECTRONIC FORM. IN ADDITION TO THE
5 PENALTIES IMPOSED BY SECTION TWENTY-ONE HUNDRED THIRTY OF THIS ARTICLE,
6 ANY DEALER WHO ALTERS OR FORGES EVIDENCE OF PAYMENT SHALL BE LIABLE TO
7 ANY PARTY FOR ANY DAMAGES RESULTING FROM THE ISSUANCE OF A NEW CERTIF-
8 ICATE BY THE COMMISSIONER, PLUS ATTORNEY'S FEES AND COSTS INCURRED IN
9 RECOVERING SUCH DAMAGES, PROVIDED HOWEVER NO SUBSEQUENT PURCHASER OF A
10 VEHICLE WHERE THE SECURITY INTEREST WAS REMOVED BY THE COMMISSIONER
11 UNDER THE PROVISIONS OF THIS SUBDIVISION SHALL BE LIABLE FOR ANY ERRORS
12 IN THE REMOVAL OF SUCH SECURITY INTEREST, AND ANY DEALER WHO SO APPLIED
13 FOR THE REMOVAL OF SUCH SECURITY INTEREST ON SUCH VEHICLE SHALL INDEM-
14 NIFY ANY SUCH PURCHASER AND LIENHOLDER. THE COMMISSIONER IS AUTHORIZED
15 TO ADOPT AND ENFORCE REASONABLE RULES AND REGULATIONS NECESSARY TO CARRY
16 OUT THE PROVISIONS OF THIS SUBDIVISION.

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