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

5836

2013-2014 Regular Sessions

I N S E N A T E

June 17, 2013

Introduced by Sen. ZELDIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the vehicle and traffic law, in relation to certificates of registration for certain franchisors

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

Section 1. Paragraph f of subdivision 7 of section 415 of the vehicle and traffic law, as amended by a chapter of the laws of 2013, amending the vehicle and traffic law relating to automobile manufacturers and business practices by franchisors, as proposed in legislative bills numbers S.5725-A and A.7844-A, is amended to read as follows:

f. [Except as provided in paragraph (bb) of subdivision two of section four hundred sixty-three of this title:

(i)] The commissioner shall not issue any certificate of registration authorized by this section to any franchisor, [manufacturer, distributor branch or factory branch,] as such [terms are] TERM IS defined in section four hundred sixty-two of this title, [or to any subsidiary, affiliate or controlled entity thereof,] except that the commissioner may renew such certificate previously issued or otherwise approved to operate to a franchisor prior to [July first, two thousand six. Nothing in this section shall preclude the establishment of such facilities necessary to continue the ongoing operation of any holder of a certificate of registration authorized by this section or otherwise approved to operate to a franchisor provided such original certificate or approval was granted prior to July first, two thousand six.

(ii) On or after the effective date of this subparagraph, the commissioner shall not issue any certificate of registration, or renew any certificate, unless the original certificate was issued before July first, two thousand six, to any motor vehicle dealer in which a franchisor, manufacturer, distributor, distributor branch or factory branch, as such terms are defined in section four hundred sixty-two of this title,

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

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or any subsidiary, affiliate or controlled entity thereof, has acquired, or possesses, a controlling interest in the franchise entity except:

(1) when operating such franchise for a temporary period, not to exceed one year, during the transition from one owner of the motor vehicle dealership to another, provided, however, that such temporary period may be extended once for an additional period not to exceed one year for good cause. Provided that for franchisors of house coaches, the period of temporary ownership of a franchised house coach dealership may be extended in one year increments for good cause shown, except that the aggregate of such extensions shall not exceed five years; or

(2) when operating such franchise temporarily under a plan with an independent individual who is obligated to make a significant investment in the dealership that is subject to loss and has an ownership interest or expects to acquire full ownership in a reasonable period under reasonable terms and conditions, provided that a reasonable period shall be presumed to not exceed eight years] MAY SECOND, TWO THOUSAND TWO.

S 2. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2013 amending the vehicle and traffic law relating to automobile manufacturers and business practices by franchisors, as proposed in legislative bills numbers S.5725-A and A.7844-A, takes effect.