

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

10097--B

I N A S S E M B L Y

May 10, 2016

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Consumer Affairs and Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to requiring automobile brokers to be licensed

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

1 Section 1. Subdivision 1 of section 736 of the general business law,
2 as added by chapter 616 of the laws of 1988, is amended and two new
3 subdivisions 4 and 5 are added to read as follows:
4 1. "Automobile broker business" means any person who, for a fee,
5 commission or other valuable consideration paid by a consumer offers to
6 provide, provides, or represents that he will provide a service of
7 purchasing, arranging, assisting or effecting the purchase of an automob-
8 ile as agent, broker, or intermediary for a consumer. "Automobile
9 broker business" does not include any person registered as a dealer
10 pursuant to article sixteen of the vehicle and traffic law, or any
11 person who sells, offers for sale or acts as agent, broker or interme-
12 diary in effecting the purchase of [three] TEN or less automobiles in
13 any calendar year.
14 4. "SECRETARY" MEANS THE SECRETARY OF STATE.
15 5. "DIVISION" MEANS THE DIVISION OF CRIMINAL JUSTICE SERVICES.
16 S 2. The general business law is amended by adding four new sections
17 736-a, 736-b, 736-c and 736-d to read as follows:
18 S 736-A. LICENSE AND SURETY BOND REQUIRED. 1. NO PERSON, CORPORATION,
19 PARTNERSHIP OR FIRM SHALL HEREAFTER CARRY ON THE BUSINESS OF AN AUTOMO-
20 BILE BROKER, AS DEFINED IN SECTION SEVEN HUNDRED THIRTY-SIX OF THIS
21 ARTICLE, WITHOUT FIRST HAVING (A) RECEIVED A LICENSE TO ENGAGE IN SUCH
22 PRACTICE IN THE MANNER PRESCRIBED IN THIS ARTICLE, AND (B) OBTAINED A
23 SURETY BOND PRESCRIBED IN SECTION SEVEN HUNDRED FORTY-A OF THIS ARTICLE.
24 2. NO PERSON SHALL OWN, CONTROL OR OPERATE, WHETHER AS A SOLE PROPRIE-
25 TOR, PARTNER, SHAREHOLDER, OFFICER, INDEPENDENT CONTRACTOR OR OTHER
26 PERSON, AN AUTOMOBILE BROKER BUSINESS, AS DEFINED IN SECTION SEVEN
27 HUNDRED THIRTY-SIX OF THIS ARTICLE, WITHOUT FIRST HAVING (A) RECEIVED A
28 LICENSE TO ENGAGE IN SUCH PRACTICE IN THE MANNER PRESCRIBED IN THIS

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

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1 ARTICLE, AND (B) OBTAINED A SURETY BOND PRESCRIBED IN SECTION SEVEN
2 HUNDRED FORTY-A OF THIS ARTICLE.

3 S 736-B. APPLICATION FOR LICENSES. 1. APPLICATION FOR A LICENSE
4 REQUIRED UNDER THIS ARTICLE SHALL BE IN WRITING, UNDER OATH, AND IN THE
5 FORM PRESCRIBED BY THE SECRETARY, AND SHALL CONTAIN THE FOLLOWING:

6 A. THE EXACT NAME AND THE ADDRESS OF THE APPLICANT AND ITS DATE OF
7 INCORPORATION;

8 B. THE NAME AND THE BUSINESS AND RESIDENTIAL ADDRESS OF EACH PRINCIPAL
9 AND OFFICER OF THE APPLICANT;

10 C. THE COMPLETE ADDRESS WHERE THE BUSINESS OF THE APPLICANT IS TO BE
11 CONDUCTED, SHOWING THE STREET AND NUMBER, IF ANY, POST OFFICE AND BUILD-
12 ING AND ROOM NUMBER, IF ANY, THE OFFICE BUILDING AND ROOM NUMBER, IF
13 ANY, AND THE MUNICIPALITY AND COUNTY;

14 D. IF THE APPLICANT HAS ONE OR MORE BRANCHES, SUBSIDIARIES OR AFFIL-
15 IATES OPERATING IN THE STATE, THE COMPLETE ADDRESS OF EACH SUCH PLACE OF
16 BUSINESS; AND

17 E. A COMPLETE SET OF TWO FINGERPRINT CARDS FOR EACH PRINCIPAL AND
18 OFFICER OF THE APPLICANT ON A STANDARD FINGERPRINT CARD APPROVED BY THE
19 DIVISION AND A FEE PURSUANT TO SUBDIVISION EIGHT-A OF SECTION EIGHT
20 HUNDRED THIRTY-SEVEN OF THE EXECUTIVE LAW, AND AMENDMENTS THERETO, FOR
21 THE COST OF THE DIVISION'S FULL SEARCH AND RETAIN PROCEDURES, WHICH FEE
22 SHALL BE REMITTED BY THE SECRETARY TO THE DIVISION FOR DEPOSIT BY THE
23 COMPTROLLER INTO THE GENERAL FUND. BEFORE APPROVING SUCH APPLICATION THE
24 SECRETARY, OR HIS OR HER DESIGNEE, SHALL FORWARD ONE COPY OF SUCH FING-
25 ERPRINT CARD AND THE PROCESSING FEE TO THE DIVISION UPON RECEIPT OF SUCH
26 FINGERPRINTS. THE DIVISION SHALL FORWARD TO THE SECRETARY A REPORT WITH
27 RESPECT TO THE APPLICANT'S PREVIOUS CRIMINAL HISTORY, IF ANY, OR A
28 STATEMENT THAT THE APPLICANT HAS NO PREVIOUS CRIMINAL HISTORY ACCORDING
29 TO ITS FILES. IF ADDITIONAL COPIES OF FINGERPRINTS ARE REQUIRED, THE
30 APPLICANT SHALL FURNISH THEM UPON REQUEST.

31 2. UPON ORIGINAL APPLICATION FOR A LICENSE TO OPERATE AN AUTOMOBILE
32 BROKER BUSINESS, THE APPLICANT SHALL PAY AN APPLICATION FEE, IN SUCH
33 AMOUNT AS MAY BE DETERMINED BY THE SECRETARY, NOT TO EXCEED THREE
34 HUNDRED DOLLARS. UPON APPLICATION FOR A LICENSE RENEWAL, THE LICENSEE
35 SHALL PAY A RENEWAL PROCESSING FEE IN SUCH AMOUNT AS SHALL BE DETERMINED
36 BY THE SECRETARY, NOT TO EXCEED THREE HUNDRED DOLLARS.

37 S 736-C. CONDITIONS PRECEDENT TO LICENSING. UPON FILING OF AN APPLICA-
38 TION FOR A LICENSE, IF THE SECRETARY SHALL BE SATISFIED OF THE GOOD
39 CHARACTER, COMPETENCY AND INTEGRITY OF THE APPLICANT, AND OF THE PRINCI-
40 PALS AND OFFICERS THEREOF ARE SUCH AS TO COMPLY WITH THE PROVISIONS OF
41 THIS ARTICLE, HE OR SHE SHALL THEREUPON ISSUE A LICENSE IN DUPLICATE TO
42 OPERATE AN AUTOMOBILE BROKER BUSINESS IN ACCORDANCE WITH THE PROVISIONS
43 OF THIS ARTICLE. THE SECRETARY SHALL TRANSMIT ONE COPY OF SUCH LICENSE
44 TO THE LICENSEE AND FILE ANOTHER WITH THE SECRETARY. SUCH LICENSE SHALL
45 REMAIN IN FULL FORCE AND EFFECT FOR A PERIOD OF TWO YEARS UNLESS IT IS
46 SURRENDERED BY THE LICENSEE OR REVOKED OR SUSPENDED AS HEREINAFTER
47 PROVIDED; IF THE SECRETARY SHALL NOT SO FIND, THE SECRETARY SHALL NOT
48 ISSUE SUCH LICENSE AND THE SECRETARY SHALL NOTIFY THE APPLICANT OF THE
49 DENIAL IN WRITING. THE SECRETARY SHALL APPROVE OR DENY EVERY APPLICATION
50 FOR LICENSE HEREUNDER WITHIN NINETY DAYS FROM THE FILING THEREOF.

51 S 736-D. LICENSING. 1. EACH LICENSE ISSUED UNDER THIS ARTICLE SHALL
52 STATE THE ADDRESS OR ADDRESSES AT WHICH THE BUSINESS IS TO BE CONDUCTED
53 AND SHALL STATE FULLY THE NAME OF THE LICENSEE, AND THE DATE AND PLACE
54 OF ITS INCORPORATION AND THE EXPIRATION DATE OF THE LICENSE. A COPY OF
55 SUCH LICENSE SHALL BE PROMINENTLY POSTED IN EACH PLACE OF BUSINESS OF
56 THE LICENSEE. SUCH LICENSE SHALL NOT BE TRANSFERABLE OR ASSIGNABLE.

1 2. IN THE EVENT THE LOCATION AT WHICH THE BUSINESS IS TO BE CONDUCTED
2 SHALL BE CHANGED, THE LICENSEE SHALL FORTHWITH NOTIFY THE SECRETARY IN
3 WRITING, WHO SHALL THEREUPON WITHOUT CHARGE ATTACH TO THE LICENSE A
4 RIDER SETTING FORTH SUCH CHANGED LOCATION.

5 3. IN THE EVENT THAT THERE SHALL BE ANY CHANGE AMONG THE PRINCIPALS OR
6 OFFICERS OF ANY LICENSEE, THE LICENSEE SHALL FORTHWITH NOTIFY THE SECRE-
7 TARY IN WRITING, OF THE NAME AND ADDRESS OF EACH NEW PRINCIPAL OR OFFI-
8 CER, AND SHALL SUBMIT A COMPLETE SET OF TWO FINGERPRINT CARDS FOR EACH
9 SUCH PRINCIPAL OR OFFICER IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH
10 E OF SUBDIVISION ONE OF SECTION SEVEN HUNDRED THIRTY-SIX-B OF THIS ARTI-
11 CLE.

12 4. PRIOR TO OR UPON THE SALE OR TRANSFER OF ALL OR THE MAJORITY OF THE
13 STOCK OR ASSETS OF ANY AUTOMOBILE BROKER BUSINESS, THE NEW PRINCIPALS OR
14 OFFICERS SHALL APPLY FOR A NEW LICENSE WITH THE SECRETARY IN ACCORDANCE
15 WITH THE PROVISIONS OF SECTION SEVEN HUNDRED THIRTY-SIX-B AND SECTION
16 SEVEN HUNDRED THIRTY-SIX-C OF THIS ARTICLE. SUCH APPLICATION SHALL BE
17 MADE WITHIN SIXTY DAYS OF SUCH SALE OR TRANSFER.

18 5. A LICENSE GRANTED UNDER THE PROVISIONS OF THIS ARTICLE MAY BE
19 RENEWED BY THE SECRETARY UPON APPLICATION THEREFOR BY THE LICENSEE, IN
20 SUCH FORM AS THE SECRETARY MAY PRESCRIBE, ACCOMPANIED BY THE NON-REFUND-
21 ABLE RENEWAL PROCESSING FEE PURSUANT TO SUBDIVISION TWO OF SECTION SEVEN
22 HUNDRED THIRTY-SIX-B OF THIS ARTICLE. IN NO EVENT WILL RENEWAL BE GRANT-
23 ED MORE THAN SIX MONTHS AFTER THE DATE OF EXPIRATION OF A LICENSE. NO
24 PERSON, FIRM, COMPANY, PARTNERSHIP OR CORPORATION SHALL CARRY ON ANY
25 BUSINESS SUBJECT TO THIS ARTICLE DURING ANY PERIOD WHICH MAY EXIST
26 BETWEEN THE DATE OF EXPIRATION OF A LICENSE AND THE RENEWAL THEREOF.

27 S 3. Section 743 of the general business law, as added by chapter 616
28 of the laws of 1988, is amended to read as follows:

29 S 743. Enforcement by attorney general. In addition to the other reme-
30 dies provided, whenever there shall be a violation of this article,
31 application may be made by the attorney general in the name of the
32 people of the state of New York to a court or justice having jurisdic-
33 tion by a special proceeding to issue an injunction, and upon notice to
34 the defendant of not less than five days, to enjoin and restrain the
35 continuance of such violations; and if it shall appear to the satisfac-
36 tion of the court or justice that the defendant has, in fact, violated
37 this article, an injunction may be issued by such court or justice,
38 enjoining and restraining any further violation, without requiring proof
39 that any person has, in fact, been injured or damaged thereby. In any
40 such proceeding, the court may make allowances to the attorney general
41 as provided in paragraph six of subdivision (a) of section eighty-three
42 hundred three of the civil practice law and rules, and direct restitu-
43 tion. Whenever the court shall determine that a violation of this arti-
44 cle has occurred, the court [may] SHALL impose a civil penalty of not
45 [more] LESS than one thousand dollars AND NOT MORE THAN THREE THOUSAND
46 DOLLARS for each violation. In connection with any such proposed appli-
47 cation, the attorney general is authorized to take proof and make a
48 determination of the relevant facts and to issue subpoenas in accordance
49 with the civil practice law and rules.

50 S 4. This act shall take effect on the ninetieth day after it shall
51 have become a law; provided, however, that the secretary of state shall
52 take actions necessary to provide for the issuance of licenses pursuant
53 to section 736-d of the general business law, as added by section two of
54 this act, prior to such date.