

STATE OF NEW YORK

6409

2017-2018 Regular Sessions

IN SENATE

May 17, 2017

Introduced by Sen. ROBACH -- (at request of the Department of Motor Vehicles) -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation

AN ACT to amend the vehicle and traffic law, in relation to the release of security interests in certain motor vehicles

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 2121 of the vehicle and traffic law is amended by
2 adding a new subdivision (c) to read as follows:

3 (c) (1) For automobiles having an unladen weight of ten thousand
4 pounds or less, and motorcycles, a security interest that has not been
5 released as provided in subdivisions (a) and (b) of this section shall
6 be considered satisfied, a release of security interest shall not be
7 required, and the security interest shall be automatically released by
8 the commissioner after ten years from the date the security interest was
9 recorded in the records of the department. Upon such automatic release
10 of a security interest, the commissioner may record that the security
11 interest is deemed satisfied, remove the security interest from its
12 files, and upon submission of any required forms and fees, issue a
13 certificate of title that reflects full satisfaction and release of the
14 security interest. Provided however, that the provisions of this para-
15 graph shall not apply if, before the date of such automatic release, the
16 holder of the security interest perfects the security interest for a
17 second time in accordance with the provisions of this article.

18 (2) For automobiles having an unladen weight of ten thousand pounds or
19 less, and motorcycles, if a security interest has not been released as
20 provided in subdivisions (a) and (b) of this section, an owner may
21 submit to the commissioner evidence to demonstrate that such security
22 interest has been satisfied, and that the holder of the security inter-
23 est is no longer in business, or that the holder has refused or failed
24 to issue a release within fifteen business days after the holder

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

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1 received a payment in full satisfaction of the security interest.
2 Evidence that a security interest has been satisfied shall include: (i)
3 evidence that an interbank or electronic transfer of funds has been
4 made; or (ii) evidence that a copy of a cashier's check or bank check
5 has been delivered; or (iii) other evidence as determined to be satis-
6 factory by the commissioner; and (iv) if the holder of the security
7 interest is still in business, evidence that the amount delivered to the
8 holder of the security interest is equal to the amount which has been
9 represented to the owner by the holder of the security interest as
10 sufficient to satisfy the lien. Any evidence submitted to the commis-
11 sioner pursuant to this subdivision may, subject to the approval of the
12 commissioner, be submitted in electronic form. If the commissioner finds
13 that the evidence of satisfaction of the security interest, and evidence
14 that the holder of the security interest is no longer in business or has
15 refused or failed to issue a release of the security interest as
16 described above is satisfactory, the commissioner may record that the
17 security interest is satisfied, removed the security interest from its
18 files, and upon submission of any required forms and fees, issue a
19 certificate of title that reflects full satisfaction and release of the
20 security interest.

21 (3) For purposes of this subdivision, "automobile" shall include cars
22 and pick-up trucks, and any other vehicle as set forth in regulations
23 issued by the commissioner. A "car" shall include, but not be limited
24 to, convertibles, coupes, hardtops, hatchbacks, jeeps, mini-cars,
25 sedans, sports cars, sports utility vehicles, and any car type as set
26 forth in the regulations of the commissioner. A "pick-up truck" shall
27 mean a truck with a cargo bed and sidewalls, regardless of seating
28 capacity within the cab, and any truck type as set forth in the regu-
29 lations of the commissioner.

30 (4) The department may issue regulations implementing the provisions
31 of this subdivision, including but not limited to: satisfactory proof
32 of payment in full of the security interest; the particular steps that
33 the owner has made to locate the holder of the security interest; and
34 security interests and entities which may be exempt from the provisions
35 of this subdivision.

36 (5) The provisions of this subdivision shall not apply to liens
37 created or filed pursuant to section one hundred eleven-u of the social
38 services law.

39 § 2. This act shall take effect on the one hundred eightieth day after
40 it shall have become a law, and shall apply to security interests that
41 have not been released, whether recorded on certificates of title or
42 filed with the department of motor vehicles, on or after such date;
43 provided, however, that effective immediately, the addition, amendment
44 and/or repeal of any rule or regulation necessary for the implementation
45 of this act on its effective date is authorized to be made and completed
46 on or before such date.