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:

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

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

(2) For automobiles having an unladen weight of ten thousand pounds or less, and motorcycles, if a security interest has not been released as provided in subdivisions (a) and (b) of this section, an owner may submit to the commissioner evidence to demonstrate that such security interest has been satisfied, and that the holder of the security interest is no longer in business, or that the holder has refused or failed 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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received a payment in full satisfaction of the security interest. 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 check or bank check has been delivered; or (iii) other evidence as determined to be satisfactory by the commissioner; and (iv) if the holder of the security interest is still in business, evidence that the amount delivered to the holder of the security interest is equal to the amount which has been represented to the owner by the holder of the security interest as sufficient to satisfy the lien. Any evidence submitted to the commissioner pursuant to this subdivision may, subject to the approval of the commissioner, be submitted in electronic form. If the commissioner finds that the evidence of satisfaction of the security interest, and evidence that the holder of the security interest is no longer in business or has refused or failed to issue a release of the security interest as described above is satisfactory, the commissioner may record that the security interest is satisfied, removed the security interest from its files, and upon submission of any required forms and fees, issue a certificate of title that reflects full satisfaction and release of the security interest.

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

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

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

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