STATE OF NEW YORK

10411

IN ASSEMBLY

March 3, 2026

Introduced by M. of A. MAGNARELLI -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to prohibiting motor vehicle manufacturers and dealers from charging a subscription fee for certain functions of a motor vehicle after the vehicle is sold

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

Section 1. The general business law is amended by adding a new section 198-d to read as follows:

§ 198-d. Vehicle feature subscriptions. (a) As used in this section:

(1) "Consumer" shall mean the purchaser, or lessee, other than for purposes of resale, of a motor vehicle.

(2) "Dealer" shall have the same meaning as such term is defined by section four hundred fifteen of the vehicle and traffic law.

(3) "Manufacturer" shall mean a person or business engaged in the manufacturing or assembling of new motor vehicles.

(4) "Motor vehicle" shall have the same meaning as such term is defined by section one hundred twenty-five of the vehicle and traffic law.

(5) "Motor vehicle feature" shall mean any convenience or safety function included on the motor vehicle, including but not limited to heated seats that typically is offered to a consumer as an upgrade at the time of purchase or lease of the motor vehicle.

(6) "Subscription service" shall mean a service provided on a subscription basis in exchange for a recurring payment, including, but not limited to, a weekly, monthly, or annual payment charged to and made by a consumer but shall not include a consumer's reoccurring payment made pursuant to a retail installment contract or lease contract for the purchase or lease of a motor vehicle.

(b) No manufacturer, dealer, or agent of a manufacturer or dealer shall offer to a consumer a subscription service for any motor vehicle feature that:

(1) utilizes components and hardware already installed on the motor vehicle at the time of purchase or lease by the consumer; and

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

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(2) would function after activation without ongoing cost to or support by the dealer, manufacturer, or any third-party service provider.

(c) The provisions of this section shall not:

(1) apply to navigation system updates, infotainment features, satellite radio, in-vehicle Wi-Fi, telematics services, roadside assistance, software-dependent driver assistance or driver automation features, or vehicle-connected services that rely on cellular or other data networks for continued operation; or

(2) be construed to prohibit a dealer or manufacturer from providing any software update to a consumer, provided the dealer or manufacturer does not charge the consumer a fee for any software update remedying a safety-related defect that is required to be provided to the consumer at no cost as required by Section 573.6 of Title 49 of the United States Code.

(d) Any manufacturer, dealer, or agent of a manufacturer or dealer that fails to comply with the requirements of this section shall be assessed a civil penalty not to exceed two hundred fifty dollars per point of sale for each violation.

(e) The attorney general may promulgate such rules and regulations as are necessary to effectuate and enforce the provisions of this section.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.