STATE OF NEW YORK

7400

2025-2026 Regular Sessions

IN SENATE

April 15, 2025

Introduced by Sen. COONEY -- 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 and the state finance law, in relation to used motor vehicle dealer education

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

Section 1. The vehicle and traffic law is amended by adding a new section 419-b to read as follows:

§ 419-b. Used motor vehicle dealer education program. 1. For purposes of this section, the following terms shall be defined as follows:

(a) "Designated individual" means any of the following individuals, if they are selected by an eligible used motor vehicle dealer to complete a training program described in this section:

(i) an individual who is a licensed eligible used motor vehicle dealer or a partner or officer of a licensed eligible used motor vehicle dealer; or

(ii) an individual who is an employee of a licensed eligible used motor vehicle dealer, such as a general manager, a sales manager, or an employee who is responsible for preparing title documents for the dealer.

(b) "Eligible used motor vehicle dealer" means a person who is licensed as a used motor vehicle dealer, or is applying for licensure as a used motor vehicle dealer, and is not an owner, partner, corporate officer, or director of a licensed new motor vehicle dealer or seeking licensure as an owner, partner, corporate officer, or director of a new motor vehicle dealer.

(c) "Fund" means the used motor vehicle dealer training program fund created under section ninety-nine-ss of the state finance law.

(d) "Qualified trade organization" means a bona fide nonprofit membership organization that is based in this state, that has been in exist-

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

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ence for at least five years, and whose members are primarily eligible used motor vehicle dealers.

2. The commissioner shall establish each of the following used motor vehicle dealer training programs for eligible used motor vehicle dealers:

(a) A pre-licensing dealer training program that meets all of the following requirements:

(i) is available to any individual who is an eligible used motor vehicle dealer applying for an original dealer license or is a partner or officer of an eligible used motor vehicle dealer applying for an original dealer license; and

(ii) includes training related to this section and any other subject matter approved by the commissioner, such as consumer protection and sales and use tax collection. The commissioner may consult with other departments to evaluate and develop course content which the commissioner considers appropriate.

(b) A training program for designated individuals that meets all of the following:

(i) is offered at least two times each calendar year;

(ii) is available to any designated individual; and

(iii) includes at least eight hours of pre-licensing training in transferring motor vehicle titles, documentation of title transfers, record keeping, and any other subject matter considered appropriate by the commissioner, such as consumer protection and sales and use tax collection. The commissioner may consult with other departments to evaluate and develop course content it considers appropriate.

(c) A continuing education training program that meets all of the following:

(i) is conducted at least two times in each calendar quarter;

(ii) includes at least four hours of training; and

(iii) includes subject matter considered appropriate by the commissioner, such as transferring motor vehicle titles, documentation of title transfers, record keeping, consumer protection, and sales and use tax collection. The commissioner may consult with other departments it considers appropriate to evaluate and develop course content.

3. In the six month period preceding the date of the application for an original eligible used motor vehicle dealer license, each individual who is the applicant, each partner of the applicant, or each office of the applicant, as applicable, for the original eligible used motor vehicle dealer license shall complete the pre-licensing dealer training program described in paragraph (a) of subdivision two of this section. This subdivision does not apply to any of the following:

(a) an applicant, or application, for the renewal of an eligible used motor vehicle dealer license;

(b) the holder of an original eligible used motor vehicle dealer license that was granted before, and is valid, on the effective date of this section; or

(c) the owner, partner, corporate officer, or director of a new vehicle dealer license.

4. An eligible used motor vehicle dealer shall select a designated individual for each of its retail sales locations. An eligible used motor vehicle dealer shall not select the same individual as the designated individual for more than three retail sales locations.

5. The holder of an original or renewed eligible used motor vehicle dealer license that was granted before, and is valid on the effective

date of this section shall comply with the provisions of subdivision three of this section prior to the date of the next required renewal.

6. In addition to the training program described in paragraph (b) of subdivision two of this section, an eligible used motor vehicle dealer shall ensure that a designated individual completes the continuing education training program described in paragraph (c) of subdivision two of this section once in each twenty-four month period after the date of issuance of its original license.

7. The training requirements described in subdivisions two, three and five of this section may be satisfied by attending a training program that is conducted by the department of a qualified trade organization approved by the commissioner under subdivision nine of this section.

8. A qualified trade organization may apply to the commissioner for approval to conduct the training programs described in subdivision two of this section. A qualified trade organization shall not conduct a training program unless it obtains the approval from the commissioner under subdivision nine of this section. The commissioner shall develop and make available an application form within thirty days of the effective date of this section.

9. (a) The commissioner shall establish an application procedure for a qualified trade organization to obtain approval to conduct the training programs described in subdivision two of this section that includes all of the following requirements:

(i) any documentation required for establishing that the applicant is a qualified trade organization;

(ii) a training program plan or curriculum for each training program the qualified trade organization intends to conduct that is consistent with the training programs described in subdivision two of this section; and

(iii) any other information or requirements the commissioner considers necessary for purposes of approving an application.

(b) Not later than thirty days after receiving an application under this subdivision from a qualified trade organization to conduct training programs under this section, the commissioner shall approve or deny the application. The commissioner shall provide the approval or denial in writing and, if denied, shall state the reasons for the denial. Regardless of the reason for denial, the applicant may resubmit the application correcting the deficiencies identified in the denial letter. The commissioner shall have ten business days to review a resubmitted application and either approve or deny the application. If a resubmitted application is denied, the denial must be in writing to the applicant and the applicant must have an opportunity to correct any deficiencies identified in the denial letter.

(c) The training programs established by the department or any training program approved under this subdivision may be conducted in person, online or by other electronic means.

10. The department shall periodically monitor all training programs approved under subdivision nine of this section for compliance with the requirements of the training programs described in subdivision two of this section. If a qualified trade organization that has received the approval to conduct a training program or programs fails to comply with the requirements of the training programs, the commissioner may, after notice and hearing, suspend or revoke the approval.

11. The department shall not renew the license of an eligible used motor vehicle dealer unless the application for renewal includes a

certification from the dealer that it is in compliance with the training requirements applicable under this section.

12. The department may charge a qualified trade organization an annual fee for applying for approval to conduct training programs under this section. Such annual fee shall be:

(a) an initial application fee of up to five hundred dollars to be determined by the commissioner; and

(b) an application renewal fee in an amount not to exceed fifty percent of the initial application fee.

13. A qualified trade organization that received approval to conduct a training program shall do all of the following:

(a) notify the department of the date, time, and location of a training program at least three days prior to conducting the training program. All training programs must be made available to the department;

(b) report to the department a list of all participants that completed the training program in an electronic format; and

(c) remit to the department a payment of five dollars per training program participant.

14. The fees collected by the department under subdivision twelve of this section shall be deposited in the used motor vehicle dealer training program fund created under section ninety-nine-ss of the state finance law.

15. The commissioner shall promulgate rules and regulations to effectuate the provisions of this section.

§ 2. The state finance law is amended by adding a new section 99-ss to read as follows:

§ 99-ss. Used motor vehicle dealer training program fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of motor vehicles a fund to be known as the "used motor vehicle dealer training program fund".

2. The fund shall consist of all moneys received by the department of motor vehicles under section four hundred nineteen-b of the vehicle and traffic law and any other moneys appropriated therefor.

3. Moneys from the fund shall be available to administer the provisions of section four hundred nineteen-b of the vehicle and traffic law. Monies shall be paid out of the fund on the audit and warrant of the comptroller on vouchers approved by the commissioner of motor vehicles. Any interest received by the comptroller on monies on deposit in the used motor vehicle dealer training program fund shall be retained in and become part of such fund.

§ 3. This act shall take effect on the thirtieth day after it shall have become a law.