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|  | **The Council of the City of New York****Finance Division**Latonia Mckinney, Director**Fiscal Impact Statement****Intro. No: 1540-A****Committee:** Consumer Affairs  |
| **Title:** A local law to amend the administrative code of the City of New York, in relation to requiring second-hand automobile dealers to post and distribute a bill of rights to consumers | **Sponsor(S):** Council Members Garodnick, Williams, Espinal, Gentile, Levin, Johnson, Salamanca, Richards, Menchaca, Koslowitz, Vacca, Constantinides, Rosenthal, Lander, Chin, Miller and Reynoso |

**Summary of Legislation:** This legislation would the Department of Consumer Affairs to create a consumer bill of rights to inform consumers of second-hand automobiles of certain rights and protections afforded to them by law. The law would further require secondhand automobile dealers to conspicuously post and provide the consumer bill of rights. The bill of rights must, at a minimum, inform consumers of their right to: 1) a two-day automobile contract cancellation option agreement; 2) seek financing from lenders other than the dealer; 3) purchase the automobile at the advertised price; 4) seek the dealer’s complaint history or to make a complaint by calling 311; 5) receive a Used Car Buyer Guide and to additional rights under New York State’s Used Car Lemon Law; 6) receive certain disclosures when signing a financing agreement; 7) not be required to purchase add-ons; and 8) receive an itemized list of the cost of any add-ons. For each executed contract, the secondhand automobile dealer would be required to obtain from the consumer an initialed or signed copy of the consumer bill of rights and retain it for six years. The dealer would also be required to provide the consumer bill of rights in the language used to negotiate the contract.

**Effective Date:** This local law would take effect 120 days after it becomes law, except that the commissioner may take such measures as are necessary for the implementation of this local law, including the promulgation of rules, prior to such date.

**Fiscal Year in Which Full Fiscal Impact Anticipated:** Fiscal 2019

**Fiscal Impact Statement:**

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|  | **Effective FY18** | **FY Succeeding Effective FY19** | **Full Fiscal Impact FY19** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $0 |
| **Net** | $0 | $0 | $0 |

**Impact on Revenues:** It is anticipated that there would be no impact on revenues resulting from the enactment of this legislation.

**Impact on Expenditures:** It is anticipated that there would be no impact on expenditures resulting from the enactment of this legislation because the Department of Consumer Affairs would use existing resources to create the bill of rights and the remaining provisions of the law impose obligations on non-City entities.

**Source of Information:** New York City Council Finance Division

**Estimate Prepared By:** Aliya Ali, Senior Legislative Financial Analyst, Finance Division

**Estimate Reviewed By:** Crilhien Francisco, Unit Head, Finance Division

 Nathan Toth, Deputy Director, Finance Division

 Rebecca Chasan, Counsel, Finance Division

**Legislative History:** This legislation was introduced by the Council on April 5, 2017 as Intro. No. 1540 and referred to the Committee on Consumer Affairs. A hearing was held by the Committee on Consumer Affairs on April 26, 2017 and the bill was laid over. The legislation was subsequently amended and the amended version, Proposed Intro. No. 1540-A, will be voted on by the Committee on Consumer Affairs at a hearing on September 14, 2017. Upon successful vote by the Committee, Proposed Intro. No. 1540-A will be submitted to the full Council for a vote on September 27, 2017.

**Date Prepared:** August 30, 2017