



Legislation Text

File #: Int 1540-2017, **Version:** A

Int. No. 1540-A

By Council Members Garodnick, Williams, Espinal, Gentile, Levin, Johnson, Salamanca, Richards, Menchaca, Koslowitz, Vacca, Constantinides, Rosenthal, Lander, Chin, Miller, Reynoso, Vallone and Kallos

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

Be it enacted by the Council as follows:

Section 1. Title 20 of the administrative code of the city of New York is amended by adding a new section 20-268.4 to read as follow:

§ 20-268.4 Second-hand automobile dealer to post consumer bill of rights.

a. On or before December 1, 2017, the department shall create a consumer bill of rights that informs consumers of second-hand automobiles of certain rights and protections that are afforded to them by law. The commissioner shall determine the contents of such bill of rights by rule, provided that the bill of rights shall contain, at a minimum, the following information:

1. Every second-hand automobile dealer in New York city is required to offer an automobile contract cancellation option to each consumer of a second-hand automobile;

2. A consumer of a second-hand automobile is not required to accept financing from a second-hand automobile dealer and has the right to pay for such automobile in cash or seek a loan from another lender;

3. A second-hand automobile dealer shall not sell a second-hand automobile at a price higher than the price advertised, quoted or posted on the automobile, and may not increase the price of the automobile on the basis that a consumer has secured financing from a third-party lender;

4. A consumer of a second-hand automobile may file a complaint against a second-hand automobile

dealer or retrieve the 311 complaint history of a second-hand automobile dealer by calling 311 and referencing the license number of such dealer;

5. A consumer of a second-hand automobile is entitled to a buyer's guide, as required by section 455.2 of title 16 of the code of federal regulations, as well as warranties and rights described in section 198-b of the general business law;

6. A consumer of a second-hand automobile is entitled to specific disclosures, including a disclosure that states the lowest annual percentage rate offered to such consumer by a financing company solicited on the consumer's behalf by a dealer and any fees being charged by the second-hand automobile dealer in connection with the financing of a second-hand automobile;

7. A consumer of a second-hand automobile is not required to purchase any add-on product as a condition of purchasing or financing a second-hand automobile at an offered price; and

8. A second-hand automobile dealer shall provide to a second-hand automobile consumer, in writing, the itemized cost of each add-on product to be included in the retail installment contract, including the monthly and total cost of financing with and without each such add-on product.

b. 1. Every second-hand automobile dealer shall conspicuously post a consumer bill of rights in their place of business in a form and manner to be prescribed by the commissioner by rule.

2. Prior to the execution of any sales contract for the purchase of a second-hand automobile, and in a form and manner prescribed by the commissioner by rule, a second-hand automobile dealer shall separately provide a consumer with a copy of the consumer bill of rights, the receipt of which the consumer must acknowledge by signing or initialing in writing. Such dealer shall provide such consumer with a copy of the signed or initialed consumer bill of rights.

3. Every second-hand automobile dealer shall provide the consumer bill of rights to a consumer in the language in which the sales contract was negotiated, provided the commissioner has made a sample bill of rights available in such language.

§ 2. Severability. If any portion of this local law is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this local law, which remaining portions shall continue in full force and effect.

§ 3. This local law takes 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.

BAM
LS 572
8/24/17