

## **NOTICE OF RULE MAKING**

Pursuant to the power vested in me as Commissioner of Finance by New York City Charter Code sections 26-045, 26-509 and 26-605 and sections 1043 and 1504 of the New York City Charter, I hereby promulgate the rule permitting the New York City Department of Finance to require additional information from a lessor of a vehicle when the company that owns the vehicle enrolls or renews their enrollment in the Parking Violations Bureau Car Rental Program. This rule was published in the proposed form on February 23, 2017. A hearing for public comment was held on March 27, 2017.

S/S

Jacques Jiha, Commissioner of Finance

## **STATEMENT OF BASIS AND PURPOSE**

The Department's Car Rental Program is a voluntary program that was established to assist vehicle rental companies manage parking summonses issued to vehicles registered in the program.

Currently, the Car Rental Program allows a lessor to enroll a vehicle with the Department in order to transfer the liability for the fines and penalties incurred from parking summonses to the lessee. Collection and enforcement issues may arise, however, when a vehicle owner leases the vehicle after incurring a large amount of parking summons debt. The lessor should be responsible for payment of this debt. However, because State law prohibits judgment creditors from interfering with the rights of a lessee, enforcements efforts, like towing or booting a vehicle, for example, are not possible.

The Department is expanding the information that it may require from a lessor of a vehicle when the company that owns the vehicle enrolls or renews their enrollment in the Car Rental Program. The additional information collected from lessors will assist the Department in collecting unpaid parking summons judgment debt incurred by lessors enrolled in the Car Rental Program.

Specifically, the Department will add:

- the lessor's legal name and address at which it does business;
- a statement from the lessor indicating whether and how the lessor will inform the vehicle lessee that the lessee received a Notice of Violation (summons), including whether the lessor plans to collect fines and penalties originating from a Notice of Violation from the lessee; and,
- the lessor's bank and credit information.

The Department's authority for this rule is found in section 237 of the New York State Vehicle and Traffic Law, section 19-203 of the Administrative Code of the City of New York, and sections 1043 and 1504 of the New York City Charter.

New material underlined.

[Deleted material is in brackets.].

"Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

### **Amendment to Rule Relating to Parking Violations**

Section 1. Paragraph (2) of subdivision (b) of section 39-11 of Title 19 of the Rules of the City of New York is amended to read as follows:

(2) A lessor may register a vehicle with the Bureau by filing with the Bureau the following information:

(i) Plate number

(ii) Plate type

(iii) State of registration. Where more than one party meets the definition of the term "Lessor" set forth in § 39-01 of this chapter, then each such party is required to co-register. Such co-registrants may designate one of them for the service of notices given by the Bureau or elect to receive each notice separately[.]

(iv) Lessor's legal name and the address at which it does business

(v) A statement from the lessor indicating whether and how it will inform the lessee of the lessee incurring a parking violation once the lessor is notified by the Department of the issuance of the parking violation. Such statement should indicate whether the lessor plans to collect parking violation amounts from the lessee

(vi) Such bank and credit information of the lessor as required by the Bureau.