S T A T E O F N E W Y O R K

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I N S E N A T E

January 14, 2014

Introduced by Sen. O'BRIEN -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to prohibiting the rental of motor vehicles that are subject to a recall

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 396-z of the general business law, as amended by chapter 731 of the laws of 2006, is amended by adding a new subdivision 16 to read as follows:

16. RENTAL VEHICLE COMPANIES SHALL INSPECT AND, IF APPROPRIATE, REPAIR ANY RENTAL VEHICLE COVERED UNDER A FEDERAL OR MANUFACTURER'S SAFETY RECALL WITHIN ONE HUNDRED TWENTY DAYS AFTER RECEIVING SUCH NOTICE. FOLLOWING RECEIPT OF SUCH NOTICE BY A RENTAL VEHICLE COMPANY, SUCH COMPANY MAY RENT A VEHICLE THAT IS SUBJECT TO A SAFETY RECALL PROVIDED THAT SUCH COMPANY DISCLOSES TO ANY PROSPECTIVE RENTER OF VEHICLES COVERED UNDER A FEDERAL OR MANUFACTURER'S SAFETY RECALL THAT THE VEHICLES ARE SUBJECT TO SAFETY RECALL NOTICES AND HAVE NOT BEEN INSPECTED OR REPAIRED PRIOR TO THE SIGNING OF THE RENTAL AGREEMENT. IF ONE HUNDRED TWENTY DAYS SHALL LAPSE FOLLOWING THE RECEIPT OF NOTICE BY A RENTAL VEHICLE COMPANY THAT A FEDERAL OR MANUFACTURER'S SAFETY RECALL IS IN EFFECT ON ANY OF THE VEHICLES OWNED BY THE RENTAL VEHICLE COMPANY, AND SUCH RENTAL VEHICLE COMPANY HAS FAILED TO INSPECT OR REPAIR SUCH VEHICLES, THE RENTAL VEHICLE COMPANY SHALL HAVE THE OPTION, AS AN ALTERNATIVE TO UNDERTAKING THE INSPECTIONS OR REPAIRS SUBJECT TO THE RECALL, TO DISCLOSE TO PROSPECTIVE RENTERS OF VEHICLES COVERED UNDER A FEDERAL OR MANUFACTURER'S SAFETY RECALL THAT THE VEHICLES ARE SUBJECT TO SAFETY RECALL NOTICES AND HAVE NOT BEEN INSPECTED OR REPAIRED PRIOR TO THE SIGNING OF THE AGREEMENT. ANY DISCLOSURES REQUIRED UNDER THIS SECTION SHALL BE SET FORTH IN A SEPARATE DOCUMENT ATTACHED TO THE RENTAL AGREEMENT AND SHALL STATE (A) THAT THE SPECIFIC VEHICLE IS THE SUBJECT OF A SAFETY RECALL, (B) DESCRIBE THE RECALL IN QUESTION, AND (C) DESCRIBE THE NATURE OF THE DEFECT. SUCH DISCLOSURE SHALL BE INITIALLED BY THE PROSPECTIVE RENTER PRIOR TO THE SIGNING OF THE RENTAL AGREEMENT.

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

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S 2. Section 396-z of the general business law, as amended by chapter 784 of the laws of 1988, is amended by adding a new subdivision 14 to read as follows:

14. RENTAL VEHICLE COMPANIES SHALL INSPECT AND, IF APPROPRIATE, REPAIR ANY RENTAL VEHICLE COVERED UNDER A FEDERAL OR MANUFACTURER'S SAFETY RECALL WITHIN ONE HUNDRED TWENTY DAYS AFTER RECEIVING SUCH NOTICE. FOLLOWING RECEIPT OF SUCH NOTICE BY A RENTAL VEHICLE COMPANY, SUCH COMPANY MAY RENT A VEHICLE THAT IS SUBJECT TO A SAFETY RECALL PROVIDED THAT SUCH COMPANY DISCLOSES TO ANY PROSPECTIVE RENTER OF VEHICLES COVERED UNDER A FEDERAL OR MANUFACTURER'S SAFETY RECALL THAT THE VEHICLES ARE SUBJECT TO SAFETY RECALL NOTICES AND HAVE NOT BEEN INSPECTED OR REPAIRED PRIOR TO THE SIGNING OF THE RENTAL AGREEMENT. IF ONE HUNDRED TWENTY DAYS SHALL LAPSE FOLLOWING THE RECEIPT OF NOTICE BY A RENTAL VEHICLE COMPANY THAT A FEDERAL OR MANUFACTURER'S SAFETY RECALL IS IN EFFECT ON ANY OF THE VEHICLES OWNED BY THE RENTAL VEHICLE COMPANY, AND SUCH RENTAL VEHICLE COMPANY HAS FAILED TO INSPECT OR REPAIR SUCH VEHICLES, THE RENTAL VEHICLE COMPANY SHALL HAVE THE OPTION, AS AN ALTERNATIVE TO UNDERTAKING THE INSPECTIONS OR REPAIRS SUBJECT TO THE RECALL, TO DISCLOSE TO PROSPECTIVE RENTERS OF VEHICLES COVERED UNDER A FEDERAL OR MANUFACTURER'S SAFETY RECALL THAT THE VEHICLES ARE SUBJECT TO SAFETY RECALL NOTICES AND HAVE NOT BEEN INSPECTED OR REPAIRED PRIOR TO THE SIGNING OF THE AGREEMENT. ANY DISCLOSURES REQUIRED UNDER THIS SECTION SHALL BE SET FORTH IN A SEPARATE DOCUMENT ATTACHED TO THE RENTAL AGREEMENT AND SHALL STATE (A) THAT THE SPECIFIC VEHICLE IS THE SUBJECT OF A SAFETY RECALL, (B) DESCRIBE THE RECALL IN QUESTION, AND (C) DESCRIBE THE NATURE OF THE DEFECT. SUCH DISCLOSURE SHALL BE INITIALLED BY THE PROSPECTIVE RENTER PRIOR TO THE SIGNING OF THE RENTAL AGREEMENT.

S 3. This act shall take effect immediately, provided that the amendments to section 396-z of the general business law, made by section one of this act, shall be subject to the expiration and reversion of such section pursuant to section 4 of chapter 656 of the laws of 2002, as amended, when upon such date section two of this act shall take effect.