

# STATE OF NEW YORK

8594

2025-2026 Regular Sessions

## IN ASSEMBLY

May 22, 2025

Introduced by M. of A. P. CARROLL -- read once and referred to the  
Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to used motor  
vehicles

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

1 Section 1. Paragraphs 2, 4 and 7 of subdivision (a) of section 198-a  
2 of the general business law, paragraph 2 as amended by chapter 485 of  
3 the laws of 2003 and paragraphs 4 and 7 as added by chapter 799 of the  
4 laws of 1986, are amended to read as follows:

5 (2) "Motor vehicle" means a motor vehicle excluding off-road vehicles,  
6 which was subject to a manufacturer's express warranty at the time of  
7 original delivery and either (i) was purchased, leased or transferred in  
8 this state within either the first ~~[eighteen]~~ thirty-six thousand miles  
9 of operation or ~~[two]~~ three years from the date of original delivery,  
10 whichever is earlier, or (ii) is registered in this state;

11 (4) "Mileage deduction formula" means the mileage which is in excess  
12 of ~~[twelve]~~ twenty thousand miles times the purchase price, or the lease  
13 price if applicable, of the vehicle divided by ~~[one]~~ two hundred thou-  
14 sand miles.

15 (7) "Service fees" means the portion of a lease payment attributable  
16 to:

17 (i) an amount for earned interest, regardless of how it is character-  
18 ized in the lease agreement, calculated on the rental payments, inclu-  
19 sive of the earned interest, previously paid to the lessor for the  
20 leased vehicle at an annual rate equal to two points above the prime  
21 rate in effect on the date of the execution of the lease; and

22 (ii) any insurance or other costs expended by the lessor for the bene-  
23 fit of the lessee.

24 § 2. Paragraphs 1 and 2 of subdivision (b) of section 198-a of the  
25 general business law, paragraph 1 as amended by chapter 217 of the laws

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

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1 of 1990 and paragraph 2 as amended by chapter 279 of the laws of 1989,  
2 are amended to read as follows:

3 (1) If a new motor vehicle which is sold and registered in this state  
4 does not conform to all express warranties during the first [~~eighteen~~]  
5 ~~thirty-six~~ thousand miles of operation or during the period of [~~two~~]  
6 ~~three~~ years following the date of original delivery of the motor vehicle  
7 to such consumer, whichever is the earlier date, the consumer shall  
8 during such period report the nonconformity, defect or condition to the  
9 manufacturer, its agent or its authorized dealer. If the notification is  
10 received by the manufacturer's agent or authorized dealer, the agent or  
11 dealer shall within seven days forward written notice thereof to the  
12 manufacturer by certified mail, return receipt requested, and shall  
13 include in such notice a statement indicating whether or not such  
14 repairs have been undertaken. The manufacturer, its agent or its author-  
15 ized dealer shall correct said nonconformity, defect or condition at no  
16 charge to the consumer, notwithstanding the fact that such repairs are  
17 made after the expiration of such period of operation or such two year  
18 period.

19 (2) If a manufacturer's agent or authorized dealer refuses to under-  
20 take repairs within seven days of receipt of the notice by a consumer of  
21 a nonconformity, defect or condition pursuant to paragraph one of this  
22 subdivision, the consumer may immediately forward written notice of such  
23 refusal to the manufacturer by certified mail, return receipt requested.  
24 The manufacturer or its authorized agent shall have twenty days from  
25 receipt of such notice of refusal to commence such repairs. If within  
26 such twenty day period, the manufacturer or its authorized agent fails  
27 to commence such repairs, the manufacturer, at the option of the consum-  
28 er, shall replace the motor vehicle with a comparable motor vehicle, or  
29 accept return of the vehicle from the consumer and refund to the consum-  
30 er the full purchase price or, if applicable, the lease price and any  
31 trade-in allowance plus fees and charges. Such fees and charges shall  
32 include but not be limited to all license fees, registration fees and  
33 any similar governmental charges, less an allowance for the consumer's  
34 use of the vehicle in excess of the first [~~twelve~~] ~~twenty~~ thousand miles  
35 of operation pursuant to the mileage deduction formula defined in para-  
36 graph four of subdivision (a) of this section, and a reasonable allow-  
37 ance for any damage not attributable to normal wear or improvements.

38 § 3. Paragraph 1 of subdivision c of section 198-a of the general  
39 business law, as amended by chapter 234 of the laws of 1990, is amended  
40 to read as follows:

41 (1) If, within the period specified in subdivision (b) of this  
42 section, the manufacturer or its agents or authorized dealers are unable  
43 to repair or correct any defect or condition which substantially impairs  
44 the value of the motor vehicle to the consumer after a reasonable number  
45 of attempts, the manufacturer, at the option of the consumer, shall  
46 replace the motor vehicle with a comparable motor vehicle, or accept  
47 return of the vehicle from the consumer and refund to the consumer the  
48 full purchase price or, if applicable, the lease price and any trade-in  
49 allowance plus fees and charges. Any return of a motor vehicle may, at  
50 the option of the consumer, be made to the dealer or other authorized  
51 agent of the manufacturer who sold such vehicle to the consumer or to  
52 the dealer or other authorized agent who attempted to repair or correct  
53 the defect or condition which necessitated the return and shall not be  
54 subject to any further shipping charges. Such fees and charges shall  
55 include but not be limited to all license fees, registration fees and  
56 any similar governmental charges, less an allowance for the consumer's

1 use of the vehicle in excess of the first [~~twelve~~] twenty thousand miles  
2 of operation pursuant to the mileage deduction formula defined in para-  
3 graph four of subdivision (a) of this section, and a reasonable allow-  
4 ance for any damage not attributable to normal wear or improvements.

5 § 4. Subdivisions (e) and (h) of section 198-a of the general business  
6 law, subdivision (e) as added by chapter 444 of the laws of 1983 and  
7 subdivision (h) as amended by chapter 799 of the laws of 1986, are  
8 amended to read as follows:

9 (e) The term of an express warranty, the [~~two~~] three year warranty  
10 period and the thirty day out of service period shall be extended by any  
11 time during which repair services are not available to the consumer  
12 because of a war, invasion or strike, fire, flood or other natural  
13 disaster.

14 (h) A manufacturer shall have up to thirty days from the date the  
15 consumer notifies the manufacturer of [~~his or her~~] such consumer's  
16 acceptance of the arbitrator's decision to comply with the terms of that  
17 decision. Failure to comply with the thirty day limitation shall also  
18 entitle the consumer to recover a fee of [~~twenty-five~~] up to two hundred  
19 fifty dollars for each business day of noncompliance up to [~~five~~  
20 hundred] two thousand dollars. Provided, however, that nothing contained  
21 in this subdivision shall impose any liability on a manufacturer where a  
22 delay beyond the thirty day period is attributable to a consumer who has  
23 requested a replacement vehicle built to order or with options that are  
24 not comparable to the vehicle being replaced or otherwise made compli-  
25 ance impossible within said period. In no event shall a consumer who has  
26 resorted to an informal dispute settlement mechanism be precluded from  
27 seeking the rights or remedies available by law.

28 § 5. Paragraph 2 of subdivision (m) of section 198-a of the general  
29 business law, as added by chapter 799 of the laws of 1986, subparagraph  
30 1 as amended by chapter 217 of the laws of 1990, subparagraph 4 as  
31 amended by chapter 263 of the laws of 1990, is amended to read as  
32 follows:

33 (2) The following notice shall be provided to consumers and arbitra-  
34 tors and shall be printed in conspicuous ten point bold face type:

35 NEW CAR LEMON LAW BILL OF RIGHTS

36 (1) IN ADDITION TO ANY WARRANTIES OFFERED BY THE MANUFACTURER, YOUR  
37 NEW CAR, IF PURCHASED AND REGISTERED IN NEW YORK STATE, IS WARRANTED  
38 AGAINST ALL MATERIAL DEFECTS FOR [~~EIGHTEEN~~] THIRTY-SIX THOUSAND MILES OR  
39 [~~TWO~~] THREE YEARS, WHICHEVER COMES FIRST.

40 (2) YOU MUST REPORT ANY PROBLEMS TO THE MANUFACTURER, ITS AGENT, OR  
41 AUTHORIZED DEALER.

42 (3) UPON NOTIFICATION, THE PROBLEM MUST BE CORRECTED FREE OF CHARGE.

43 (4) IF THE SAME PROBLEM CANNOT BE REPAIRED AFTER FOUR OR MORE  
44 ATTEMPTS; OR IF YOUR CAR IS OUT OF SERVICE TO REPAIR A PROBLEM FOR A  
45 TOTAL OF THIRTY DAYS DURING THE WARRANTY PERIOD; OR IF THE MANUFACTURER  
46 OR ITS AGENT REFUSES TO REPAIR A SUBSTANTIAL DEFECT OR CONDITION WITHIN  
47 TWENTY DAYS OF RECEIPT OF NOTICE SENT BY YOU TO THE MANUFACTURER BY  
48 CERTIFIED MAIL, RETURN RECEIPT REQUESTED; THEN YOU MAY BE ENTITLED TO  
49 EITHER A COMPARABLE CAR OR A REFUND OF YOUR PURCHASE PRICE, PLUS LICENSE  
50 AND REGISTRATION FEES, MINUS A MILEAGE ALLOWANCE ONLY IF THE VEHICLE HAS  
51 BEEN DRIVEN MORE THAN [~~12,000~~] 20,000 MILES. SPECIAL NOTIFICATION  
52 REQUIREMENTS MAY APPLY TO MOTOR HOMES.

53 (5) A MANUFACTURER MAY DENY LIABILITY IF THE PROBLEM IS CAUSED BY  
54 ABUSE, NEGLIGENCE, OR UNAUTHORIZED MODIFICATIONS OF THE CAR.

(6) A MANUFACTURER MAY REFUSE TO EXCHANGE A COMPARABLE CAR OR REFUND YOUR PURCHASE PRICE IF THE PROBLEM DOES NOT SUBSTANTIALLY IMPAIR THE VALUE OF YOUR CAR.

(7) IF A MANUFACTURER HAS ESTABLISHED AN ARBITRATION PROCEDURE, THE MANUFACTURER MAY REFUSE TO EXCHANGE A COMPARABLE CAR OR REFUND YOUR PURCHASE PRICE UNTIL YOU FIRST RESORT TO THE PROCEDURE.

(8) IF THE MANUFACTURER DOES NOT HAVE AN ARBITRATION PROCEDURE, YOU MAY RESORT TO ANY REMEDY BY LAW AND MAY BE ENTITLED TO YOUR ATTORNEY'S FEES IF YOU PREVAIL.

(9) NO CONTRACT OR AGREEMENT CAN VOID ANY OF THESE RIGHTS.

(10) AS AN ALTERNATIVE TO THE ARBITRATION PROCEDURE MADE AVAILABLE THROUGH THE MANUFACTURER, YOU MAY INSTEAD CHOOSE TO SUBMIT YOUR CLAIM TO AN INDEPENDENT ARBITRATOR, APPROVED BY THE ATTORNEY GENERAL. YOU MAY HAVE TO PAY A FEE FOR SUCH AN ARBITRATION. CONTACT YOUR LOCAL CONSUMER OFFICE OR ATTORNEY GENERAL'S OFFICE TO FIND OUT HOW TO ARRANGE FOR INDEPENDENT ARBITRATION.

§ 6. Paragraph 2 of subdivision a of section 198-b of the general business law, as amended by chapter 485 of the laws of 2003, is amended to read as follows:

2. "Used motor vehicle" means a motor vehicle, excluding motor homes and off-road vehicles, which has been purchased, leased, or transferred either after ~~[eighteen]~~ thirty-six thousand miles of operation or ~~[two]~~ three years from the date of original delivery, whichever is earlier;

§ 7. Paragraphs 1 and 2 of subdivision b of section 198-b of the general business law, paragraph 1 as amended by chapter 857 of the laws of 1990 and paragraph 2 as amended by chapter 444 of the laws of 1989, are amended to read as follows:

1. No dealer shall sell or lease a used motor vehicle to a consumer without giving the consumer a written warranty which shall at minimum apply for the following terms:

(a) If the used motor vehicle has ~~[thirty-six]~~ eighty thousand miles or less, the warranty shall be at minimum ~~[ninety days or four]~~ twelve months or twelve thousand miles, whichever comes first.

(b) If the used motor vehicle has more than ~~[thirty-six]~~ eighty thousand one miles, but less than ~~[eighty]~~ one hundred thousand miles, the warranty shall be at minimum ~~[sixty days or three]~~ six months or six thousand miles, whichever comes first.

(c) If the used motor vehicle has ~~[eighty]~~ one hundred one thousand miles or more but no more than ~~[one]~~ two hundred thousand miles, the warranty shall be at a minimum ~~[thirty days or one]~~ three months or three thousand miles, whichever comes first.

2. The written warranty shall require the dealer or ~~[his]~~ such dealer's agent to repair or, at the election of the dealer, reimburse the consumer for the reasonable cost of repairing the failure of a covered part. Covered parts shall at least include the following items:

(a) Engine. All lubricated parts, water pump, fuel pump, manifolds, engine block, cylinder head, rotary engine housings and flywheel.

(b) Transmission. The transmission case, internal parts, and the torque converter.

(c) Drive axle. Front and rear drive axle housings and internal parts, axle shafts, propeller shafts and universal joints.

(d) Brakes. Master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings and disc brake calipers.

(e) Radiator.

(f) Steering. The steering gear housing and all internal parts, power steering pump, valve body, piston and rack.

(g) Alternator, generator, starter, ignition system excluding the battery.

(h) Other relevant parts, including but not limited to, modern critical systems, computers, or modules such as navigation systems, lane changing software, driver assistance or automation software.

§ 8. Paragraph 3 of subdivision d of section 198-b of the general business law, as amended by chapter 692 of the laws of 1994, is amended to read as follows:

3. Notwithstanding paragraph one of this subdivision, this article shall not apply to used motor vehicles sold for, or in the case of a lease where the value of the used motor vehicle as agreed to by the consumer and the dealer which vehicle is the subject of the contract is, less than one thousand five hundred dollars, or to used motor vehicles with over ~~[one]~~ two hundred thousand miles at the time of sale or lease if said mileage is indicated in writing at the time of sale or lease. Further, this article shall not apply to the sale or lease of historical motor vehicles as defined in section four hundred one of the vehicle and traffic law.

§ 9. Paragraphs 1 and 3 of subdivision f of section 198-b of the general business law, paragraph 1 as separately amended by chapters 609 and 444 of the laws of 1989, subparagraphs 2 and 3 of paragraph 1 as added by chapter 469 of the laws of 1994 and paragraph 3 as amended by chapter 323 of the laws of 1997, are amended to read as follows:

1. If a dealer has established or participates in an informal dispute settlement procedure which complies in all respects with the provisions of part seven hundred three of title sixteen of the code of federal regulations the provisions of this article concerning refunds or replacement shall not apply to any consumer who has not first resorted to such procedure. Dealers utilizing informal dispute settlement procedures pursuant to this subdivision shall ~~[insure]~~ ensure that arbitrators participating in such informal dispute settlement procedures are familiar with the provisions of this section and shall provide to arbitrators and consumers who seek arbitration a copy of the provisions of this section together with the following notice in conspicuous ten point bold face type:

#### USED CAR LEMON LAW BILL OF RIGHTS

1. If you purchase a used car for more than one thousand five hundred dollars, or lease a used car where you and the dealer have agreed that the car's value is more than one thousand five hundred dollars, from anyone selling or leasing three or more used cars a year, you must be given a written warranty.

2. If your used car has ~~[18,000]~~ 36,000 miles or less, you may be protected by the new car lemon law.

3. (a) If your used car has more than ~~[18,000]~~ 36,000 miles and up to and including ~~[36,000]~~ 80,000 miles, a warranty must be provided for at least ~~[90 days or 4,000]~~ 12 months or 12,000 miles, whichever comes first.

(b) If your used car has more than ~~[36,000]~~ 80,000 miles but less than ~~[80,000]~~ 100,000 miles, a warranty must be provided for at least ~~[60 days or 3,000]~~ 6 months or 6,000 miles, whichever comes first.

(c) If your used car has ~~[80,000]~~ 100,000 miles or more but no more than ~~[100,000]~~ 200,000 miles, a warranty must be provided for at least ~~[30 days or 1,000]~~ 3 months or 3,000 miles, whichever comes first. Cars with over ~~[100,000]~~ 200,000 miles are not covered.

4. If your engine, transmission, drive axle, brakes, radiator, steering, alternator, generator, starter, or ignition system (excluding the

1 battery) are defective, the dealer or [~~his~~] their agent must repair or,  
2 if [~~he~~] such dealer so chooses, reimburse you for the reasonable cost of  
3 repair.

4 5. If the same problem cannot be repaired after three or more  
5 attempts, you are entitled to return the car and receive a refund of  
6 your purchase price or of all payments made under your lease contract,  
7 and of sales tax and fees, minus a reasonable allowance for any damage  
8 not attributable to normal usage or wear, and, in the case of a lease  
9 contract, a cancellation of all further payments you are otherwise  
10 required to make under the lease contract.

11 6. If your car is out of service to repair a problem for a total of  
12 fifteen days or more during the warranty period you are entitled to  
13 return the car and receive a refund of your purchase price or of all  
14 payments made under your lease contract, and of sales tax and fees,  
15 minus a reasonable allowance for any damage not attributable to normal  
16 usage or wear, and, in the case of a lease contract, a cancellation of  
17 all further payments you are otherwise required to make under the lease  
18 contract.

19 7. A dealer may put into the written warranty certain provisions which  
20 will prohibit your recovery under certain conditions; however, the deal-  
21 er may not cause you to waive any rights under this law.

22 8. A dealer may refuse to refund your purchase price, or the payments  
23 made under your lease contract, if the problem does not substantially  
24 impair the value of your car, or if the problem is caused by abuse,  
25 neglect, or unreasonable modification.

26 9. If a dealer has established an arbitration procedure, the dealer  
27 may refuse to refund your purchase price until you first resort to the  
28 procedure. If the dealer does not have an arbitration procedure, you may  
29 resort to any remedy provided by law and may be entitled to your attor-  
30 ney's fees if you prevail.

31 10. As an alternative to the arbitration procedure made available  
32 through the dealer you may instead choose to submit your claim to an  
33 independent arbitrator, approved by the attorney general. You may have  
34 to pay a fee for such an arbitration. Contact your local consumer office  
35 or attorney general's office to find out how to arrange for independent  
36 arbitration.

37 11. If any dealer refuses to honor your rights or you are not satis-  
38 fied by the informal dispute settlement procedure, complain to the New  
39 York State Attorney General, Executive Office, Capitol, Albany, N.Y.  
40 12224.

41 3. Upon the payment of a prescribed filing fee, a consumer shall have  
42 the option of submitting any dispute arising under this section to an  
43 alternate arbitration mechanism established pursuant to regulations  
44 promulgated hereunder by the attorney general. Upon application of the  
45 consumer and payment of the filing fee, the dealer shall submit to such  
46 alternate arbitration.

47 Such alternate arbitration shall be conducted by a professional arbi-  
48 trator or arbitration firm appointed by and under regulations estab-  
49 lished by the attorney general. Such mechanism shall ensure the personal  
50 objectivity of its arbitrators and the right of each party to present  
51 its case, to be in attendance during any presentation made by the other  
52 party and to rebut or refute such presentation. In all other respects,  
53 such alternate arbitration mechanism shall be governed by article seven-  
54 ty-five of the civil practice law and rules.

1 The notice required by paragraph one of this subdivision, entitled  
2 Used Car Lemon Law Bill of Rights, shall be provided to arbitrators and  
3 consumers who seek arbitration under this subdivision.

4 A dealer shall have thirty days from the date of mailing of a copy of  
5 the arbitrator's decision to such dealer to comply with the terms of  
6 such decision. Failure to comply within the thirty day period shall  
7 entitle the consumer to recover, in addition to any other recovery to  
8 which ~~[he]~~ such consumer may be entitled, a fee of ~~[twenty-five]~~ two  
9 hundred fifty dollars for each business day beyond thirty days up to  
10 ~~[five-hundred]~~ two thousand dollars; provided however, that nothing in  
11 this subdivision shall impose any liability on a dealer where a delay  
12 beyond the thirty day period is attributable to a consumer who has  
13 requested a particular replacement vehicle or otherwise made compliance  
14 impossible within said period.

15 The commissioner of motor vehicles or any person deputized by ~~[him]~~  
16 such commissioner may deny the application of any person for registra-  
17 tion under section four hundred fifteen of the vehicle and traffic law  
18 and suspend or revoke a registration under such section or refuse to  
19 issue a renewal thereof if ~~[he]~~ such commissioner or such deputy deter-  
20 mines that such applicant or registrant or any officer, director, stock-  
21 holder, or partner, or any other person directly or indirectly inter-  
22 ested in the business has deliberately failed to pay an arbitration  
23 award, which has not been stayed or appealed, rendered in an arbitration  
24 proceeding pursuant to this paragraph for sixty days after the date of  
25 mailing of a copy of the award to the registrant. Any action taken by  
26 the commissioner of motor vehicles pursuant to this paragraph shall be  
27 governed by the procedures set forth in subdivision nine of section four  
28 hundred fifteen of the vehicle and traffic law.

29 § 10. This act shall take effect one year after it shall have become a  
30 law.