

STATE OF NEW YORK

9501

IN SENATE

March 18, 2026

Introduced by Sen. COMRIE -- 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 unauthorized rental car use

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

Section 1. Subdivision 14 of section 396-z of the general business law, as amended by chapter 109 of the laws of 2018, is amended to read as follows:

14. (a) (i) A renter may not continue custody of a rental vehicle beyond the period set forth in the rental agreement unless the rental vehicle company has expressly consented to extend such period.

(ii) A rental vehicle company is authorized to regain custody of a rental vehicle registered to such company subject to the procedures set forth in subparagraph (iii) of this paragraph where:

(1) A renter having custody of a vehicle pursuant to a rental agreement specifying that such vehicle is to be returned to the rental vehicle company at a certain date and time:

(A) intentionally retains custody of the vehicle, without the express consent of the rental vehicle company, and continues such custody for a period of more than twenty-four hours after the renter has been notified that the vehicle is possessed beyond the period specified in the rental agreement and must be returned immediately to the rental vehicle company;

(B) obtains custody of the vehicle through materially false or fraudulent pretenses, representations, or promises, including but not limited to the use of another person's personal identifying information as defined in section 190.77 of the penal law; or

(C) fails to remit payment in accordance with the rental agreement after notification of arrears by the rental vehicle company; or

(2) The rental vehicle company has been notified by a law enforcement agency that the vehicle is being used or has been used in furtherance of criminal activity.

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

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(iii) In the event a renter has engaged in any of the activities set forth in subparagraph (ii) of this paragraph, subject to the notice provisions established herein, a rental vehicle company is authorized to recover its vehicle in accordance with standard business practices and article 2-A of the uniform commercial code. Prior to taking any such action, the rental vehicle company shall notify the renter at the contact information provided by the renter and afford the renter with the opportunity to either return the vehicle or, subject to the consent of the rental vehicle company, extend the rental period. If the renter does not respond to such notice or return the vehicle within twenty-four hours of such notification, the rental vehicle company may take such action consistent with standard business practices and article 2-A of the uniform commercial code to locate and regain custody of the vehicle. All attempts to notify the renter of the unauthorized use of the rental vehicle shall be documented and maintained by the rental vehicle company for sixty days after the vehicle has been returned or recovered or longer in the discretion of the rental vehicle company or required by an arbitrator or court of law.

(b) An authorized driver shall provide notice to the rental vehicle company and law enforcement agency within twelve hours of learning of the theft of the rental vehicle.

(c) Notwithstanding the provisions of section 165.05 of the penal law, when a rental vehicle company has exhausted the remedies prescribed herein to regain possession of a vehicle pursuant to this subdivision, it may report the vehicle stolen to the appropriate law enforcement agency.

§ 2. Subdivision 14 of section 396-z of the general business law, as amended by chapter 731 of the laws of 2006, is amended to read as follows:

14. (a) (i) A renter may not continue custody of a rental vehicle beyond the period set forth in the rental agreement unless the rental vehicle company has expressly consented to extend such period.

(ii) A rental vehicle company is authorized to regain custody of a rental vehicle registered to such company subject to the procedures set forth in subparagraph (iv) of this paragraph where:

(1) A renter having custody of a vehicle pursuant to a rental agreement specifying that such vehicle is to be returned to the rental vehicle company at a certain date and time:

(A) intentionally retains custody of the vehicle, without the express consent of the rental vehicle company, and continues such custody for a period of more than twenty-four hours after the renter has been notified that the vehicle is possessed beyond the period specified in the rental agreement and must be returned immediately to the rental vehicle company;

(B) obtains custody of the vehicle through materially false or fraudulent pretenses, representations, or promises, including but not limited to the use of another person's personal identifying information as defined in section 190.77 of the penal law; or

(C) fails to remit payment in accordance with the terms of the rental agreement after notification of arrears by the rental vehicle company; or

(iii) The rental vehicle company has been notified by a law enforcement agency that the vehicle is being used or has been used in furtherance of criminal activity.

(iv) In the event a renter has engaged in any of the activities set forth in subparagraph (ii) of this paragraph, subject to the notice

1 provisions established herein, a rental vehicle company is authorized to
2 recover its vehicle in accordance with standard business practices and
3 article 2-A of the uniform commercial code. Prior to taking any such
4 action, the rental vehicle company shall notify the renter at the
5 contact information provided by the renter and afford the renter with
6 the opportunity to either return the vehicle or, subject to the consent
7 of the rental vehicle company, extend the rental period. If the renter
8 does not respond to such notice or return the vehicle within twenty-four
9 hours of such notification, the rental vehicle company may take such
10 action consistent with standard business practices and article 2-A of
11 the uniform commercial code to locate and regain custody of the vehicle.
12 All attempts to notify the renter of the unauthorized use of the rental
13 vehicle shall be documented and maintained by the rental vehicle company
14 for sixty days after the vehicle has been returned or recovered or long-
15 er in the discretion of the rental vehicle company or required by an
16 arbitrator or court of law.

17 (b) An authorized driver shall provide notice to the rental vehicle
18 company or law enforcement agency within twelve hours of learning of the
19 theft of the rental vehicle.

20 (c) Notwithstanding the provisions of section 165.05 of the penal law,
21 when a rental vehicle company has exhausted the remedies prescribed
22 herein to regain possession of a vehicle pursuant to this subdivision,
23 it may report the vehicle stolen to the appropriate law enforcement
24 agency.

25 § 3. This act shall take effect immediately, provided that the amend-
26 ments to section 396-z of the general business law, made by section one
27 of this act, shall be subject to the expiration and reversion of such
28 section pursuant to subdivision (a) of section 4 of chapter 109 of the
29 laws of 2018, as amended, when upon such date section two of this act
30 shall take effect.