

# STATE OF NEW YORK

---

1949

2017-2018 Regular Sessions

## IN SENATE

January 11, 2017

---

Introduced by Sen. LATIMER -- 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:

1 Section 1. Section 396-z of the general business law, as amended by  
2 chapter 731 of the laws of 2006, is amended by adding a new subdivision  
3 16 to read as follows:

4 16. Rental vehicle companies shall inspect and, if appropriate, repair  
5 any rental vehicle covered under a federal or manufacturer's safety  
6 recall within one hundred twenty days after receiving such notice.  
7 Following receipt of such notice by a rental vehicle company, such  
8 company may rent a vehicle that is subject to a safety recall provided  
9 that such company discloses to any prospective renter of vehicles  
10 covered under a federal or manufacturer's safety recall that the vehi-  
11 cles are subject to safety recall notices and have not been inspected or  
12 repaired prior to the signing of the rental agreement. If one hundred  
13 twenty days shall lapse following the receipt of notice by a rental  
14 vehicle company that a federal or manufacturer's safety recall is in  
15 effect on any of the vehicles owned by the rental vehicle company, and  
16 such rental vehicle company has failed to inspect or repair such vehi-  
17 cles, the rental vehicle company shall have the option, as an alterna-  
18 tive to undertaking the inspections or repairs subject to the recall, to  
19 disclose to prospective renters of vehicles covered under a federal or  
20 manufacturer's safety recall that the vehicles are subject to safety  
21 recall notices and have not been inspected or repaired prior to the  
22 signing of the agreement. Any disclosures required under this section  
23 shall be set forth in a separate document attached to the rental agree-  
24 ment and shall state (a) that the specific vehicle is the subject of a  
25 safety recall, (b) describe the recall in question, and (c) describe the

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

LBD01144-01-7

1 nature of the defect. Such disclosure shall be initialled by the  
2 prospective renter prior to the signing of the rental agreement.

3 § 2. Section 396-z of the general business law, as amended by chapter  
4 784 of the laws of 1988, is amended by adding a new subdivision 14 to  
5 read as follows:

6 14. Rental vehicle companies shall inspect and, if appropriate, repair  
7 any rental vehicle covered under a federal or manufacturer's safety  
8 recall within one hundred twenty days after receiving such notice.  
9 Following receipt of such notice by a rental vehicle company, such  
10 company may rent a vehicle that is subject to a safety recall provided  
11 that such company discloses to any prospective renter of vehicles  
12 covered under a federal or manufacturer's safety recall that the vehi-  
13 cles are subject to safety recall notices and have not been inspected or  
14 repaired prior to the signing of the rental agreement. If one hundred  
15 twenty days shall lapse following the receipt of notice by a rental  
16 vehicle company that a federal or manufacturer's safety recall is in  
17 effect on any of the vehicles owned by the rental vehicle company, and  
18 such rental vehicle company has failed to inspect or repair such vehi-  
19 cles, the rental vehicle company shall have the option, as an alterna-  
20 tive to undertaking the inspections or repairs subject to the recall, to  
21 disclose to prospective renters of vehicles covered under a federal or  
22 manufacturer's safety recall that the vehicles are subject to safety  
23 recall notices and have not been inspected or repaired prior to the  
24 signing of the agreement. Any disclosures required under this section  
25 shall be set forth in a separate document attached to the rental agree-  
26 ment and shall state (a) that the specific vehicle is the subject of a  
27 safety recall, (b) describe the recall in question, and (c) describe the  
28 nature of the defect. Such disclosure shall be initialled by the  
29 prospective renter prior to the signing of the rental agreement.

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