

# STATE OF NEW YORK

510

2023-2024 Regular Sessions

## IN ASSEMBLY

January 9, 2023

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

AN ACT to amend the general business law, in relation to prohibiting  
rental car companies and used car companies from renting, selling or  
leasing vehicles that have been recalled due to safety risks

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

1 Section 1. Section 396-z of the general business law is amended by  
2 adding a new subdivision 10-a to read as follows:

3 10-a. (a) Except as provided in paragraph (b) of this subdivision, it  
4 shall be unlawful for a rental company to rent, lease or sell a covered  
5 vehicle on or after the earlier of the date of receipt by the rental  
6 company of a notification ordered by the Secretary of Transportation  
7 under subsection (b)(2)(A) of section 30118 of title 49, United States  
8 Code, or the date on which a manufacturer gives notice to owners,  
9 purchasers, and dealers that the covered vehicle contains a defect  
10 related to motor vehicle safety or does not comply with an applicable  
11 motor vehicle safety standard, unless the defect or noncompliance has  
12 been remedied prior to rental, lease or sale.

13 (b) For purposes of paragraph (a) of this subdivision, a rental compa-  
14 ny shall be considered to have received notification five business days  
15 following the date on which such notification was mailed.

16 (c) If, during a rental or lease period of a covered vehicle, a rental  
17 company receives notification pursuant to paragraph (a) of this subdivi-  
18 sion that the covered vehicle contains a defect related to motor vehicle  
19 safety or does not comply with an applicable motor vehicle safety stand-  
20 ard, the rental company shall immediately: (i) contact the renter or  
21 lessee and any authorized driver from whom the rental company has imme-  
22 diate contact information to inform such renter or lessee and authorized  
23 driver of the defect or noncompliance; and (ii) offer to provide such  
24 renter, lessee, or authorized driver a comparable alternative vehicle,

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

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1 at no additional cost to the renter, lessee, or authorized driver, until  
2 the defect or noncompliance has been remedied.

3 § 2. Section 396-z of the general business law is amended by adding a  
4 new subdivision 9-a to read as follows:

5 9-a. (a) Except as provided in paragraph (b) of this subdivision, it  
6 shall be unlawful for a rental company to rent, lease or sell a covered  
7 vehicle on or after the earlier of the date of receipt by the rental  
8 company of a notification ordered by the Secretary of Transportation  
9 under subsection (b)(2)(A) of section 30118 of title 49, United States  
10 Code, or the date on which a manufacturer gives notice to owners,  
11 purchasers, and dealers that the covered vehicle contains a defect  
12 related to motor vehicle safety or does not comply with an applicable  
13 motor vehicle safety standard, unless the defect or noncompliance has  
14 been remedied prior to rental, lease or sale.

15 (b) For purposes of paragraph (a) of this subdivision, a rental compa-  
16 ny shall be considered to have received notification five business days  
17 following the date on which such notification was mailed.

18 (c) If, during a rental or lease period of a covered vehicle, a rental  
19 company receives notification pursuant to paragraph (a) of this subdivi-  
20 sion that the covered vehicle contains a defect related to motor vehicle  
21 safety or does not comply with an applicable motor vehicle safety stand-  
22 ard, the rental company shall immediately: (i) contact the renter or  
23 lessee and any authorized driver for whom the rental company has immedi-  
24 ate contact information to inform such renter or lessee and authorized  
25 driver of the defect or noncompliance; and (ii) offer to provide such  
26 renter, lessee, or authorized driver a comparable alternative vehicle,  
27 at no additional cost to the renter, lessee, or authorized driver, until  
28 the defect or noncompliance has been remedied.

29 § 3. Section 198-b of the general business law is amended by adding a  
30 new subdivision h to read as follows:

31 h. Prohibitions on certain sales or leases. No dealer shall sell or  
32 lease a used motor vehicle that has been recalled due to safety risks.

33 § 4. This act shall take effect immediately; provided that the amend-  
34 ments to section 396-z of the general business law made by section one  
35 of this act shall be subject to the expiration and reversion of such  
36 section pursuant to subdivision (a) of section 4 of chapter 109 of the  
37 laws of 2018, as amended, when upon such date the provisions of section  
38 two of this act shall take effect.