STATE OF NEW YORK

6303

2023-2024 Regular Sessions

IN SENATE

April 12, 2023

Introduced by Sen. KENNEDY -- 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 vehicle cost recovery fees

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

Section 1. Subdivision 1 of section 396-z of the general business law is amended by adding a new paragraph (m) to read as follows:

(m) "Vehicle cost recovery fee" means the allowable recovery by a rental vehicle company from its renters for the actual costs incurred to title, register, plate and inspect rental vehicles in the state and which fee shall be determined initially by a rental vehicle company's good faith estimate of the rental vehicle company's daily charge to recover its actual total annual motor vehicle titling, registration, plating and inspection costs, and thereafter by an internal audit of the preceding year's actual costs conducted by the rental vehicle company from adjusting the expense level during a calendar year to more closely reflect actual costs incurred. If the total amount of the vehicle cost recovery fees collected by a rental vehicle company under this section in any calendar year exceeds the car rental company's actual costs to license, title, register, and plate motor vehicles and have the same inspected for that calendar year, the car rental company may retain the excess amount, and adjust the estimated average per vehicle titling, licensing, plating, inspecting and registration charge for the following calendar year by a corresponding amount. Each such audit shall be retained for a period of not less than five years, and shall be made available to the department of state, department of motor vehicles and attorney general upon written request.

§ 2. Paragraphs (a) and (b) of subdivision 10 of section 396-z of the general business law, as amended by chapter 109 of the laws of 2018, are amended to read as follows:

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

LBD09218-01-3

(a) A rental vehicle company shall not charge in addition to the rental rate, taxes, and mileage charge, if any, any fee which must be paid as a condition of renting the vehicle, such as, but not limited to, required fuel surcharges, each of which shall be separately stated on the rental agreement. In addition, a rental vehicle company may also state separately and charge, where applicable, airport fees as such term is defined herein. **Provided further, that a rental vehicle company may also separately state the vehicle cost recovery fee as such term is defined in paragraph (m) of subdivision one of this section.**

(b) In addition to the rental rate, taxes, applicable airport fees**, vehicle cost recovery fee**, and mileage charge, if any, a rental vehicle company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by not choosing to obtain or utilize the optional item or service, such as, but not limited to, optional accessories or services requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was rented, and charges for refueling the vehicle with as much fuel as was in the fuel tank at the beginning of the rental.

§ 3. This act shall take effect on the sixtieth day after it shall have become a law, provided that the amendments to section 396-z of the general business law made by sections one and two of this act shall not affect the expiration of such section and shall be deemed to expire therewith.