

STATE OF NEW YORK

1292

2025-2026 Regular Sessions

IN ASSEMBLY

January 9, 2025

Introduced by M. of A. 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 diately 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.