

STATE OF NEW YORK

9381

2025-2026 Regular Sessions

IN ASSEMBLY

December 19, 2025

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

AN ACT to amend the general business law and the penal 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:

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

4 14. (a) (1) A renter may not continue custody of a rental vehicle
5 beyond the period set forth in the rental agreement unless the rental
6 vehicle company has consented in writing to extend such period.

7 (2) A rental vehicle company is authorized to regain custody of the
8 rental vehicle registered to such company subject to the procedures set
9 forth in subparagraph three of this paragraph where a renter having
10 custody of a vehicle pursuant to a rental agreement whereby such vehicle
11 is to be returned to the rental vehicle company at a date and time spec-
12 ified in the rental agreement:

13 (i) intentionally retains or withholds possession of the vehicle,
14 without the written consent of the rental vehicle company; or

15 (ii) obtains custody of the vehicle through materially false or frau-
16 dulent pretenses, representations, or promises, including but not limit-
17 ed to the use of another person's personal identifying information as
18 defined in section 190.77 of the penal law; or

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

21 (iv) continues such custody for a period of more than twenty-four
22 hours after the renter has been notified, in accordance with the
23 provisions of subparagraph three of this paragraph, that the vehicle is
24 possessed beyond the period specified in the rental agreement and must
25 be returned to the rental vehicle company.

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

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1 (3) In the event a renter has engaged in any of the activities set
2 forth in subparagraph two of this paragraph, a rental vehicle company is
3 authorized to take reasonable steps to recover its vehicle, including,
4 but not limited to, repossessing the vehicle upon notifying the renter
5 by email, text, or telephone call at the contact information provided by
6 the renter and affording the renter with the opportunity to either
7 return the vehicle or enter into an addendum to the rental agreement
8 extending the rental period. If the renter does not respond to or return
9 the vehicle within twenty-four hours of such notification, the rental
10 vehicle company may take such action as authorized by law to locate and
11 regain custody of the vehicle. All attempts to notify the renter of the
12 unauthorized use of the rental vehicle shall be documented and main-
13 tained by the rental vehicle company for sixty days after the vehicle
14 has been returned or recovered or longer in the discretion of the rental
15 vehicle company or required by an arbitrator or court of law.

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

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

22 14. (a) (1) A renter may not continue custody of a rental vehicle
23 beyond the period set forth in the rental agreement unless the rental
24 vehicle company has consented in writing to extend such period.

25 (2) A rental vehicle company is authorized to regain custody of the
26 rental vehicle registered to such company subject to the procedures set
27 forth in subparagraph three of this paragraph where a renter having
28 custody of a vehicle pursuant to a rental agreement whereby such vehicle
29 is to be returned to the rental vehicle company at a date and time spec-
30 ified in the rental agreement:

31 (i) intentionally retains or withholds possession of the vehicle,
32 without the written consent of the rental vehicle company; or

33 (ii) obtains custody of the vehicle through materially false or frau-
34 dulent pretenses, representations, or promises, including but not limit-
35 ed to the use of another person's personal identifying information as
36 defined in section 190.77 of the penal law; or

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

39 (iv) continues such custody for a period of more than twenty-four
40 hours after the renter has been notified, in accordance with the
41 provisions of subparagraph three of this paragraph, that the vehicle is
42 possessed beyond the period specified in the rental agreement and must
43 be returned to the rental vehicle company.

44 (3) In the event a renter has engaged in any of the activities set
45 forth in subparagraph two of this paragraph, a rental vehicle company is
46 authorized to take reasonable steps to recover its vehicle, including,
47 but not limited to, repossessing the vehicle upon notifying the renter
48 by email, text, or telephone call at the contact information provided by
49 the renter and affording the renter with the opportunity to either
50 return the vehicle or enter into an addendum to the rental agreement
51 extending the rental period. If the renter does not respond to or return
52 the vehicle within twenty-four hours of such notification, the rental
53 vehicle company may take such action as authorized by law to locate and
54 regain custody of the vehicle. All attempts to notify the renter of the
55 unauthorized use of the rental vehicle shall be documented and main-
56 tained by the rental vehicle company for sixty days after the vehicle

1 has been returned or recovered or longer in the discretion of the rental
2 vehicle company or required by an arbitrator or court of law.

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

6 § 3. Subdivision 3 of section 165.05 of the penal law, as amended by
7 chapter 413 of the laws of 1982, is amended to read as follows:

8 3. Having custody of a vehicle pursuant to an agreement with the owner
9 thereof whereby such vehicle is to be returned to the owner at a speci-
10 fied time, [~~he~~] such person intentionally retains or withholds
11 possession thereof, without the consent of the owner, for so lengthy a
12 period beyond the specified time as to render such retention or
13 possession a gross deviation from the agreement.

14 For purposes of this section "a gross deviation from the agreement"
15 shall consist of, but not be limited to, circumstances wherein a person
16 who having had custody of a vehicle for a period of [~~fifteen~~] thirty
17 days or less pursuant to a written agreement retains possession of such
18 vehicle for at least [~~seven days~~] twenty-four hours beyond the period
19 specified in the agreement and continues such possession for a period of
20 more than [~~two days after service or refusal of attempted service of a~~
21 ~~notice in person or by certified mail at an address indicated in the~~
22 ~~agreement~~] an additional twenty-four hours after the owner has communi-
23 cated with such person having custody of the vehicle via email, text or
24 telephone as provided by such person stating (i) the date and time at
25 which the vehicle was to have been returned under the agreement; (ii)
26 that the owner does not consent to the continued withholding or retain-
27 ing of such vehicle and demands its return; and that continued withhold-
28 ing or retaining of the vehicle may constitute a class A misdemeanor
29 punishable by a fine of up to one thousand dollars or by a sentence to a
30 term of imprisonment for a period of up to one year or by both such fine
31 and imprisonment. Obtaining custody of a vehicle through materially
32 false or fraudulent pretenses, representations, or promises including,
33 but not limited to, the use of another person's personal identifying
34 information as defined in section 190.77 of this chapter, shall also be
35 deemed a "gross deviation from the agreement".

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