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 Assembly, do enact as follows:

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

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

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

(c) If, during a rental or lease period of a covered vehicle, a rental company receives notification pursuant to paragraph (a) of this subdivision that the covered vehicle contains a defect related to motor vehicle safety or does not comply with an applicable motor vehicle safety standard, the rental company shall immediately: (i) contact the renter or lessee and any authorized driver from whom the rental company has immediate contact information to inform such renter or lessee and authorized driver of the defect or noncompliance; and (ii) offer to provide such 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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at no additional cost to the renter, lessee, or authorized driver, until the defect or noncompliance has been remedied.

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

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

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

(c) If, during a rental or lease period of a covered vehicle, a rental company receives notification pursuant to paragraph (a) of this subdivision that the covered vehicle contains a defect related to motor vehicle safety or does not comply with an applicable motor vehicle safety standard, the rental company shall immediately: (i) contact the renter or lessee and any authorized driver for whom the rental company has immediate contact information to inform such renter or lessee and authorized driver of the defect or noncompliance; and (ii) offer to provide such renter, lessee, or authorized driver a comparable alternative vehicle, at no additional cost to the renter, lessee, or authorized driver, until the defect or noncompliance has been remedied.

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

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

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