STATE OF NEW YORK

9737--A

Cal. No. 1299

IN SENATE

April 2, 2026

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the public authorities law and the general business law, in relation to prohibiting rental vehicle companies from imposing any fees, charges or penalties, other than the actual cost of a toll, on an authorized driver for such driver's use of a rental vehicle

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

Section 1. Article 9 of the public authorities law is amended by adding a new title 11-A to read as follows:

TITLE 11-A
TOLL COLLECTION

§ 2. Sections 2985 and 2985-a of the public authorities are redesignated to title 11-A of article 9 of the public authorities law, as added by section one of this act.

§ 3. Subdivision 10 of section 2985 of the public authorities law, as amended by chapter 666 of the laws of 1993, is amended to read as follows:

10. An owner who is a lessor of a vehicle to which a notice of liability was issued pursuant to subdivision seven of this section shall not be liable for the violation of the toll collection regulation provided that [~~he or she~~] **such owner** sends to the public authority serving the notice of liability and to the court or other entity having jurisdiction a copy of the [~~rental,~~] lease or other such contract document covering such vehicle on the date of the violation, with the name and address of the lessee clearly legible, within thirty days after receiving the original notice of liability. Failure to send such information within such thirty day time period shall render the lessor liable for the penalty prescribed by this section. Where the lessor complies with the

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

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provisions of this subdivision, the lessee of such vehicle on the date of such violation shall be deemed to be the owner of such vehicle for purposes of this section and shall be subject to liability for the violation of toll collection regulations, provided that the public authority mails a notice of liability to the lessee within ten days after the court, or other entity having jurisdiction, deems the lessee to be the owner. For purposes of this subdivision the term "lessor" shall mean any person, corporation, firm, partnership, agency, association or organization engaged in the business of [~~renting or~~] leasing vehicles to any lessee under a [~~rental agreement,~~] lease or otherwise wherein the said lessee has the exclusive use of said vehicle for any period of time**, provided however that "lessor" shall not mean a rental vehicle company as defined in paragraph (c) of subdivision one of section three hundred ninety-six-z of the general business law**. For purposes of this subdivision, the term "lessee" shall mean any person, corporation, firm, partnership, agency, association or organization that [~~rents,~~] leases or contracts for the use of one or more vehicles and has exclusive use thereof for any period of time**, provided however that "lessee" shall not mean a renter as defined in paragraph (e) of subdivision one of section three hundred ninety-six-z of the general business law**.

§ 4. Section 396-z of the general business law is amended by adding a new subdivision 13-b to read as follows:

13-b. Notwithstanding any other provision of law, a rental vehicle company shall collect any toll incurred by a driver's use of a rental vehicle through a toll collection facility that utilizes an electronic toll collection system, as defined in section twenty-nine hundred eighty-five of the public authorities law, or a photo-monitoring system for the payment of tolls, and shall remit all such tolls to the relevant public authority. A rental car company shall not impose on a renter any fees, charges, or penalties in connection with collecting and remitting a toll, other than the actual cost of a toll.

§ 5. 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 section four of this act shall survive the expiration and reversion of such section as provided in section 4 of chapter 109 of the laws of 2018, as amended.