



NEW YORK STATE SENATOR

Daniel L. Squadron

BP Stringer, Senator Squadron & Assemblymember Kavanagh Issue Holiday Warning, Expose Hidden "Borough Fees" Charged By Rental Car Companies Across New York City

DANIEL L. SQUADRON November 16, 2010

Survey finds residents in Brooklyn, Queens and the Bronx

pay added fees under Dollar-Thrifty corporate policy

November 17, 2010, New York, NY—As New York City families prepare to hit the road for Thanksgiving, the heaviest travel weekend of the year, a survey by Borough President Scott M. Stringer, State Senator Daniel Squadron and Assemblymember Brian Kavanagh reveals that Dollar and Thrifty rental car companies force customers to pay extra fees solely because they live in certain parts of New York City: Brooklyn residents pay an additional \$55 per day, Bronx residents pay \$53, and residents of Queens pay \$11. There are no additional costs, however, for residents of Manhattan or Staten Island or for renters who live outside of New York City. Dollar has 13 locations in New York City (5 in Manhattan, 5 in Brooklyn, 2 in Queens and 1 in Staten Island) and Thrifty has 2 locations (1 in Manhattan and 1 in Brooklyn), making it a total of 15 locations in New York City where Brooklyn, Bronx, and Queens residents are charged these additional fees.

“Just because something may be legal doesn’t make it right,” Borough President Stringer said. “As Thanksgiving approaches, it’s time for Thrifty and Dollar to stop acting like turkeys

and to halt this unconscionable practice once and for all. There's only one way to describe these outrageous extra fees—and that's price gouging."

"Thrifty Dollar is the lone offender now, and it has rental locations throughout the five boroughs," the Borough President added. "I urge City consumers to take their business elsewhere until this company finally decides to do the right thing."

Senator Squadron said, "It's ridiculous to penalize people simply because they live in Brooklyn, Queens, or the Bronx. Dollar's and Thrifty's practice of charging people different rental rates based on where they live is unfair discrimination, plain and simple, and should be illegal. There isn't a single good reason to charge these exorbitant fees – this is clear by the fact that Dollar and Thrifty are the only companies who still do it. I urge Dollar and Thrifty to get into the holiday spirit, treat New Yorkers fairly, and immediately stop charging these crazy fees."

"This kind of blatant bias should be a thing of the past—and has become so in the rest of the car rental industry," said Kavanagh. "Our message is clear: If you want to do business in New York, you'd better be prepared to treat New Yorkers fairly and respect our diversity."

"Living in New York City is difficult enough for ordinary families without discriminatory practices that amount to class warfare," said Assemblymember Linda B. Rosenthal.

"Charging people in certain boroughs higher car rental rates is a regressive policy that penalizes entire communities with a single brush stroke. We don't prioritize municipal services based on borough, and there's no reason we should tolerate it from the rental car industry."

A bill sponsored by Assembly Member Kavanagh in the Assembly and co-sponsored by Senator Squadron in the Senate aims to prohibit rental car companies from discriminating

on the basis of the geographical location of the residence of the person attempting to enter into the rental agreement; the bill also prohibits the imposition of additional charges or conditions and imposes a fine of up to \$1,500 for each violation.

Jay Harlowe, a Brooklyn resident who had to pay the extra “borough fee” when he rented at Dollar, said, “Being charged a hidden \$55 fee for renting a car just because I live in Brooklyn makes no sense, and is completely unfair and discriminatory. When I reserved the car online, the quote that was given to me did not include this surcharge – I only found out that I was slapped with this extra fee when it came time to pay. If I had known ahead of time that I would be penalized solely because of my home address, I would have taken my business elsewhere. I think other Brooklyn, Queens, and Bronx customers would do the same if they knew of this policy.”

There was a time when many of the major rental car companies serving New York imposed such fees, the elected officials noted. As recently as 2006, Hertz charged \$56 for Bronx residents, \$34 for Brooklyn residents, \$15 for Queens residents and \$3 for Manhattan residents. The increased rates were charged to persons residing in those boroughs whenever they rented a car at a Hertz outlet in the New York metropolitan area, New Jersey, Southern Connecticut, or Eastern Pennsylvania. Customers who rented in New York City but did not reside there would not be subject to the increased rates. Budget Rent-A-Car also had similar charges at that time. But now all major companies have chosen to end that practice except Dollar and Thrifty.

In 1992, the City issued Local Law 21 of 1992 amending chapter four of title 20 of the City's administrative code (“Local Law No. 21”). It provides: “No rental vehicle company shall refuse to rent a motor vehicle to any person otherwise qualified based on that person's residence, nor impose fees or charges based on that person's residence.” Hertz defended their policy and due to subsequent court decisions, Local Law No. 21 has never been enforced and car rental

companies have been legally allowed to charge resident fees.

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