
HOUSE BILL 2773

State of Washington

66th Legislature

2020 Regular Session

By Representatives Kirby and Vick

Read first time 01/21/20. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to transportation; adding new chapters to Title
2 46 RCW; creating a new section; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** This act may be known and cited as the
5 peer-to-peer vehicle sharing program act.

6 NEW SECTION. **Sec. 2.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires
8 otherwise.

9 (1) "Peer-to-peer vehicle sharing" or "sharing" means the
10 authorized use of peer-to-peer vehicle by an individual other than a
11 peer-to-peer vehicle owner through a peer-to-peer vehicle sharing
12 program.

13 (2) "Peer-to-peer vehicle sharing program" or "program" means a
14 person or entity that connects peer-to-peer vehicle owners with peer-
15 to-peer vehicle drivers to facilitate the sharing of peer-to-peer
16 vehicles for consideration. The program is not a transportation
17 network company.

18 (3) "Peer-to-peer vehicle sharing program agreement" or
19 "agreement" means an agreement established through a program that
20 serves as a contract between the program, owner, and driver, and

1 describes the specific terms and conditions of the agreement that
2 govern the use of peer-to-peer vehicles facilitated by the program,
3 including the sharing period and location or locations for transfer
4 of control of the vehicle.

5 (4) "Peer-to-peer vehicle" or "vehicle" means a personal motor
6 vehicle that is available for use through a peer-to-peer vehicle
7 sharing program for a sharing period of thirty days or less that is
8 registered as a private passenger vehicle under the laws of this or
9 another state.

10 (5) "Peer-to-peer vehicle driver" or "driver" means an individual
11 who has been authorized to drive peer-to-peer vehicles by peer-to-
12 peer vehicle owners under a peer-to-peer vehicle sharing program
13 agreement.

14 (6) "Peer-to-peer vehicle owner" or "owner" means the registered
15 owner of a peer-to-peer vehicle made available for sharing
16 facilitated by a peer-to-peer vehicle sharing program.

17 (7) "Peer-to-peer vehicle delivery period" or "delivery period"
18 means the period of time during which a peer-to-peer vehicle is being
19 delivered to the location of a peer-to-peer vehicle sharing start
20 time, if applicable, as documented by a peer-to-peer vehicle sharing
21 program agreement.

22 (8) "Peer-to-peer vehicle sharing period" or "sharing period"
23 means the period of time that commences with a peer-to-peer vehicle
24 delivery period or, if there is no peer-to-peer vehicle delivery
25 period, that commences with a peer-to-peer vehicle sharing start time
26 and, in either case, ends at a peer-to-peer vehicle sharing
27 termination time.

28 (9) "Peer-to-peer vehicle sharing start time" or "start time"
29 means the time when a peer-to-peer vehicle becomes subject to the
30 control of a peer-to-peer vehicle driver at or after the time the
31 reservation of a peer-to-peer vehicle sharing program agreement is
32 scheduled to begin as documented in the records of a peer-to-peer
33 vehicle sharing program.

34 (10) "Peer-to-peer vehicle sharing termination time" or
35 "termination time" means the earliest of the following events:

36 (a) The expiration of the agreed upon period of time established
37 for the use of a peer-to-peer vehicle according to the terms of the
38 peer-to-peer vehicle sharing program agreement, if a peer-to-peer
39 vehicle is delivered to the location agreed upon in a peer-to-peer
40 vehicle sharing program agreement;

1 (b) When a peer-to-peer vehicle is returned to a location as
2 alternatively agreed upon by a peer-to-peer vehicle owner and peer-
3 to-peer vehicle driver as communicated through a peer-to-peer vehicle
4 sharing program; or

5 (c) When a peer-to-peer vehicle owner, or authorized designee,
6 takes possession and control of a peer-to-peer vehicle.

7 NEW SECTION. **Sec. 3.** (1) Notwithstanding any other provision of
8 law, or any provision in an owner's policy of motor vehicle liability
9 insurance, in the event of a loss or injury that occurs during the
10 sharing period, the program shall:

11 (a) Assume the liability of an owner for any bodily injury or
12 property damage to third parties, uninsured and underinsured motorist
13 benefits, and personal injury protection losses during the sharing
14 period in an amount stated in an agreement, and which amount may not
15 be less than those set forth in chapter 46.29 RCW; and

16 (b) Retain such liability irrespective of a lapse in, or
17 otherwise absence of, any coverage under which the program is
18 insured.

19 (2) The program shall not be liable when an owner:

20 (a) Makes a material, intentional, or fraudulent
21 misrepresentation, or material, intentional, or fraudulent omission,
22 to the program before the sharing period in which the loss occurred;
23 or

24 (b) Acts in concert with the driver who fails to return the
25 vehicle pursuant to the terms of the agreement.

26 (3) (a) The program shall ensure that, during each sharing period,
27 financial responsibility for the vehicle is provided in amounts no
28 less than the minimum amounts set forth in chapter 46.29 RCW, that:

29 (i) Recognizes that the vehicle is made available and used
30 through the program; or

31 (ii) Does not exclude use of the vehicle by the driver through
32 the program.

33 (b) The financial responsibility required under (a) of this
34 subsection may be satisfied by motor vehicle liability insurance, or
35 other acceptable means of demonstrating financial responsibility in
36 this state, voluntarily maintained by:

37 (i) The owner;

38 (ii) The driver;

39 (iii) The program; or

1 (iv) Any combination of an owner, driver, and program.

2 (c) The financial responsibility required in (a) of this
3 subsection, satisfied pursuant to (b) of this subsection, shall be
4 primary for losses during the sharing period.

5 (d) The program shall:

6 (i) Afford primary financial responsibility for a claim when it
7 is in whole or in part providing the financial responsibility
8 required under this section if:

9 (A) A dispute exists as to who was in control of the vehicle at
10 the time of the loss; and

11 (B) The program does not have available, did not retain, or fails
12 to provide the information required by section 6 of this act; and

13 (ii) Be indemnified by the owner's personal policy of motor
14 vehicle liability insurance to the extent of such policy's
15 obligation, if any, if it is determined that the owner was in control
16 of the vehicle at the time of the loss.

17 (e) If insurance maintained by the owner or driver in accordance
18 with (b) of this subsection has lapsed or does not provide the
19 required financial responsibility, the program, or its insurer, shall
20 provide the coverage required by (a) of this subsection beginning
21 with the first dollar of a claim and have the duty to defend such
22 claim except under circumstances as set forth in this section.

23 (f) Financial responsibility maintained by the program is not
24 dependent on another automobile insurer first denying a claim nor
25 shall another automobile insurance policy be required to first deny a
26 claim.

27 (4) Nothing in this section:

28 (a) Limits the liability of the program for any act or omission
29 of the program itself that results in injury to any person as a
30 result of the use of a vehicle through the program; or

31 (b) Limits the ability of the program to, by contract, seek
32 indemnification from an owner or driver for economic loss sustained
33 by the program resulting from a breach of the terms and conditions of
34 an agreement.

35 NEW SECTION. **Sec. 4.** At the time the owner registers the
36 vehicle for use through the program and again prior to the time the
37 owner makes the vehicle available for use through the program, the
38 program shall notify the owner that, if the vehicle has a lien
39 against it, the use of the vehicle through the program, including use

1 without physical damage coverage, may violate the terms of the
2 contract with the lienholder.

3 NEW SECTION. **Sec. 5.** (1) An authorized insurer that writes
4 motor vehicle liability insurance in this state may exclude any and
5 all coverage and the duty to defend or indemnify for any claim
6 afforded under an owner's motor vehicle liability insurance policy
7 including, but not limited to:

8 (a) Liability coverage for bodily injury and property damage;

9 (b) Personal injury protection coverage;

10 (c) Uninsured and underinsured motorist coverage;

11 (d) Medical payments coverage;

12 (e) Comprehensive physical damage coverage; and

13 (f) Collision physical damage coverage.

14 (2) Nothing in this section invalidates or limits an exclusion
15 contained in a motor vehicle liability insurance policy, including
16 any insurance policy in use or approved for use that excludes
17 coverage for motor vehicles made available for rent, hire, or for any
18 business use, including peer-to-peer vehicle sharing.

19 NEW SECTION. **Sec. 6.** (1) The program shall collect and verify
20 records pertaining to the use of the vehicle including, but not
21 limited to, sharing periods, fees paid by the driver, and revenues
22 received by the owner.

23 (2) Pursuant to all applicable federal and state privacy
24 obligations, and after receiving the informed consent of an owner and
25 driver, the program shall provide the information collected pursuant
26 to subsection (1) of this section upon request to an owner, owner's
27 insurer, and driver's insurer to facilitate a claim coverage
28 investigation. Providing notice of this section in the agreement
29 shall constitute informed consent.

30 (3) The program shall retain the records required in this section
31 for three years.

32 NEW SECTION. **Sec. 7.** A motor vehicle insurer that defends or
33 indemnifies a claim arising from the operation of a vehicle that is
34 excluded under the terms of its policy shall have the right to seek
35 contribution against a program if the claim is made against an owner
36 or driver for loss or injury that occurs during the sharing period.

1 NEW SECTION. **Sec. 8.** (1) Notwithstanding any other law,
2 statute, rule, or regulation to the contrary, the program shall have
3 an insurable interest in a vehicle during the sharing period.

4 (2) Nothing in this section shall impose liability on a program
5 to maintain the coverage mandated by section 3 of this act.

6 (3) A program may own and maintain as the named insured one or
7 more policies of motor vehicle liability insurance that provide
8 coverage for:

9 (a) Liabilities assumed by a program under an agreement;

10 (b) Liability of an owner;

11 (c) Damage or loss to a vehicle; or

12 (d) Liability of a driver.

13 (4) A program and owner are exempt from vicarious liability in
14 accordance with 49 U.S.C. Sec. 30106 and under any state or local law
15 that imposes liability solely based on vehicle ownership.

16 NEW SECTION. **Sec. 9.** (1) Each agreement made in this state
17 shall disclose to an owner and driver:

18 (a) Any right of a program to seek indemnification from an owner
19 or driver for economic loss sustained by a program resulting from a
20 breach of the terms and conditions of an agreement;

21 (b) That a motor vehicle liability insurance policy issued to an
22 owner for a vehicle, or to a driver, may not provide defense or
23 indemnity for any claim asserted by a program;

24 (c) That a program's financial responsibility afforded to an
25 owner and driver is available only during the sharing period;

26 (d) That, for any use of a vehicle by the driver after the
27 termination time, the driver and owner may not have coverage;

28 (e) The daily rate, fees, costs, and, if applicable, any
29 insurance or protection package costs that are charged to an owner or
30 driver; and

31 (f) That an owner's motor vehicle liability insurance may not
32 provide coverage for a vehicle.

33 (2) Each agreement made in this state shall disclose to a driver:

34 (a) An emergency telephone number to personnel capable of
35 fielding roadside assistance and other customer service inquiries;

36 (b) Any conditions under which a driver must maintain a personal
37 automobile insurance policy, and any required coverage limits, on a
38 primary basis in order to use a vehicle through a program.

1 NEW SECTION. **Sec. 10.** The program shall have sole
2 responsibility for any equipment, such as a global positioning system
3 or other special equipment that is put in or on a vehicle to monitor
4 or facilitate sharing and shall agree to indemnify and hold harmless
5 an owner for any damage to or theft of such system or equipment
6 during the sharing period not caused by an owner. The program has the
7 right to seek indemnity from a driver for any loss or damage to such
8 system or equipment that occurs during the sharing period.

9 NEW SECTION. **Sec. 11.** (1) (a) At the time the owner registers a
10 vehicle for use in a program, and prior to the time when an owner
11 makes a vehicle available for use in a program, the program shall:

12 (i) Verify that the vehicle does not have any safety recalls for
13 which the repairs have not been made; and

14 (ii) Notify the owner of the requirements under subsection (2) of
15 this section.

16 (b) The program shall periodically, and in no case less
17 frequently than once in each seventy-two hour period, verify that the
18 vehicle available for use through the program is not subject to an
19 open safety recall for which repairs have not been made.

20 (2) An owner shall:

21 (a) Not make a vehicle available for use through a program if an
22 owner has received notice of a safety recall on a vehicle until the
23 safety recall repair has been made;

24 (b) Upon receipt of notice of a safety recall on a vehicle when
25 the vehicle is available for use through the program, remove a
26 vehicle from availability as soon as practicably possible, and in no
27 case more than forty-eight hours, after receiving the notice of the
28 safety recall and until the safety recall repair has been made;

29 (c) Upon receipt of notice of a safety recall on a vehicle, and
30 in no case more than forty-eight hours after such receipt, when the
31 vehicle is in the possession of a driver, notify the program of the
32 safety recall so that the program may notify the driver and the
33 vehicle can be removed from use until the owner effects the necessary
34 safety recall repair.

35 NEW SECTION. **Sec. 12.** (1) A program may not enter into an
36 agreement with a driver unless the driver of a vehicle:

37 (a) Holds a driver's license issued in this state authorizing the
38 driver to operate vehicles of the class of the vehicle; or

1 (b) Is a nonresident who:

2 (i) Has a driver's license issued by this state or country of the
3 driver's residence that authorizes the driver in that state or
4 country to drive vehicles of the class of the vehicle; and

5 (ii) Is at least the same age as that required of a resident to
6 drive in this state.

7 (2) The program shall keep a record of:

8 (a) The name and address of the driver;

9 (b) The driver's license number and place of issuance for every
10 driver who will operate the vehicle.

11 NEW SECTION. **Sec. 13.** (1) The sharing and an agreement are
12 consumer transactions. A program and an owner are the suppliers and a
13 driver is the consumer.

14 (2) Any violation of this chapter is deemed an unfair or
15 deceptive act in violation of chapter 19.86 RCW. A person injured by
16 a violation of this chapter has a cause of action and is entitled to
17 the relief.

18 (3) A program is not liable for a violation under chapter 19.86
19 RCW when the violation is the result of false, misleading, or
20 inaccurate information provided to a program by an owner or driver
21 and the program reasonably relied on that information in good faith.

22 NEW SECTION. **Sec. 14.** Nothing in this chapter is construed to
23 affect the taxability of peer-to-peer vehicle sharing pursuant to
24 Title 82 RCW.

25 NEW SECTION. **Sec. 15.** (1) The definitions in section 2 of this
26 act apply to this chapter.

27 (2) The definitions in this subsection apply throughout this
28 chapter unless the context clearly requires otherwise.

29 (a) "Motor vehicle rental company" means any entity or person
30 engaged in the business of facilitating vehicle rental transactions
31 in this state. The term does not include a peer-to-peer vehicle owner
32 who makes no more than three motor vehicles available for peer-to-
33 peer vehicle sharing through a peer-to-peer vehicle sharing program,
34 or combination of programs, during a twelve-month period.

35 (b) "Vehicle rental transaction" means the transfer of possession
36 of a motor vehicle, for consideration, without the transfer of
37 ownership of the motor vehicle.

1 NEW SECTION. **Sec. 16.** (1) A notice or disclosure required to be
2 provided, delivered, posted, or otherwise made available by a motor
3 vehicle rental company or peer-to-peer vehicle sharing program is
4 deemed timely and effectively made if the notice or disclosure is
5 provided or delivered electronically at or before the time required
6 or included in a master or member agreement in effect at the time of
7 a vehicle rental transaction or peer-to-peer vehicle sharing program
8 agreement.

9 (2) For purposes of this chapter, a master or member agreement
10 shall include, but is not limited to, a service:

11 (a) Which is offered by a motor vehicle rental company or peer-
12 to-peer vehicle sharing program that permits customers to bypass a
13 retail service location and obtain a product or service directly;

14 (b) Where a motor vehicle rental company or peer-to-peer vehicle
15 sharing program does not require customers to execute an agreement at
16 the time of service; or

17 (c) Where the customer does not receive the terms and conditions
18 at the time of service.

19 (3) Electronic or written acceptance is deemed a valid form of
20 acceptance of a notice or disclosure.

21 (4) Acceptance remains effective until the time the acceptance is
22 affirmatively withdrawn by the customer.

23 NEW SECTION. **Sec. 17.** A notice or disclosure made pursuant to
24 this chapter is exempt from placement or stylistic display
25 requirements including, but not limited to, location, font size,
26 typeset, or other specifically stated description, if the notice or
27 disclosure is generally consistent in appearance with the entirety of
28 the communication in which it is contained.

29 NEW SECTION. **Sec. 18.** (1) A program, owner using a program, or
30 motor vehicle rental company shall, upon request of an airport
31 including, but not limited to, any entity responsible for regulating
32 commerce at such airport within this state, enter into an agreement,
33 which agreement may be a concession agreement, prior to:

34 (a) Listing a vehicle or motor vehicle parked on airport property
35 or at airport facilities;

36 (b) Facilitating the use of a vehicle or motor vehicle to
37 transport airport customers to or from airport property or airport
38 facilities, regardless of whether that use is to be initiated or has

1 a start time that occurs on or off of airport property or airport
2 facilities; or

3 (c) Promoting or marketing a vehicle or motor vehicle to
4 transport airport customers to or from airport property or airport
5 facilities, regardless of whether that transportation is to be
6 initiated or has a start time that occurs on or off of airport
7 property or airport facilities.

8 (2) The agreement required in subsection (1) of this section
9 shall set forth reasonable standards, regulations, procedures, and
10 fees applicable to a program and peer-to-peer vehicle sharing and a
11 motor vehicle rental company.

12 NEW SECTION. **Sec. 19.** In the event a motor vehicle rental
13 company or peer-to-peer vehicle sharing program facilitates rental or
14 sharing via digital, electronic, or other means that allows customers
15 to obtain possession of a motor vehicle or vehicle, as applicable,
16 without in-person contact with an agent or employee of a motor
17 vehicle rental company or peer-to-peer vehicle sharing program, or
18 where the customer does not execute a contract at the time of the
19 transaction, a motor vehicle rental company or peer-to-peer vehicle
20 sharing program is deemed to have met all obligations to physically
21 inspect and compare the customer's driver's license when the
22 provider:

23 (1) At the time the customer enrolls, or any time thereafter, in
24 a membership program, master agreement, or other means of
25 establishing use of the provider's services, requires verification
26 that the customer is a licensed driver; or

27 (2) Prior to the customer taking possession of the motor vehicle
28 or vehicle, as applicable, requires documentation that verifies the
29 customer's identity.

30 NEW SECTION. **Sec. 20.** Sections 2 through 14 of this act
31 constitute a new chapter in Title 46 RCW.

32 NEW SECTION. **Sec. 21.** Sections 15 through 19 of this act
33 constitute a new chapter in Title 46 RCW.

34 NEW SECTION. **Sec. 22.** This act takes effect January 1, 2021.

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