CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1389**

67th Legislature

2022 Regular Session

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| Passed by the House March 8, 2022Yeas 97 Nays 1**Speaker of the House of Representatives**Passed by the Senate March 2, 2022Yeas 27 Nays 21**President of the Senate** | CERTIFICATEI, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1389** as passed by the House of Representatives and the Senate on the dates hereon set forth.Chief Clerk |
| Approved  |  |
| **Governor of the State of Washington** | **Secretary of State** **State of Washington** |

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**SUBSTITUTE HOUSE BILL 1389**

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AS AMENDED BY THE SENATE

Passed Legislature - 2022 Regular Session

**State of Washington 67th Legislature 2022 Regular Session**

**By** House Consumer Protection & Business (originally sponsored by Representatives Corry and Eslick)

AN ACT Relating to transportation; adding a new chapter to Title 46 RCW; repealing RCW 48.175.005, 48.175.010, 48.175.020, 48.175.030, and 48.175.900; and providing an effective date.

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

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

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

(1) "Car sharing delivery period" means the period of time during which a shared vehicle is being delivered to the location of the car sharing start time, if applicable, as documented by the governing car sharing program agreement.

(2) "Car sharing period" means the period of time that commences with the car sharing delivery period or, if there is no car sharing delivery period, that commences with the car sharing start time and in either case ends at the car sharing termination time.

(3) "Car sharing program agreement" means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer car sharing program. "Car sharing program agreement" does not mean rental car agreement, or similar agreement, as defined in RCW 48.115.005.

(4) "Car sharing start time" means the time when the shared vehicle becomes subject to the control of the shared vehicle driver at or after the time the reservation of a shared vehicle is scheduled to begin as documented in the records of a peer–to–peer car sharing program.

(5) "Car sharing termination time" means the earliest of the following events:

(a) The expiration of the agreed upon period of time established for the use of a shared vehicle according to the terms of the car sharing program agreement if the shared vehicle is delivered to the location agreed upon in the car sharing program agreement;

(b) When the shared vehicle is returned to a location as alternatively agreed upon by the shared vehicle owner and shared vehicle driver as communicated through a peer-to-peer car sharing program; or

(c) When the shared vehicle owner or the shared vehicle owner's authorized designee, takes possession and control of the shared vehicle.

(6) "Peer-to-peer car sharing" means the authorized use of a vehicle by an individual other than the vehicle's owner through a peer-to-peer car sharing program. "Peer-to-peer car sharing" does not mean retail car rental under chapter 82.08 RCW or rental car as defined in RCW 46.04.465 and 48.115.005.

(7) "Peer-to-peer car sharing program" means a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration. "Peer-to-peer car sharing program" does not mean rental car company as defined in RCW 48.115.005 or rental car business as defined in RCW 46.04.466.

(8) "Shared vehicle" means a vehicle that is available for sharing through a peer-to-peer car sharing program. "Shared vehicle" does not mean rental car as defined in RCW 46.04.465 and 48.115.005 or retail car rental as defined in RCW 82.08.011.

(9) "Shared vehicle driver" means an individual who has been authorized to drive the shared vehicle by the shared vehicle owner under a car sharing program agreement. "Shared vehicle driver" does not mean consumer as used in RCW 82.08.011. "Shared vehicle driver" does not mean renter within the meaning of RCW 48.115.005. A shared vehicle driver is not a person to whom a rental car is made available within the meaning of RCW 46.04.465.

(10) "Shared vehicle owner" means the registered owner of a vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program. "Shared vehicle owner" does not mean rental car business as defined in RCW 46.04.466. "Shared vehicle owner" does not mean rental car company as defined in RCW 48.115.005.

NEW SECTION. **Sec.**  (1)(a) A peer-to-peer car sharing program shall assume the liability, except as provided in (b) of this subsection, of a shared vehicle owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses during the car sharing period in an amount stated in the peer-to-peer car sharing program agreement, which amount may not be less than those set forth in chapter 46.29 RCW.

(b) Notwithstanding the definition of car sharing termination time as provided in section 2 of this act, the assumption of liability under (a) of this subsection does not apply to any shared vehicle owner when:

(i) A shared vehicle owner makes an intentional or fraudulent material misrepresentation or omission to the peer-to-peer car sharing program before the car sharing period in which the loss occurred; or

(ii) Acting in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the terms of the car sharing program agreement.

(c) Notwithstanding the definition of car sharing termination time as provided in section 2 of this act, the assumption of liability under (a) of this subsection would apply to bodily injury, property damage, uninsured and underinsured motorist, or personal injury protection losses by damaged third parties required by chapter 46.29 RCW.

(d) A peer-to-peer car sharing program shall make certain that, during each car sharing period, the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability insurance policy that provides insurance coverage in amounts no less than two times the minimum amounts provided in chapter 46.29 RCW, and:

(i) Recognizes that the shared vehicle insured under the policy is made available and used through a peer-to-peer car sharing program; or

(ii) Does not exclude use of a shared vehicle by a shared vehicle driver.

(e) The insurance coverage described under (d) of this subsection may be satisfied by a motor vehicle liability insurance policy maintained by:

(i) A shared vehicle owner;

(ii) A shared vehicle driver;

(iii) A peer-to-peer car sharing program; or

(iv) Any combination of (e)(i) through (iii) of this subsection.

(f) The insurance policy or policies described in (e) of this subsection that are satisfying the insurance requirement of (d) of this subsection shall be primary during each car sharing period.

(g) The peer-to-peer car sharing program shall assume primary liability for a claim when it is in whole or in part providing the insurance required under (d) and (e) of this subsection and:

(i) A dispute exists as to who was in control of the shared motor vehicle at the time of the loss; and

(ii) The peer-to-peer car sharing program does not have available, did not retain, or fails to provide the information required by section 4 of this act. The shared motor vehicle's insurer shall indemnify the peer-to-peer car sharing program to the extent of its obligation under, if any, the applicable insurance policy, if it is determined that the shared motor vehicle's owner was in control of the shared motor vehicle at the time of the loss.

(h) If the insurance policy maintained by a shared vehicle owner or shared vehicle driver in accordance with (e) of this subsection has lapsed or does not provide the required insurance coverage, the insurance policy maintained by a peer-to-peer car sharing program shall provide the insurance coverage required by (d) of this subsection beginning with the first dollar of a claim and shall have the duty to defend such claim except under circumstances as provided in (b) of this subsection.

(i) Coverage under a motor vehicle liability insurance policy maintained by the peer-to-peer car sharing program is not dependent on another motor vehicle insurer first denying a claim nor shall another motor vehicle liability insurance policy be required to first deny a claim.

(j) Nothing in this chapter:

(i) Limits the liability of the peer-to-peer car sharing program for any act or omission of the peer-to-peer car sharing program itself that results in injury to any person as a result of the use of a shared vehicle through a peer-to-peer car sharing program; or

(ii) Limits the ability of the peer-to-peer car sharing program to, by contract, seek indemnification from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the peer-to-peer car sharing program resulting from a breach of the terms and conditions of the car sharing program agreement.

(2) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer car sharing program and prior to the time when the shared vehicle owner makes a shared vehicle available for car sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing program shall notify the shared vehicle owner that, if the shared vehicle has a lien against it, the use of the shared vehicle through a peer-to-peer car sharing program, including use without physical damage coverage, may violate the terms of the contract with the lienholder.

(3)(a) An authorized insurer that writes motor vehicle liability insurance in the state may exclude any and all coverage and the duty to defend or indemnify for any claim afforded under a shared vehicle owner's motor vehicle liability insurance policy including, but not limited to:

(i) Liability coverage for bodily injury and property damage;

(ii) Personal injury protection coverage;

(iii) Uninsured and underinsured motorist coverage;

(iv) Medical payments coverage;

(v) Comprehensive physical damage coverage; and

(vi) Collision physical damage coverage.

(b) Nothing in this chapter invalidates or limits an exclusion contained in a motor vehicle liability insurance policy, including any insurance policy in use or approved for use that excludes coverage for motor vehicles made available for rent, sharing, or hire, or for any business use.

(4) A peer-to-peer car sharing program shall collect and verify records pertaining to the use of a vehicle including, but not limited to, times used, fees paid by the shared vehicle driver, and revenues received by the shared vehicle owner and provide that information upon request to the shared vehicle owner, the shared vehicle owner's insurer, or the shared vehicle driver's insurer to facilitate a claim coverage investigation. The peer-to-peer car sharing program shall retain the records for a time period not less than the applicable personal injury statute of limitations.

(5) A peer-to-peer car sharing program and a shared vehicle owner shall be exempt from vicarious liability consistent with 49 U.S.C. Sec. 30106 and under any state or local law that imposes liability solely based on vehicle ownership.

(6) A motor vehicle insurer that defends or indemnifies a claim against a shared vehicle that is excluded under the terms of its policy shall have the right to seek contribution against the motor vehicle insurer of the peer-to-peer car sharing program if the claim is:

(a) Made against the shared vehicle owner or the shared vehicle driver for loss or injury that occurs during the car sharing period; and

(b) Excluded under the terms of its policy.

(7)(a) Notwithstanding any other law, statute, rule, or regulation to the contrary, a peer-to-peer car sharing program shall have an insurable interest in a shared vehicle during the car sharing period.

(b) Nothing in this section obligates a peer-to-peer car sharing program to maintain a liability insurance policy for the liability assumed under subsection (1) of this section.

(c) A peer–to–peer car sharing program may own and maintain as the named insured one or more policies of motor vehicle liability insurance that provides coverage for:

(i) Liabilities assumed by the peer–to–peer car sharing program under a peer–to–peer car sharing program agreement;

(ii) Any liability of the shared vehicle owner; or

(iii) Damage or loss to the shared motor vehicle, or any liability of the shared vehicle driver.

NEW SECTION. **Sec.**  (1) Each car sharing program agreement made in the state shall disclose to the shared vehicle owner and the shared vehicle driver:

(a) Any right of the peer-to-peer car sharing program to seek indemnification from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the peer-to-peer car sharing program resulting from a breach of the terms and conditions of the car sharing program agreement;

(b) That a motor vehicle liability insurance policy issued to the shared vehicle owner for the shared vehicle or to the shared vehicle driver does not provide a defense or indemnification for any claim asserted by the peer-to-peer car sharing program;

(c) That the peer-to-peer car sharing program's insurance coverage on the shared vehicle owner and the shared vehicle driver is in effect only during each car sharing period and that, for any use of the shared vehicle by the shared vehicle driver after the car sharing termination time, the shared vehicle driver and the shared vehicle owner may not have insurance coverage;

(d) The daily rate, fees, and if applicable, any insurance or protection package costs that are charged to the shared vehicle owner or the shared vehicle driver;

(e) That the shared vehicle owner's motor vehicle liability insurance may not provide coverage for a shared vehicle;

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

(g) If there are conditions under which a shared vehicle driver must maintain a personal motor vehicle insurance policy with certain applicable coverage limits on a primary basis in order to book a shared motor vehicle.

(2)(a) A peer-to-peer car sharing program may not enter into a peer-to-peer car sharing program agreement with a driver unless the driver who will operate the shared vehicle:

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

(ii) Is a nonresident who:

(A) Has a driver's license issued by the state or country of the driver's residence that authorizes the driver in that state or country to drive vehicles of the class of the shared vehicle; and

(B) Is at least the same age as that required of a resident to drive; or

(iii) Otherwise is specifically authorized to drive vehicles of the class of the shared vehicle.

(b) A peer-to-peer car sharing program shall keep a record of:

(i) The name and address of the shared vehicle driver;

(ii) The number of the driver's license of the shared vehicle driver and each other person, if any, who will operate the shared vehicle; and

(iii) The place of issuance of the driver's license.

(3) A peer-to-peer car sharing program shall have sole responsibility for any equipment, such as a global positioning system or other special equipment that is put in or on the vehicle to monitor or facilitate the car sharing transaction, and shall agree to indemnify and hold harmless the vehicle owner for any damage to or theft of such equipment during the sharing period not caused by the vehicle owner. The peer-to-peer car sharing program has the right to seek indemnity from the shared vehicle driver for any loss or damage to such equipment that occurs during the sharing period.

(4)(a) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer car sharing program and prior to the time when the shared vehicle owner makes a shared vehicle available for car sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing program shall:

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

(ii) Notify the shared vehicle owner of the requirements under (b) of this subsection.

(b) If the shared vehicle owner has received an actual notice of a safety recall on the vehicle, a shared vehicle owner may not make a vehicle available as a shared vehicle on a peer-to-peer car sharing program until the safety recall repair has been made.

(i) If a shared vehicle owner receives an actual notice of a safety recall on a shared vehicle while the shared vehicle is made available on the peer-to-peer car sharing program, the shared vehicle owner shall remove the shared vehicle as available on the peer-to-peer car sharing program, as soon as practicably possible after receiving the notice of the safety recall and until the safety recall repair has been made.

(ii) If a shared vehicle owner receives an actual notice of a safety recall while the shared vehicle is being used in the possession of a shared vehicle driver, as soon as practicably possible after receiving the notice of the safety recall, the shared vehicle owner shall notify the peer-to-peer car sharing program about the safety recall so that the shared vehicle owner may address the safety recall repair.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1)RCW 48.175.005 (Definitions) and 2012 c 108 s 1;

(2)RCW 48.175.010 (Requirements of program) and 2012 c 108 s 2;

(3)RCW 48.175.020 (Program's liabilities—Owner's insurance policy) and 2012 c 108 s 3;

(4)RCW 48.175.030 (Private passenger motor vehicle not a commercial or for-hire motor vehicle—Criteria) and 2012 c 108 s 4; and

(5)RCW 48.175.900 (Application—2012 c 108) and 2012 c 108 s 6.

NEW SECTION. **Sec.**  Sections 1 through 4 and 7 of this act constitute a new chapter in Title 46 RCW.

NEW SECTION. **Sec.**  This act takes effect January 1, 2023.

**--- END ---**