

1 HB450  
2 208249-2  
3 By Representative Rafferty  
4 RFD: Commerce and Small Business  
5 First Read: 24-FEB-21

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would provide requirements for the  
9 operation of peer-to-peer car sharing programs in  
10 the state, including insurance requirements,  
11 notification requirements, recordkeeping  
12 requirements, liability requirements, consumer  
13 protection disclosure requirements, and safety  
14 recall requirements.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 Relating to motor vehicles; to provide for the  
21 operation of peer-to-peer car sharing programs in the state.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. This act shall be known and may be cited  
24 as the Peer-to-Peer Car Sharing Program Act.

25 Section 2. As used in this act, the following terms  
26 shall have the following meanings:

1 (1) CAR SHARING DELIVERY PERIOD. The period of time  
2 during which a shared vehicle is being delivered to the  
3 location of the car sharing start time, if applicable, as  
4 documented by the governing car share sharing program  
5 agreement.

6 (2) CAR SHARING PERIOD. The period of time that  
7 commences with the car sharing delivery period or, if there is  
8 no car sharing delivery period, that commences with the car  
9 sharing start time and, in either case, ends at the car  
10 sharing termination time.

11 (3) CAR SHARING PROGRAM AGREEMENT. The terms and  
12 conditions applicable to a shared vehicle owner and a shared  
13 vehicle driver that govern the use of a shared vehicle through  
14 a peer-to-peer car sharing program. The term does not include  
15 any of the following:

16 a. A rental car agreement within the meaning of  
17 Section 32-15-6, Code of Alabama 1975.

18 b. Hiring, leasing, or renting a motor vehicle under  
19 an agreement in writing within the meaning of Section 32-15-6,  
20 Code of Alabama 1975.

21 c. A motor vehicle rental agreement within the  
22 meaning of Section 32-7A-6(a) (5), Code of Alabama 1975.

23 (4) CAR SHARING START TIME. The time when a shared  
24 vehicle becomes subject to the control of a shared vehicle  
25 driver at or after the time the reservation of the shared  
26 vehicle is scheduled to begin, as documented in the records of  
27 the peer-to-peer car sharing program.

1 (5) CAR SHARING TERMINATION TIME. The earliest of  
2 any of the following:

3 a. The expiration of the agreed upon period of time  
4 established for the use of a shared vehicle according to the  
5 terms of the car sharing program agreement, if the shared  
6 vehicle has been delivered to the agreed upon location in the  
7 car sharing program agreement.

8 b. When the shared vehicle is returned to a location  
9 as alternatively agreed upon by the shared vehicle owner and  
10 by the shared vehicle driver, as communicated through a  
11 peer-to-peer car sharing program, which alternatively agreed  
12 upon location shall be incorporated into the car sharing  
13 program agreement.

14 c. When the shared vehicle owner, or the shared  
15 vehicle owner's authorized designee, takes possession and  
16 control of the shared vehicle.

17 (6) PEER-TO-PEER CAR SHARING. The authorized use of  
18 a vehicle by an individual other than the vehicle's owner  
19 through a peer-to-peer car sharing program. The term does not  
20 include either of the following:

21 a. A rental or leasing transaction, as those terms  
22 are defined under Section 40-12-220, Code of Alabama 1975.

23 b. A rental transaction of tangible personal  
24 property within the meaning of Section 40-2-11(7)c., Code of  
25 Alabama 1975.

26 (7) PEER-TO-PEER CAR SHARING PROGRAM. A business  
27 platform that connects vehicle owners with drivers to enable

1 the sharing of vehicles for financial consideration. The term  
2 does not include any of the following:

3 a. A lessor within the meaning of Section 40-12-222,  
4 Code of Alabama 1975.

5 b. A person engaging or continuing within this state  
6 in the business of leasing or renting any automotive vehicle  
7 or truck trailer, semitrailer, or house trailer within the  
8 meaning of Section 40-12-222, Code of Alabama 1975.

9 c. A person facilitating a rental transaction of  
10 tangible person property within the meaning of Section  
11 40-2-11(7)c., Code of Alabama 1975.

12 d. A rental company within the meaning of Section  
13 32-7A-6(a) (5), Code of Alabama 1975.

14 (8) SHARED VEHICLE. A vehicle that is available for  
15 sharing through a peer-to-peer car sharing program. The term  
16 does not include an automotive vehicle or a truck trailer,  
17 semitrailer, or house trailer that is subject to the tax set  
18 forth under Section 40-12-222, Code of Alabama 1975.

19 (9) SHARED VEHICLE DRIVER. An individual who has  
20 been authorized to operate a shared vehicle by a shared  
21 vehicle owner under a car sharing program agreement. The term  
22 does not include a person hiring, leasing, or renting a motor  
23 vehicle under an agreement in writing within the meaning of  
24 Section 32-15-6, Code of Alabama 1975.

25 (10) SHARED VEHICLE OWNER. The registered owner, or  
26 a person or entity designated by the registered owner, of a  
27 vehicle that is made available for sharing to shared vehicle

1 drivers through a peer-to-peer car sharing program. The term  
2 does not include any of the following:

3 a. A lessor, as used in Section 40-2-11(7)c., Code  
4 of Alabama 1975.

5 b. A rental company within the meaning of Section  
6 32-7A-6(a) (5), Code of Alabama 1975.

7 Section 3. (a) Except as provided in subsection (b),  
8 a peer-to-peer car sharing program shall assume any liability  
9 of a shared vehicle owner for bodily injury or property damage  
10 to third parties or uninsured and underinsured motorists or  
11 personal injury protection losses during the car sharing  
12 period in an amount stated in the peer-to-peer car sharing  
13 program agreement. The amount may not be less than the proof  
14 of financial responsibility required under Chapter 7, Title  
15 32, Code of Alabama 1975.

16 (b) The assumption of liability under subsection (a)  
17 does not apply to a shared vehicle owner under either of the  
18 following circumstances:

19 (1) When a shared vehicle owner makes an intentional  
20 or fraudulent material misrepresentation or omission to the  
21 peer-to-peer car sharing program before the car sharing period  
22 in which the loss occurred.

23 (2) When a shared vehicle driver fails to return the  
24 shared vehicle in accordance with the terms of the car sharing  
25 program agreement.

26 (c) A peer-to-peer car sharing program shall ensure  
27 that, during each car sharing period, the shared vehicle owner

1 and the shared vehicle operator are insured under a motor  
2 vehicle liability insurance policy that does all of the  
3 following:

4 (1) Provides insurance coverage in amounts no less  
5 than the minimum amounts required for proof of financial  
6 responsibility under Section 32-7-2, Code of Alabama 1975.

7 (2) Does either of the following:

8 a. Recognizes that the shared vehicle insured under  
9 the policy is made available and used through a peer-to-peer  
10 car sharing program.

11 b. Does not exclude the use of a shared vehicle by a  
12 shared vehicle operator.

13 (d) The insurance required under subsection (c) may  
14 be satisfied by motor vehicle liability insurance purchased by  
15 one or more of any of the following:

16 (1) A shared vehicle owner.

17 (2) A shared vehicle operator.

18 (3) A peer-to-peer car sharing program.

19 (e) The insurance described in subsection (d) shall  
20 be primary during each car sharing period, and in the event  
21 that a claim occurs in another state with minimum financial  
22 responsibility limits higher than those set forth in Section  
23 32-7-2, Code of Alabama 1975, during the car sharing period,  
24 the coverage described in subsections (c) and (d) shall  
25 satisfy the difference in minimum coverage amounts, up to the  
26 applicable policy limits.

1           (f) The insurer, insurers, or peer-to-peer car  
2 sharing program providing coverage under subsection (d) or (e)  
3 shall assume primary liability for a claim when either of the  
4 following apply:

5           (1) A dispute exists as to who was in control of the  
6 shared motor vehicle at the time of the loss and the  
7 peer-to-peer car sharing program does not have available, did  
8 not retain, or fails to provide the information required by  
9 Section 6.

10           (2) A dispute exists as to whether the shared  
11 vehicle was returned to the alternatively agreed upon location  
12 as authorized under paragraph (5)b. of Section 2.

13           (g) If insurance maintained by a shared vehicle  
14 owner or shared vehicle operator in accordance with subsection  
15 (d) has lapsed or does not provide the required coverage,  
16 insurance maintained by the peer-to-peer car sharing program  
17 shall provide the coverage required by subsection (c)  
18 beginning with the first dollar of a claim and shall have the  
19 duty to defend the claim, except as provided under subsection  
20 (b).

21           (h) Coverage under an automobile insurance policy  
22 maintained by a peer-to-peer car sharing program may not be  
23 dependent upon another automobile insurer first denying a  
24 claim and may not require another automobile insurance policy  
25 to first deny the claim.

26           (i) Nothing in this section does either of the  
27 following:



1           (1) Limits the ability of a peer-to-peer car sharing  
2 program for any act or omission of the peer-to-peer car  
3 sharing program itself that results in injury to any person as  
4 a result of the use of a shared vehicle through a peer-to-peer  
5 car sharing program.

6           (2) Limits the ability of the peer-to-peer car  
7 sharing program to seek indemnification, by contract, from the  
8 shared vehicle owner or the shared vehicle operator for  
9 economic loss sustained by the peer-to-peer car sharing  
10 program resulting from a breach of the terms and conditions of  
11 the car sharing program agreement.

12           Section 4. When a vehicle owner registers as a  
13 shared vehicle owner on a peer-to-peer car sharing program,  
14 and before the shared vehicle owner makes a shared vehicle  
15 available for car sharing on the peer-to-peer car sharing  
16 program, the peer-to-peer car sharing program shall notify the  
17 shared vehicle owner that, if the shared vehicle has a lien  
18 against the vehicle, the use of the shared vehicle through a  
19 peer-to-peer car sharing program, including use without  
20 physical damage coverage, may violate the terms of the  
21 contract with the lienholder.

22           Section 5. (a) An authorized insurer that writes  
23 motor vehicle liability insurance in this state may exclude  
24 any and all coverage and the duty to defend or indemnify for  
25 any claim afforded under a shared vehicle owner's motor  
26 vehicle liability insurance policy, including, but not limited  
27 to, all of the following:

1           (1) Liability coverage for bodily injury and  
2 property damage.

3           (2) Personal injury protection coverage.

4           (3) Uninsured and underinsured motorist coverage.

5           (4) Medical payments coverage.

6           (5) Comprehensive physical damage coverage.

7           (6) Collision physical damage coverage.

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

13           (c) Nothing in this act invalidates, limits, or  
14 restricts an insurer's ability under existing law to  
15 underwrite any insurance policy. Nothing in this act  
16 invalidates, limits, or restricts an insurer's ability under  
17 existing law to cancel and non-renew policies.

18           Section 6. (a) A peer-to-peer car sharing program  
19 shall collect and verify records pertaining to the use of a  
20 vehicle, including, but not limited to, all of the following:

21           (1) Number of times the vehicle is used.

22           (2) Fees paid by the shared vehicle driver.

23           (3) Revenues received by the shared vehicle owner.

24           (4) Car sharing period pick up and drop off  
25 locations.

26           (b) To facilitate a claim coverage investigation,  
27 settlement, negotiation, and litigation, the peer-to-peer car

1 sharing program, upon request, shall provide the records  
2 collected under subsection (a) to the shared vehicle owner,  
3 the shared vehicle owner's insurer, or the shared vehicle  
4 driver's insurer.

5 (c) The peer-to-peer car sharing program shall  
6 retain the records for a time period not less than the  
7 applicable personal injury statute of limitations.

8 Section 7. A peer-to-peer car sharing program and a  
9 shared vehicle owner shall not be liable, vicariously or  
10 otherwise, by reason of making a shared vehicle available for  
11 use through the peer-to-peer car sharing program or by being  
12 the owner of a shared vehicle, for harm to persons or property  
13 that occurs during the car sharing period.

14 Section 8. A motor vehicle insurer that defends or  
15 indemnifies a claim against a shared vehicle that is excluded  
16 under the terms of its policy shall have the right to seek  
17 contribution against the motor vehicle insurer of the  
18 peer-to-peer car sharing program if the claim is both of the  
19 following:

20 (1) Made against the shared vehicle owner or the  
21 shared vehicle operator for loss or injury that occurs during  
22 the car sharing period.

23 (2) Excluded under the terms of its policy.

24 Section 9. (a) Notwithstanding any other provision  
25 of law to the contrary, a peer-to-peer car sharing program  
26 shall have an insurable interest in a shared vehicle during  
27 the car sharing period.

1 (b) Nothing in this section creates liability on a  
2 peer-to-peer car sharing program to maintain the coverage  
3 required by Section 10.

4 (c) A peer-to-peer car sharing program may own and  
5 maintain as the named insured one or more policies of motor  
6 vehicle liability insurance that provides coverage for any of  
7 the following:

8 (1) Liabilities assumed by the peer-to-peer car  
9 sharing program under a peer-to-peer car sharing program  
10 agreement.

11 (2) Any liability of the shared vehicle owner.

12 (3) Damage or loss to the shared motor vehicle.

13 (4) Any liability of the shared vehicle operator.

14 Section 10. Each car sharing program agreement shall  
15 disclose to the shared vehicle owner and the shared vehicle  
16 operator all of the following:

17 (1) Any right of the peer-to-peer car sharing  
18 program to seek indemnification from the shared vehicle owner  
19 or the shared vehicle operator for economic loss sustained by  
20 the peer-to-peer car sharing program resulting from a breach  
21 of the terms and conditions of the car sharing program  
22 agreement.

23 (2) That a motor vehicle liability insurance policy  
24 issued to the shared vehicle owner for the shared vehicle or  
25 to the shared vehicle operator does not provide a defense or  
26 indemnification for any claim asserted by the peer-to-peer car  
27 sharing program.

1           (3) That the peer-to-peer car sharing program's  
2 insurance coverage on the shared vehicle owner and the shared  
3 vehicle operator is in effect only during each car sharing  
4 period and that, for any use of the shared vehicle the shared  
5 vehicle operator after the car sharing termination time, the  
6 shared vehicle operator and the shared vehicle owner may not  
7 have insurance coverage.

8           (4) The daily rate, fees, and, if applicable, any  
9 insurance or protection package costs that are charged to the  
10 shared vehicle owner or the shared vehicle operator.

11           (5) That the shared vehicle owner's motor vehicle  
12 liability insurance may not provide coverage for a shared  
13 vehicle.

14           (6) An emergency telephone number to personnel  
15 capable of providing roadside assistance and other customer  
16 service inquiries.

17           (7) Whether there are conditions under which a  
18 shared vehicle operator must maintain a personal automobile  
19 insurance policy with certain applicable coverage limits on a  
20 primary basis in order to book a shared vehicle.

21           Section 11. (a) A peer-to-peer car sharing program  
22 may not enter into a peer-to-peer car sharing program  
23 agreement with a person who will operate the shared vehicle  
24 unless the person meets any of the following requirements:

25           (1) Holds a valid driver's license issued under  
26 Section 32-6-1, Code of Alabama 1975, that authorizes him or  
27 her to operate vehicles of the class of the shared vehicle.

1           (2) Is a nonresident who meets both of the following  
2 requirements:

3           a. Has a driver's license issued by the state or  
4 country of his or her residence that authorizes him or her to  
5 drive vehicles of the class of the shared vehicle.

6           b. Is 16 or more years of age.

7           (3) Is specifically authorized by Section 32-6-2,  
8 Code of Alabama 1975, to operate vehicles of the class of the  
9 shared vehicle.

10          (b) A peer-to-peer car sharing program shall keep a  
11 record of all of the following:

12           (1) The name and address of the shared vehicle  
13 operator.

14           (2) The driver's license number of the shared  
15 vehicle operator and any other person who will operate the  
16 shared vehicle.

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

18          Section 12. (a) A peer-to-peer car sharing program  
19 shall have sole responsibility for any equipment, including a  
20 GPS system or other special equipment that is placed in or on  
21 the vehicle to monitor or facilitate the car sharing  
22 transaction.

23          (b) A peer-to-peer car sharing program shall  
24 indemnify and hold harmless the shared vehicle owner for any  
25 damage to or theft of the equipment during the car sharing  
26 period that is not caused by the shared vehicle owner.

1 (c) A peer-to-peer car sharing program may seek  
2 indemnity from the shared vehicle operator for any loss or  
3 damage to the equipment that occurs during the car sharing  
4 period.

5 Section 13. (a) When a vehicle owner registers as a  
6 shared vehicle owner on a peer-to-peer car sharing program,  
7 and before the shared vehicle owner makes a shared vehicle  
8 available for car sharing through the peer-to-peer car sharing  
9 program, the peer-to-peer car sharing program shall do both of  
10 the following:

11 (1) Verify that the shared vehicle does not have any  
12 safety recalls on the vehicle for which the repairs have not  
13 been made.

14 (2) Notify the shared vehicle owner of the  
15 requirements under subsection (b).

16 (b) (1) If a shared vehicle owner has received an  
17 actual notice of a safety recall on the shared vehicle, the  
18 shared vehicle owner may not make the shared vehicle available  
19 as a shared vehicle in a peer-to-peer car sharing program  
20 until the safety recall repair has been made.

21 (2) If a shared vehicle owner receives an actual  
22 notice of a safety recall on a shared vehicle while the shared  
23 vehicle is listed as available on a peer-to-peer car sharing  
24 program, the shared vehicle owner shall change the status of  
25 the vehicle to unavailable as soon as practicably possible.  
26 The shared vehicle may not be listed as available until the  
27 safety recall repair has been made.

1                   (3) If a shared vehicle owner receives an actual  
2 notice of a safety recall on a shared vehicle while the shared  
3 vehicle is engaged in peer-to-peer car sharing during a car  
4 sharing period, the shared vehicle owner shall notify the  
5 peer-to-peer car sharing program about the safety recall. The  
6 shared vehicle may not be listed as available until the safety  
7 recall repair has been made.

8                   Section 14. This act shall become effective on  
9 January 1, 2022, following its passage and approval by the  
10 Governor, or its otherwise becoming law.