

**Representative Robert M. Spendlove** proposes the following substitute bill:

**CAR-SHARING AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Robert M. Spendlove**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to motor vehicles shared through a car-sharing business platform.

**Highlighted Provisions:**

This bill:

- ▶ enacts provisions relating to business platforms that connect motor vehicle owners with drivers to enable the sharing of motor vehicles for consideration;
- ▶ enacts consumer protection provisions relating to a car-sharing program, including required disclosures on a car-sharing agreement, driver requirements, and records of a car-sharing program; and
- ▶ enacts provisions relating to liability and insurance for claims arising during the period a shared vehicle is used under a car-sharing program.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:



- 26 [13-48a-101](#), Utah Code Annotated 1953
  - 27 [13-48a-102](#), Utah Code Annotated 1953
  - 28 [13-48a-201](#), Utah Code Annotated 1953
  - 29 [13-48a-202](#), Utah Code Annotated 1953
  - 30 [13-48a-203](#), Utah Code Annotated 1953
  - 31 [13-48a-204](#), Utah Code Annotated 1953
  - 32 [13-48a-205](#), Utah Code Annotated 1953
  - 33 [13-48a-301](#), Utah Code Annotated 1953
  - 34 [13-48a-302](#), Utah Code Annotated 1953
  - 35 [13-48a-303](#), Utah Code Annotated 1953
  - 36 [13-48a-304](#), Utah Code Annotated 1953
  - 37 [13-48a-305](#), Utah Code Annotated 1953
  - 38 [13-48a-306](#), Utah Code Annotated 1953
  - 39 [13-48a-307](#), Utah Code Annotated 1953
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41 *Be it enacted by the Legislature of the state of Utah:*

42 Section 1. Section [13-48a-101](#) is enacted to read:

43 **CHAPTER 48a. CAR-SHARING PROGRAMS**

44 **Part 1. General Provisions**

45 **13-48a-101. Definitions.**

46 As used in this chapter:

47 (1) (a) "Car-sharing agreement" means an agreement:

48 (i) applicable to a shared vehicle owner and a shared vehicle driver; and

49 (ii) that governs a shared vehicle driver's use of a shared vehicle through a car-sharing  
50 program.

51 (b) "Car-sharing agreement" does not mean:

52 (i) a short-term lease or rental of a vehicle as used in Section [59-12-1201](#); or

53 (ii) a rental agreement, as defined in Section [31A-22-311](#).

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

- 57 (3) "Car-sharing period" means the period of time that:  
58 (a) (i) begins at the car-sharing delivery period; or  
59 (ii) if there is no car-sharing delivery period, begins at the car-sharing start time; and  
60 (b) ends at the car-sharing termination time.
- 61 (4) (a) "Car-sharing program" means a business platform that connects motor vehicle  
62 owners with drivers to enable the sharing of motor vehicles for consideration.
- 63 (b) "Car-sharing program" does not mean:  
64 (i) a motor vehicle rental company, as defined in Section [13-48-102](#); or  
65 (ii) a rental company, as defined in Section [31A-22-311](#).
- 66 (5) (a) "Car sharing" means the authorized use of a motor vehicle:  
67 (i) by an individual other than the owner of the motor vehicle; and  
68 (ii) through a car-sharing program.
- 69 (b) "Car sharing" does not mean the business of providing private passenger motor  
70 vehicles to the public as used in Section [31A-22-311](#).
- 71 (6) "Car-sharing start time" means the time when a shared vehicle becomes subject to  
72 the control of the shared vehicle driver at or after the time the reservation of the shared vehicle  
73 is scheduled to begin, as documented in the records of the car-sharing program.
- 74 (7) "Car-sharing termination time" means the earliest of the following events:  
75 (a) the expiration of the agreed upon period of time established for the use of a shared  
76 vehicle according to the terms of the car-sharing agreement, if the shared vehicle is delivered to  
77 the location agreed upon in the car-sharing agreement;  
78 (b) when the shared vehicle is returned to a location as alternatively agreed upon by the  
79 shared vehicle owner and shared vehicle driver as communicated through a car-sharing  
80 program, which alternatively agreed upon location shall be incorporated into the car-sharing  
81 agreement; and  
82 (c) when the shared vehicle owner or shared vehicle owner's authorized designee takes  
83 possession and control of the shared vehicle.
- 84 (8) "Motor vehicle" means the same as that term is defined in Section [41-1a-102](#).  
85 (9) "Shared vehicle" means a motor vehicle that is available for use by an individual  
86 other than the shared vehicle owner through a car-sharing program.
- 87 (10) (a) "Shared vehicle driver" means an individual who has been authorized to drive

88 a shared vehicle by the shared vehicle owner under a car-sharing program.

89 (b) "Shared vehicle driver" does not mean a renter, as defined in Section [31A-22-311](#).

90 (11) (a) "Shared vehicle owner" means:

91 (i) the registered owner of a motor vehicle made available for car sharing; or

92 (ii) a person designated by the registered owner of a motor vehicle made available for  
93 car sharing.

94 (b) "Shared vehicle owner" does not mean a rental company, as defined in Section  
95 [31A-22-311](#).

96 Section 2. Section **13-48a-102** is enacted to read:

97 **13-48a-102. Limits on reach of chapter.**

98 Nothing in this chapter:

99 (1) limits the liability of a car-sharing program for an act or omission of the car-sharing  
100 program that results in injury to a person as a result of the use of a shared vehicle through a  
101 car-sharing program; or

102 (2) limits the ability of the car-sharing program, by contract, to seek indemnification  
103 from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the  
104 car-sharing program resulting from a breach of the terms and conditions of the car-sharing  
105 agreement.

106 Section 3. Section **13-48a-201** is enacted to read:

107 **Part 2. Consumer Protection Provisions**

108 **13-48a-201. Notification about possible violation of lienholder agreement.**

109 (1) As used in this section, "lienholder agreement" means an agreement between the  
110 owner of a motor vehicle and another person under which the other person has a lien against  
111 the motor vehicle.

112 (2) At the time that the owner of a motor vehicle registers to make the owner's motor  
113 vehicle available for sharing through a car-sharing program, the car-sharing program shall  
114 notify the owner that the use of the owner's motor vehicle through the car-sharing program,  
115 including without physical damage coverage, may violate the terms of a lienholder agreement  
116 that the motor vehicle may be subject to.

117 Section 4. Section **13-48a-202** is enacted to read:

118 **13-48a-202. Safety recalls.**

119 (1) At the time that the owner of a motor vehicle registers to make the owner's motor  
120 vehicle available for sharing through a car-sharing program, the car-sharing program shall:

121 (a) verify that the shared vehicle does not have any safety recalls for which the repairs  
122 have not been made; and

123 (b) notify the motor vehicle owner of the requirements under Subsections (2), (3), and  
124 (4).

125 (2) An owner of a motor vehicle may not register to make the owner's motor vehicle  
126 available for sharing through a car-sharing program if:

127 (a) the owner has received an actual notice of a safety recall applicable to the motor  
128 vehicle; and

129 (b) the safety recall repair has not been made.

130 (3) A shared vehicle owner who receives an actual notice of a safety recall applicable  
131 to the shared vehicle during the time that the shared vehicle is made available for sharing  
132 through a car-sharing program shall, as soon as practicably possible after receiving the notice,  
133 remove the shared vehicle from availability for sharing through the car-sharing program until  
134 the safety recall repair is made.

135 (4) A shared vehicle owner who receives an actual notice of a safety recall applicable  
136 to the shared vehicle during the time that the shared vehicle is in the possession of a shared  
137 vehicle driver under a car-sharing agreement shall, as soon as practicably possible after  
138 receiving the notice, notify the car-sharing program about the safety recall so that the shared  
139 vehicle owner may address the safety recall repair.

140 Section 5. Section **13-48a-203** is enacted to read:

141 **13-48a-203. Required disclosures for a car-sharing agreement.**

142 A car-sharing agreement shall disclose to the shared vehicle owner and the shared  
143 vehicle driver:

144 (1) a right of the car-sharing company to seek indemnification from the shared vehicle  
145 owner or shared vehicle driver for economic loss resulting from a breach of the car-sharing  
146 agreement;

147 (2) that a motor vehicle liability insurance policy issued to the shared vehicle owner or  
148 shared vehicle driver does not provide a defense or indemnification for any claim asserted by  
149 the car-sharing company;

150 (3) that the car-sharing program's insurance policy covering the shared vehicle owner  
151 and the shared vehicle driver is in effect only during the car-sharing period and that, for any use  
152 of the shared vehicle by the shared vehicle driver after the car-sharing termination time, the  
153 shared vehicle driver and the shared vehicle owner may not have insurance coverage;

154 (4) of the daily rate, fees, and, if applicable, insurance or protection package costs that  
155 are charged to the shared vehicle owner or shared vehicle driver;

156 (5) that the shared vehicle owner's motor vehicle liability insurance policy may not  
157 provide coverage for the shared vehicle;

158 (6) of an emergency telephone number to contact personnel capable of fielding  
159 roadside assistance or other customer service inquiries; and

160 (7) whether there are conditions under which a shared vehicle driver must maintain a  
161 personal automobile insurance policy with certain applicable coverage limits on a primary basis  
162 in order to book a shared vehicle.

163 Section 6. Section **13-48a-204** is enacted to read:

164 **13-48a-204. Records relating to the use of shared vehicles.**

165 (1) A car-sharing program shall collect and verify records pertaining to the use of a  
166 shared vehicle, including times used, car-sharing period pick up and drop off locations, fees  
167 paid by the shared vehicle driver, and revenues received by the shared vehicle owner, and  
168 provide that information upon request to the shared vehicle owner, the shared vehicle owner's  
169 insurer, or the shared vehicle driver's insurer to facilitate a claim coverage investigation,  
170 settlement, negotiation, or litigation.

171 (2) The car-sharing program shall retain the records for a time period not less than two  
172 years.

173 Section 7. Section **13-48a-205** is enacted to read:

174 **13-48a-205. GPS or other special equipment.**

175 (1) A car-sharing program:

176 (a) has sole responsibility for any GPS or other special equipment that the car-sharing  
177 company places on or in a shared vehicle to monitor the shared vehicle or facilitate the  
178 car-sharing agreement; and

179 (b) shall agree to indemnify and hold harmless the shared vehicle owner for any  
180 damage to the shared vehicle that:

- 181 (i) is a result of damage to or theft of equipment described in Subsection (1)(a);
- 182 (ii) occurs during the car-sharing period; and
- 183 (iii) is not caused by the shared vehicle owner.

184 (2) A car-sharing program may seek indemnity from a shared vehicle driver for any  
 185 loss of or damage to equipment described in Subsection (1)(a) that occurs during the  
 186 car-sharing period.

187 Section 8. Section **13-48a-301** is enacted to read:

188 **Part 3. Liability and Insurance for Covered Loss from Operation of Shared Vehicle**

189 **13-48a-301. Car-sharing company liability for a covered loss -- Exception.**

190 (1) Except as provided in Subsection (2), a car-sharing program shall assume liability  
 191 of a shared vehicle owner for bodily injury or property damage to third parties or personal  
 192 injury protection losses during the car-sharing period in an amount stated in the car-sharing  
 193 agreement, which amount may not be less than those set forth in Section [31A-22-304](#).

194 (2) Notwithstanding the definition of car-sharing termination time, the assumption of  
 195 liability under Subsection (1) does not apply to a shared vehicle owner when:

196 (a) a shared vehicle owner makes an intentional or fraudulent material  
 197 misrepresentation or omission to the car-sharing program before the car-sharing period in  
 198 which the loss occurred; or

199 (b) acting in concert with a shared vehicle driver who fails to return the shared vehicle  
 200 pursuant to the terms of the car-sharing agreement.

201 (3) Notwithstanding the definition of car-sharing termination time, the assumption of  
 202 liability under Subsection (1) would apply to bodily injury, property damage, or personal injury  
 203 protection losses by damaged third parties required by Section [31A-22-304](#).

204 Section 9. Section **13-48a-302** is enacted to read:

205 **13-48a-302. Motor vehicle liability insurance.**

206 (1) A car-sharing program shall ensure that, during each car-sharing period, the shared  
 207 vehicle owner and the shared vehicle driver are insured under a motor vehicle liability  
 208 insurance policy in amounts no less than the minimum amounts set forth in Section  
 209 [31A-22-304](#); and

210 (a) recognizes that the shared vehicle insured under the policy is made available and  
 211 used through a car-sharing program; or

212 (b) does not exclude use of a shared vehicle by a shared vehicle driver.

213 (2) The insurance described in Subsection (1) may be satisfied by motor vehicle  
214 liability insurance maintained by:

215 (a) a shared vehicle owner;

216 (b) a shared vehicle driver;

217 (c) a car-sharing program; or

218 (d) a shared vehicle owner, a shared vehicle driver, and a car-sharing program.

219 (3) The insurance described in Subsection (1) that is satisfying the insurance  
220 requirement of Subsection (1) shall be primary during each car-sharing period and in the event  
221 that a claim occurs in another state with minimum financial responsibility limits higher than  
222 those in Section 31A-22-304, during the car-sharing period, the coverage maintained under  
223 Subsection (2) shall satisfy the difference in minimum coverage amounts, up to the applicable  
224 policy limits.

225 (4) The insurer, insurers, or car-sharing program providing coverage under Subsection  
226 (1) or (2) shall assume primary liability for a claim when:

227 (a) a dispute exists as to who was in control of the shared motor vehicle at the time of  
228 the loss and the car-sharing program does not have available, did not retain, or fails to provide  
229 the information required by Section 13-48a-203; or

230 (b) a dispute exists as to whether the shared vehicle was returned to the alternatively  
231 agreed upon location as required under Section 13-48a-101.

232 (5) If insurance maintained by a shared vehicle owner or shared vehicle driver in  
233 accordance with Subsection (2) has lapsed or does not provide the required coverage, insurance  
234 maintained by the car-sharing program shall provide the coverage required by Subsection (1)  
235 beginning with the first dollar of a claim and have the duty to defend the claim except under  
236 circumstances set forth in Subsection 13-48a-301(2).

237 (6) Coverage under an automobile insurance policy maintained by the car-sharing  
238 program is not dependent on another automobile insurer first denying a claim, nor shall another  
239 automobile insurance policy be required to first deny a claim.

240 Section 10. Section 13-48a-303 is enacted to read:

241 **13-48a-303. Certain abilities of insurance companies preserved.**

242 (1) (a) A motor vehicle liability insurance policy may exclude coverage and a duty to



243 defend or indemnify with respect to a claim arising during a motor vehicle's use as a shared  
244 vehicle, based on the motor vehicle's use as a shared vehicle.

245 (b) Coverage that may be excluded as provided in Subsection (1) includes coverage  
246 for:

247 (i) bodily injury or property damage suffered by a third party;

248 (ii) a claim covered by uninsured motorist coverage described in Section [31A-22-305](#);

249 (iii) a claim covered by underinsured motorist coverage described in Section  
250 [31A-22-305.5](#);

251 (iv) a claim covered by personal injury protection coverage and benefits described in  
252 Section [31A-22-307](#);

253 (v) a claim for medical payments;

254 (vi) a claim for comprehensive physical damage; and

255 (vii) a claim for collision physical damage.

256 (2) Nothing in this chapter invalidates, limits, or restricts the ability of an insurance  
257 company under other applicable law to:

258 (a) underwrite an insurance policy; or

259 (b) cancel or fail to renew an insurance policy.

260 (3) Nothing in this chapter invalidates or limits a provision in a motor vehicle liability  
261 insurance policy, including any insurance policy in use or approved for use, that excludes  
262 coverage for a motor vehicle made available for rent, sharing, hire, or any business use.

263 Section 11. Section **13-48a-304** is enacted to read:

264 **13-48a-304. Insurable interest -- Insurance to cover various liabilities -- No**  
265 **liability to maintain certain insurance.**

266 (1) Notwithstanding any other provision of law, a car-sharing program has an insurable  
267 interest in a shared vehicle during the car-sharing period.

268 (2) A car-sharing program may own and maintain as the named insured one or more  
269 policies of motor vehicle insurance that provide coverage for:

270 (a) a liability assumed by the car-sharing company under a car-sharing program;

271 (b) a liability of the shared vehicle owner;

272 (c) a liability of the shared vehicle driver; or

273 (d) damage or loss to a shared vehicle.

274 (3) Nothing in this section requires a car-sharing program to maintain insurance  
275 coverage for the car-sharing program's liability under this chapter.

276 Section 12. Section **13-48a-305** is enacted to read:

277 **13-48a-305. Recovery for claim excluded from insurance policy.**

278 An insurance company that defends or indemnifies a claim against a shared vehicle that  
279 is excluded under the terms of the insurance company's policy shall have the right to seek  
280 recovery against the motor vehicle insurer of the car-sharing program if the claim is:

281 (1) made against the shared vehicle owner or shared vehicle driver for a loss or injury  
282 that occurs during the car-sharing period; and

283 (2) excluded under the terms of the policy of the insurance company that defends or  
284 indemnifies the claim.

285 Section 13. Section **13-48a-306** is enacted to read:

286 **13-48a-306. Exemption from liability based on operation of a car-sharing**  
287 **program or on vehicle ownership.**

288 A car-sharing program and a shared vehicle owner are exempt from vicarious liability  
289 consistent with 49 U.S.C. Section 30106 and under any state or local law that imposes liability  
290 solely based on vehicle ownership.

291 Section 14. Section **13-48a-307** is enacted to read:

292 **13-48a-307. Driver license requirement and records.**

293 (1) A car-sharing program may not enter into a car-sharing agreement with a driver  
294 unless the driver who will operate the shared vehicle:

295 (a) holds a driver license issued under the applicable law of this state that authorizes  
296 the driver to operate vehicles of the class of the shared vehicle;

297 (b) is a nonresident who:

298 (i) has a driver license issued by the state or country of the driver's residence that  
299 authorizes the driver in that state or country to drive vehicles of the class of the shared vehicle;

300 and

301 (ii) is at least the same age as that required of a resident to drive; or

302 (c) otherwise is specifically authorized to drive vehicles of the class of the shared  
303 vehicle.

304 (2) A car-sharing program shall keep a record of:

- 305            (a) the name and address of the shared vehicle driver;  
306            (b) the number of the driver license of the shared vehicle driver and each other person,  
307 if any, who will operate the shared vehicle; and  
308            (c) the place of issuance of the driver license.