

**SUBSTITUTE FOR  
HOUSE BILL NO. 4917**

A bill to provide for peer-to-peer car sharing; to impose obligations on and provide rights to persons that operate peer-to-peer car sharing, shared vehicle owners, and shared vehicle drivers; to impose obligations on and provide rights to insurers that provide automobile insurance for persons that operate peer-to-peer car sharing, shared vehicle owners, and shared vehicle drivers; to provide for the powers and duties of state governmental officers and entities; to provide rights to persons operating airports; to provide for liability for personal injuries and property damage in peer-to-peer car sharing; and to provide remedies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1**

CHAPTER 1



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## 1 SHORT TITLE

2 Sec. 1. This act may be cited as the "peer-to-peer car sharing  
3 program act".

## 4 CHAPTER 3

## 5 DEFINITIONS

6 Sec. 3. As used in this act:

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

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

16 (c) "Car sharing program agreement" means the terms and  
17 conditions applicable to a shared vehicle owner and a shared  
18 vehicle driver that govern the use of a shared vehicle through a  
19 peer-to-peer car sharing program. Car sharing program agreement  
20 does not include either of the following:

21 (i) A car rental agreement by a car rental company, as that  
22 term is defined in section 3h of the Michigan consumer protection  
23 act, 1976 PA 331, MCL 445.903h, or a similar agreement.

24 (ii) An agreement for a transportation network company  
25 prearranged ride, as that term is defined in section 2 of the  
26 limousine, taxicab, and transportation network company act, 2016 PA  
27 345, MCL 257.2102.

28 (d) "Car sharing start time" means the time when the shared  
29 vehicle becomes subject to the control of the shared vehicle driver



1 at or after the time the reservation of a shared vehicle is  
2 scheduled to begin as documented in the records of a peer-to-peer  
3 car sharing program.

4 (e) "Car sharing termination time" means, except as provided  
5 in section 41, the earliest of the following:

6 (i) The time the agreed-on period of time established for the  
7 use of the shared vehicle expires according to the terms of the car  
8 sharing program agreement if the shared vehicle is delivered to the  
9 location agreed on in the car sharing program agreement.

10 (ii) The time of the return of the shared vehicle to a location  
11 as alternatively agreed on by the shared vehicle owner and shared  
12 vehicle driver as communicated through a peer-to-peer car sharing  
13 program.

14 (iii) The time the shared vehicle owner or the shared vehicle  
15 owner's authorized designee takes possession and control of the  
16 shared vehicle.

17 (f) "Peer-to-peer car sharing" means the authorized use of a  
18 vehicle by an individual other than the vehicle's owner through a  
19 peer-to-peer car sharing program. Peer-to-peer car sharing does not  
20 include either of the following:

21 (i) Car rental or rental activity by a car rental company, as  
22 that term is defined in section 3h of the Michigan consumer  
23 protection act, 1976 PA 331, MCL 445.903h.

24 (ii) A transportation network company prearranged ride, as that  
25 term is defined in section 2 of the limousine, taxicab, and  
26 transportation network company act, 2016 PA 345, MCL 257.2102.

27 (g) "Peer-to-peer car sharing program" means a business  
28 platform that connects vehicle owners with drivers to enable the  
29 sharing of vehicles for financial consideration. Peer-to-peer car



1 sharing program does not include any of the following:

2 (i) A car rental company, as that term is defined in section 3h  
3 of the Michigan consumer protection act, 1976 PA 331, MCL 445.903h.

4 (ii) A transportation network company, as that term is defined  
5 in section 2 of the limousine, taxicab, and transportation network  
6 company act, 2016 PA 345, MCL 257.2102.

7 (iii) A service provider that is solely providing hardware or  
8 software as a service to a person that is not effectuating payment  
9 of financial consideration for the use of a shared vehicle.

10 (h) "Person" means an individual, partnership, corporation,  
11 association, or other legal entity.

12 (i) "Shared vehicle" means a vehicle that is available for  
13 sharing through a peer-to-peer car sharing program. Shared vehicle  
14 does not include a rental car available to be rented by a car  
15 rental company, as that term is defined in section 3h of the  
16 Michigan consumer protection act, 1976 PA 331, MCL 445.903h.

17 (j) "Shared vehicle driver" means an individual who has been  
18 authorized to drive the shared vehicle by the shared vehicle owner  
19 under a car sharing program agreement.

20 (k) "Shared vehicle owner" means the registered owner, or a  
21 person designated by the registered owner, of a vehicle made  
22 available for sharing to shared vehicle drivers through a peer-to-  
23 peer car sharing program.

24 (l) "Vehicle" means a motor vehicle as that term is defined in  
25 section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33.

26 CHAPTER 4

27 INSURANCE

28 Sec. 41. (1) Except as provided in subsection (2), a peer-to-  
29 peer car sharing program shall assume liability of a shared vehicle



1 owner for bodily injury or property damage to third parties and  
2 personal protection insurance benefits during the car sharing  
3 period in an amount stated in the peer-to-peer car sharing program  
4 agreement. All of the following apply to the assumption of  
5 liability:

6 (a) The bodily injury and property damage liability must at a  
7 minimum provide coverage as required under section 3009 of the  
8 insurance code of 1956, 1956 PA 218, MCL 500.3009.

9 (b) The personal protection insurance benefits must at a  
10 minimum provide personal protection insurance benefits as required  
11 under chapter 31 of the insurance code of 1956, 1956 PA 218, MCL  
12 500.3101 to 500.3179.

13 (c) The personal protection insurance benefits must include a  
14 limit of at least \$250,000.00 per individual per loss occurrence  
15 for any personal protection insurance benefits under section  
16 3107(1)(a) of the insurance code of 1956, 1956 PA 218, MCL  
17 500.3107.

18 (d) If the shared vehicle owner has elected to not maintain  
19 coverage for personal protection insurance benefits under section  
20 3107d of the insurance code of 1956, 1956 PA 218, MCL 500.3107d, or  
21 if an exclusion applies to the vehicle under section 3109a(2) of  
22 the insurance code of 1956, 1956 PA 218, MCL 500.3109a, the  
23 personal protection insurance benefits coverage must be provided at  
24 the level selected by the shared vehicle driver for insurance  
25 policies covering vehicles owned by or registered to the shared  
26 vehicle driver.

27 (2) Notwithstanding the definition of car sharing termination  
28 time, the assumption of liability under subsection (1) does not  
29 apply for a shared vehicle owner if the shared vehicle owner makes



1 an intentional or fraudulent material misrepresentation or omission  
2 to the peer-to-peer car sharing program in either of the following  
3 circumstances:

4 (a) Before the car sharing period in which the loss occurred.

5 (b) Acting in concert with a shared vehicle driver who fails  
6 to return the shared vehicle in accordance with the terms of the  
7 car sharing program agreement.

8 (3) A peer-to-peer car sharing program shall ensure that,  
9 during each car sharing period, the shared vehicle owner and the  
10 shared vehicle driver are insured under an automobile insurance  
11 policy that does all of the following:

12 (a) Provides insurance coverage as required under subsection  
13 (1).

14 (b) Recognizes that the shared vehicle insured under the  
15 policy is made available and used through a peer-to-peer car  
16 sharing program.

17 (c) Does not exclude use of a shared vehicle by a shared  
18 vehicle driver.

19 (4) The insurance required under subsection (3) may be  
20 satisfied by automobile insurance maintained by any of the  
21 following:

22 (a) The shared vehicle owner.

23 (b) The shared vehicle driver.

24 (c) The peer-to-peer car sharing program.

25 (d) A combination of the shared vehicle owner, the shared  
26 vehicle driver, and the peer-to-peer car sharing program.

27 (5) If insurance required under subsection (3) is provided  
28 under more than 1 insurance policy as described in subsection  
29 (4) (d), the order of priority of coverage must be determined as



1 follows:

2 (a) If 1 of the policies contains a provision that states that  
3 the policy's coverage is primary, the policy is first in priority.

4 (b) If none of the policies contains a provision that states  
5 that the policy's coverage is primary, the order of priority of  
6 coverage is as follows:

7 (i) A policy maintained by the shared vehicle driver is first  
8 in priority.

9 (ii) A policy maintained by the peer-to-peer car sharing  
10 program is second in priority.

11 (iii) A policy maintained by the shared vehicle owner is last in  
12 priority.

13 (c) If more than 1 of the policies contain a provision that  
14 states that the policy's coverage is primary, the order of priority  
15 of coverage is as follows:

16 (i) A policy maintained by the shared vehicle owner is first in  
17 priority.

18 (ii) A policy maintained by the shared vehicle driver is second  
19 in priority.

20 (iii) A policy maintained by the peer-to-peer car sharing  
21 program is last in priority.

22 (6) The insurance required under subsection (3) must be  
23 primary during each car sharing period.

24 (7) A peer-to-peer car sharing program shall assume primary  
25 liability for a claim if the peer-to-peer car sharing program is in  
26 whole or in part providing the insurance as required under  
27 subsections (3) and (4) and both of the following apply:

28 (a) A dispute exists as to who was in control of the shared  
29 motor vehicle at the time of the loss.



1 (b) The peer-to-peer car sharing program does not have  
2 available, did not retain, or fails to provide the information  
3 required by section 44.

4 (8) A shared vehicle owner's insurer shall indemnify the car  
5 sharing program to the extent of the insurer's obligation, if any,  
6 under the applicable insurance policy, if it is determined that the  
7 shared vehicle's owner was in control of the shared vehicle at the  
8 time of the loss.

9 (9) If insurance maintained by a shared vehicle owner or  
10 shared vehicle driver in accordance with subsection (4) has lapsed  
11 or does not provide the required coverage, insurance maintained by  
12 the peer-to-peer car sharing program must provide the coverage  
13 required by subsection (3) beginning with the first dollar of a  
14 claim and provide the duty to defend the claim except under  
15 circumstances as set forth in subsection (2).

16 (10) Coverage under an automobile insurance policy maintained  
17 by a peer-to-peer car sharing program must not be dependent on  
18 another automobile insurer first denying a claim.

19 (11) This section and sections 42 to 47 do not do any of the  
20 following:

21 (a) Limit the liability of a peer-to-peer car sharing program  
22 for any act or omission of the peer-to-peer car sharing program  
23 itself that results in injury to an individual as a result of the  
24 use of a shared vehicle through a peer-to-peer car sharing program.

25 (b) Limit the ability of a peer-to-peer car sharing program  
26 to, by contract, seek indemnification from the shared vehicle owner  
27 or the shared vehicle driver for economic loss sustained by the  
28 peer-to-peer car sharing program that results from a breach of the  
29 terms and conditions of the car sharing program agreement.



1           Sec. 42. When a vehicle owner registers as a shared vehicle  
2 owner with a peer-to-peer car sharing program and before the shared  
3 vehicle owner makes a shared vehicle available for car sharing  
4 through the peer-to-peer car sharing program, the peer-to-peer car  
5 sharing program shall notify the shared vehicle owner that, if the  
6 shared vehicle has a lien against it, the use of the shared vehicle  
7 through a peer-to-peer car sharing program, including use without  
8 physical damage coverage, may violate the terms of the contract  
9 with the lienholder.

10           Sec. 43. (1) An authorized insurer that writes automobile  
11 insurance in this state may exclude any coverage and the duty to  
12 defend or indemnify for any claim afforded under a shared vehicle  
13 owner's automobile insurance policy as allowed under section 3018  
14 of the insurance code of 1956, 1956 PA 218, MCL 500.3018.

15           (2) This section and sections 41, 42, and 44 do not invalidate  
16 or limit an exclusion contained in an automobile insurance policy,  
17 including any insurance policy in use or approved for use that  
18 excludes coverage for vehicles made available for rent, sharing, or  
19 hire or for any business use.

20           Sec. 44. A peer-to-peer car sharing program shall collect and  
21 verify records that pertain to the use of a shared vehicle,  
22 including, but not limited to, times used, fees paid by the shared  
23 vehicle driver, and revenues received by the shared vehicle owner  
24 and provide that information on request to the shared vehicle  
25 owner, the shared vehicle owner's insurer, or the shared vehicle  
26 driver's insurer to facilitate a claim coverage investigation. The  
27 peer-to-peer car sharing program shall retain the records for not  
28 less than 3 years.

29           Sec. 45. A peer-to-peer car sharing program and a shared



1 vehicle owner are exempt from vicarious liability in accordance  
 2 with 49 USC 30106 and section 401 of the Michigan vehicle code,  
 3 1949 PA 300, MCL 257.401.

4 Sec. 46. An automobile insurer that defends or indemnifies a  
 5 claim arising out of the ownership, maintenance, or use of a shared  
 6 vehicle that is excluded under the terms of the insurer's policy  
 7 may seek contribution against the automobile insurer of the peer-  
 8 to-peer car sharing program if the claim is made against the shared  
 9 vehicle owner or the shared vehicle driver for loss or injury that  
 10 occurs during the car sharing period.

11 Sec. 47. (1) A peer-to-peer car sharing program has an  
 12 insurable interest in a shared vehicle during the car sharing  
 13 period.

14 (2) This section does not create liability on a peer-to-peer  
 15 car sharing program to maintain the coverage required by section  
 16 41.

17 (3) A peer-to-peer car sharing program may own and maintain as  
 18 the named insured 1 or more policies of motor vehicle liability  
 19 insurance that provide coverage for any of the following:

- 20 (a) Liabilities assumed by the peer-to-peer car sharing  
 21 program under a peer-to-peer car sharing program agreement.
- 22 (b) Any liability of the shared vehicle owner.
- 23 (c) Damage or loss to the shared vehicle.
- 24 (d) Any liability of the shared vehicle driver.

## 25 CHAPTER 5

### 26 CONSUMER PROTECTION DISCLOSURES

27 Sec. 51. A car sharing program agreement made in this state  
 28 must disclose all of the following to the shared vehicle owner and  
 29 the shared vehicle driver:



1 (a) Any right of the peer-to-peer car sharing program to seek  
2 indemnification from the shared vehicle owner or the shared vehicle  
3 driver for economic loss sustained by the peer-to-peer car sharing  
4 program that results from a breach of the terms and conditions of  
5 the car sharing program agreement.

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

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

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

19 (e) That the shared vehicle owner's automobile insurance may  
20 not provide coverage for a shared vehicle.

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

23 (g) Whether there are conditions under which a shared vehicle  
24 driver must maintain a personal automobile insurance policy with  
25 certain applicable coverage limits on a primary basis in order to  
26 book a shared vehicle.

27 Sec. 52. (1) A peer-to-peer car sharing program shall not  
28 enter into a peer-to-peer car sharing program agreement with an  
29 individual unless the individual will operate the shared vehicle



1 and satisfies 1 of the following:

2 (a) The individual holds a driver license issued under the  
3 Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, that  
4 authorizes the individual to operate vehicles of the class of the  
5 shared vehicle in this state.

6 (b) The individual is a nonresident of this state to whom both  
7 of the following apply:

8 (i) The individual has a driver license issued by the state or  
9 country of the individual's residence that authorizes the  
10 individual to drive vehicles of the class of the shared vehicle in  
11 that state or country.

12 (ii) The individual is at least the same age as that required  
13 of a resident of this state to drive.

14 (c) The individual is otherwise specifically authorized by the  
15 law of this state to drive vehicles of the class of the shared  
16 vehicle.

17 (2) A peer-to-peer car sharing program shall keep a record of  
18 all of the following:

19 (a) The name and address of the shared vehicle driver.

20 (b) The number of the driver license of the shared vehicle  
21 driver and of each other individual, if any, who will operate the  
22 shared vehicle.

23 (c) The place of issuance of the driver licenses identified  
24 under subdivision (b).

25 Sec. 53. A peer-to-peer car sharing program has sole  
26 responsibility for any equipment, such as a GPS system or other  
27 special equipment that is put in or on the shared vehicle to  
28 monitor or facilitate the car sharing transaction, and shall agree  
29 to indemnify and hold harmless the shared vehicle owner for any



1 damage to or theft of the equipment during the car sharing period  
2 not caused by the shared vehicle owner. The peer-to-peer car  
3 sharing program has the right to seek indemnity from the shared  
4 vehicle driver for any loss or damage to the equipment that occurs  
5 during the car sharing period.

6 Sec. 54. (1) When a vehicle owner registers as a shared  
7 vehicle owner with a peer-to-peer car sharing program and before  
8 the shared vehicle owner makes a shared vehicle available for car  
9 sharing through the peer-to-peer car sharing program, the peer-to-  
10 peer car sharing program shall do both of the following:

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

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

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

20 (3) If a shared vehicle owner receives an actual notice of a  
21 safety recall on a shared vehicle while the shared vehicle is made  
22 available through a peer-to-peer car sharing program, the shared  
23 vehicle owner shall remove the shared vehicle from being available  
24 through the peer-to-peer car sharing program as soon as practicable  
25 after receiving the notice and until the safety recall repair has  
26 been made.

27 (4) If a shared vehicle owner receives an actual notice of a  
28 safety recall while the shared vehicle is being used in the  
29 possession of a shared vehicle driver, as soon as practicable after



1 receiving the notice, the shared vehicle owner shall notify the  
2 peer-to-peer car sharing program about the safety recall so that  
3 the shared vehicle owner may address the safety recall repair.

4 Sec. 55. (1) The department of insurance and financial  
5 services shall create a consumer protection disclosure that must  
6 include all of the following:

7 (a) A disclosure to the shared vehicle owner and shared  
8 vehicle driver that they should determine whether their insurer  
9 excludes coverage for motor vehicle accidents that occur under the  
10 car sharing program agreement.

11 (b) A disclosure to the shared vehicle owner and shared  
12 vehicle driver of the limits of the personal injury protection  
13 benefits provided by the insurer of the shared vehicle under the  
14 car sharing program agreement.

15 (c) A disclosure of the department of insurance and financial  
16 services consumer services contact information.

17 (d) A disclosure that insurers may exclude coverage and the  
18 duty to defend or indemnify for any claim afforded under a shared  
19 vehicle owner's insurance policy.

20 (e) A disclosure that the shared vehicle owner's or the shared  
21 vehicle driver's motor vehicle liability insurance might already  
22 provide the coverage required by this act.

23 (f) Provide the shared vehicle owner and the shared vehicle  
24 driver with the terms and conditions of the car sharing program  
25 agreement.

26 (g) Anything else that the department of insurance and  
27 financial services determines should be included in the disclosure.

28 (2) A peer-to-peer car sharing program must complete, as  
29 necessary, and provide a disclosure form created under subsection



1 (1) to a shared vehicle owner and a shared vehicle driver.

2 CHAPTER 6

3 REGULATIONS

4 Sec. 61. (1) The department of insurance and financial  
5 services shall enforce chapters 4 and 5, and may promulgate rules  
6 that are not inconsistent with and necessary to administer and  
7 enforce those chapters.

8 (2) The department of treasury shall enforce chapter 8 and may  
9 promulgate rules that are not inconsistent with and necessary to  
10 administer and enforce that chapter.

11 (3) The department of transportation shall enforce chapter 9  
12 and may promulgate rules that are not inconsistent with and  
13 necessary to administer and enforce that chapter.

14 CHAPTER 7

15 EFFECTIVE DATE

16 Sec. 71. This act takes effect 9 months after it is enacted  
17 into law.

18 CHAPTER 8

19 TAXES

20 Sec. 81. (1) All of the following apply to peer-to-peer car  
21 sharing transactions:

22 (a) Fleet registration taxes and requirements to apply for  
23 registration under section 801h of the Michigan vehicle code, 1949  
24 PA 300, MCL 257.801h.

25 (b) Any liabilities and record-keeping and reporting  
26 obligations imposed on a marketplace facilitator under section 5c  
27 of the use tax act, 1937 PA 94, MCL 205.95c.

28 (c) Taxes imposed under section 3 of the use tax act, 1937 PA  
29 94, MCL 205.93.



1 (d) Any applicable local excise tax.

2 (2) The peer-to-peer car sharing program shall do all of the  
3 following:

4 (a) Pay all taxes described under subsection (1).

5 (b) If the peer-to-peer car sharing program claims relief from  
6 liability because of prior payment or under an exemption as  
7 specified in section 5c of the use tax act, 1937 PA 94, MCL  
8 205.95c, retain in its records all required information and, on  
9 request of any department or agency of this state, provide the  
10 requested information to any department or agency of this state.

11 (c) Apply for any registration described under subsection (1).

12 CHAPTER 9

13 AIRPORT AUTHORITIES

14 Sec. 91. (1) A peer-to-peer car sharing program or shared  
15 vehicle owner, on request of a person that operates an airport in  
16 this state, including, but not limited to, a person responsible for  
17 regulating commerce at the airport, shall enter into an agreement,  
18 which agreement may be a concession agreement, before doing any of  
19 the following:

20 (a) Listing, publishing, or advertising a vehicle parked on  
21 airport property or at airport facilities.

22 (b) Facilitating the use of a vehicle to transport airport  
23 customers to or from airport property or airport facilities,  
24 regardless of whether that use is to be initiated or has a start  
25 time that occurs on or off of airport property or airport  
26 facilities.

27 (c) Promoting or marketing a vehicle to transport airport  
28 customers to or from airport property or airport facilities,  
29 regardless of whether that transportation is to be initiated or has



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

3 (2) The agreement described in subsection (1) must set forth  
4 same or reasonably similar standards, regulations, procedures,  
5 fees, and access requirements that are applicable to peer-to-peer  
6 car sharing programs, shared vehicle owners, and car rental  
7 companies, as that term is defined in section 3h of the Michigan  
8 consumer protection act, 1976 PA 331, MCL 445.903h.

9 (3) If a peer-to-peer car sharing program or a shared vehicle  
10 owner fails or refuses to enter into an agreement described in  
11 subsection (1) after a request to do so by a person that operates  
12 an airport, or performs, participates in, or undertakes any of the  
13 actions described in subsection (1) (a) to (c) before entering into  
14 an agreement described in subsection (1) after a request to do so  
15 by a person that operates an airport, the airport may seek an  
16 injunction prohibiting operations at the airport and may also seek  
17 damages against the peer-to-peer car sharing program or shared  
18 vehicle owner.

19 Enacting section 1. This act does not take effect unless all  
20 of the following bills of the 101st Legislature are enacted into  
21 law:

22 (a) House Bill No. 4915.

23 (b) House Bill No. 4916.

