

HOUSE BILL NO. 4917

May 25, 2021, Introduced by Reps. Outman, Garza, Hertel, Eisen and Jones and referred to the Committee on Regulatory Reform.

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 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

2 SHORT TITLE

3 Sec. 1. This act shall be known and may be cited as the "peer-
4 to-peer car sharing program act".

5 CHAPTER 3

6 DEFINITIONS

7 Sec. 3. As used in this act:

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

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

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

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

25 (ii) An agreement for a transportation network company
26 prearranged ride, as that term is defined in section 2 of the
27 limousine, taxicab, and transportation network company act, 2016 PA
28 345, MCL 257.2102.

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

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

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

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

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

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

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

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

29 (g) "Peer-to-peer car sharing program" means a business

1 platform that connects vehicle owners with drivers to enable the
2 sharing of vehicles for financial consideration. Peer-to-peer car
3 sharing program does not include any of the following:

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

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

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

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

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

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

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

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

28 CHAPTER 4

29 INSURANCE

1 Sec. 41. (1) Except as provided in subsection (2), a peer-to-
2 peer car sharing program shall assume liability of a shared vehicle
3 owner for bodily injury or property damage to third parties,
4 uninsured and underinsured motorist liability, and personal
5 protection insurance benefits during the car sharing period in an
6 amount stated in the peer-to-peer car sharing program agreement.
7 The bodily injury and property damage liability must at a minimum
8 provide coverage as required under section 3009 of the insurance
9 code of 1956, 1956 PA 218, MCL 500.3009, and personal protection
10 insurance benefits must at a minimum provide personal protection
11 insurance benefits as required under chapter 31 of the insurance
12 code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

13 (2) Notwithstanding the definition of car sharing termination
14 time, the assumption of liability under subsection (1) does not
15 apply for a shared vehicle owner if the shared vehicle owner makes
16 an intentional or fraudulent material misrepresentation or omission
17 to the peer-to-peer car sharing program in either of the following
18 circumstances:

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

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

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

27 (a) Provides insurance coverage as required under subsection
28 (1).

29 (b) Recognizes that the shared vehicle insured under the

1 policy is made available and used through a peer-to-peer car
2 sharing program.

3 (c) Does not exclude use of a shared vehicle by a shared
4 vehicle driver.

5 (4) The insurance required under subsection (3) may be
6 satisfied by automobile insurance maintained by any of the
7 following:

8 (a) The shared vehicle owner.

9 (b) The shared vehicle driver.

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

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

13 (5) The insurance required under subsection (3) must be
14 primary during each car sharing period.

15 (6) A peer-to-peer car sharing program shall assume primary
16 liability for a claim if the peer-to-peer car sharing program is in
17 whole or in part providing the insurance as required under
18 subsections (3) and (4) and both of the following apply:

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

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

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

29 (8) If insurance maintained by a shared vehicle owner or

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

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

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

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

16 (b) Limit the ability of a peer-to-peer car sharing program
17 to, by contract, seek indemnification from the shared vehicle owner
18 or the shared vehicle driver for economic loss sustained by the
19 peer-to-peer car sharing program that results from a breach of the
20 terms and conditions of the car sharing program agreement.

21 Sec. 42. When a vehicle owner registers as a shared vehicle
22 owner with a peer-to-peer car sharing program and before the shared
23 vehicle owner makes a shared vehicle available for car sharing
24 through the peer-to-peer car sharing program, the peer-to-peer car
25 sharing program shall notify the shared vehicle owner that, if the
26 shared vehicle has a lien against it, the use of the shared vehicle
27 through a peer-to-peer car sharing program, including use without
28 physical damage coverage, may violate the terms of the contract
29 with the lienholder.

1 Sec. 43. (1) An authorized insurer that writes automobile
2 insurance in this state may exclude any coverage and the duty to
3 defend or indemnify for any claim afforded under a shared vehicle
4 owner's automobile insurance policy, including, but not limited to,
5 all of the following:

6 (a) Liability coverage for bodily injury and property damage.

7 (b) Personal injury protection coverage.

8 (c) Uninsured and underinsured motorist coverage.

9 (d) Comprehensive physical damage coverage.

10 (e) Collision physical damage coverage.

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

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

25 Sec. 45. A peer-to-peer car sharing program and a shared
26 vehicle owner are exempt from vicarious liability in accordance
27 with 49 USC 30106 and section 401 of the Michigan vehicle code,
28 1949 PA 300, MCL 257.401.

29 Sec. 46. An automobile insurer that defends or indemnifies a

1 claim arising out of the ownership, maintenance, or use of a shared
2 vehicle that is excluded under the terms of the insurer's policy
3 may seek contribution against the automobile insurer of the peer-
4 to-peer car sharing program if the claim is made against the shared
5 vehicle owner or the shared vehicle driver for loss or injury that
6 occurs during the car sharing period.

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

10 (2) This section does not create liability on a peer-to-peer
11 car sharing program to maintain the coverage required by section
12 41.

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

16 (a) Liabilities assumed by the peer-to-peer car sharing
17 program under a peer-to-peer car sharing program agreement.

18 (b) Any liability of the shared vehicle owner.

19 (c) Damage or loss to the shared vehicle.

20 (d) Any liability of the shared vehicle driver.

21 CHAPTER 5

22 CONSUMER PROTECTION DISCLOSURES

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

26 (a) Any right of the peer-to-peer car sharing program to seek
27 indemnification from the shared vehicle owner or the shared vehicle
28 driver for economic loss sustained by the peer-to-peer car sharing
29 program that results from a breach of the terms and conditions of

1 the car sharing program agreement.

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

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

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

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

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

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

23 Sec. 52. (1) A peer-to-peer car sharing program shall not
24 enter into a peer-to-peer car sharing program agreement with an
25 individual unless the individual will operate the shared vehicle
26 and satisfies 1 of the following:

27 (a) The individual holds a driver license issued under the
28 Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, that
29 authorizes the individual to operate vehicles of the class of the

1 shared vehicle in this state.

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

4 (i) The individual has a driver license issued by the state or
5 country of the individual's residence that authorizes the
6 individual to drive vehicles of the class of the shared vehicle in
7 that state or country.

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

10 (c) The individual is otherwise specifically authorized by the
11 law of this state to drive vehicles of the class of the shared
12 vehicle.

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

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

16 (b) The number of the driver license of the shared vehicle
17 driver and of each other individual, if any, who will operate the
18 shared vehicle.

19 (c) The place of issuance of the driver licenses identified
20 under subdivision (b).

21 Sec. 53. A peer-to-peer car sharing program has sole
22 responsibility for any equipment, such as a GPS system or other
23 special equipment that is put in or on the shared vehicle to
24 monitor or facilitate the car sharing transaction, and shall agree
25 to indemnify and hold harmless the shared vehicle owner for any
26 damage to or theft of the equipment during the car sharing period
27 not caused by the shared vehicle owner. The peer-to-peer car
28 sharing program has the right to seek indemnity from the shared
29 vehicle driver for any loss or damage to the equipment that occurs

1 during the car sharing period.

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

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

9 (b) Notify the shared vehicle owner of the requirements under
10 subsection (2).

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

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

23 (4) If a shared vehicle owner receives an actual notice of a
24 safety recall while the shared vehicle is being used in the
25 possession of a shared vehicle driver, as soon as practicable after
26 receiving the notice, the shared vehicle owner shall notify the
27 peer-to-peer car sharing program about the safety recall so that
28 the shared vehicle owner may address the safety recall repair.

29

CHAPTER 6

1 facilities.

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

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

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

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

26 (a) Senate Bill No. ____ or House Bill No. 4916 (request no.
27 01248'21 a).

28 (b) Senate Bill No. ____ or House Bill No. 4915 (request no.
29 01248'21 b).