
SUBSTITUTE HOUSE BILL 2773

State of Washington

66th Legislature

2020 Regular Session

By House Consumer Protection & Business (originally sponsored by Representatives Kirby and Vick)

READ FIRST TIME 02/07/20.

1 AN ACT Relating to transportation; adding a new chapter to Title
2 46 RCW; and providing an effective date.

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

4 NEW SECTION. **Sec. 1.** This act may be known and cited as the
5 peer-to-peer vehicle sharing program act.

6 NEW SECTION. **Sec. 2.** This chapter is intended to govern the
7 intersection of peer-to-peer car services and the state-regulated
8 business of insurance. Nothing in this chapter is construed to extend
9 beyond insurance or have any implications for other provisions of the
10 code of this state including, but not limited to, those related to
11 motor vehicle regulation, airport regulation, or taxation.

12 NEW SECTION. **Sec. 3.** The definitions in this section apply
13 throughout this chapter unless the context clearly requires
14 otherwise.

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

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

5 (3) "Car sharing program agreement" means the terms and
6 conditions applicable to a shared vehicle owner and a shared vehicle
7 driver that govern the use of a shared vehicle through a peer-to-peer
8 car sharing program. "Car sharing program agreement" does not mean
9 rental car agreement, or similar agreement, as defined in RCW
10 48.115.005.

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

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

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

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

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

29 (6) "Peer-to-peer car sharing" means the authorized use of a
30 vehicle by an individual other than the vehicle's owner through a
31 peer-to-peer car sharing program. "Peer-to-peer car sharing" does not
32 mean rental car as defined in RCW 46.04.465.

33 (7) "Peer-to-peer car sharing program" means a business platform
34 that connects vehicle owners with drivers to enable the sharing of
35 vehicles for financial consideration. "Peer-to-peer car sharing
36 program" does not mean rental car company as defined in RCW
37 48.115.005.

38 (8) "Shared vehicle" means a vehicle that is available for
39 sharing through a peer-to-peer car sharing program. "Shared vehicle"
40 does not mean rental car as defined in RCW 46.04.465.

1 (9) "Shared vehicle driver" means an individual who has been
2 authorized to drive the shared vehicle by the shared vehicle owner
3 under a car sharing program agreement.

4 (10) "Shared vehicle owner" means the registered owner, or a
5 person or entity designated by the registered owner, of a vehicle
6 made available for sharing to shared vehicle drivers through a peer-
7 to-peer car sharing program.

8 NEW SECTION. **Sec. 4.** (1)(a) A peer-to-peer car sharing program
9 shall assume liability, except as provided in (b) of this subsection,
10 of a shared vehicle owner for bodily injury or property damage to
11 third parties or uninsured and underinsured motorist or personal
12 injury protection losses during the car sharing period in an amount
13 stated in the peer-to-peer car sharing program agreement, which
14 amount may not be less than those set forth in chapter 46.29 RCW.

15 (b) Notwithstanding the definition of car sharing termination
16 time as provided in section 3 of this act, the assumption of
17 liability under (a) of this subsection does not apply to any shared
18 vehicle owner when:

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

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

26 (c) Notwithstanding the definition of car sharing termination
27 time as provided in section 3 of this act, the assumption of
28 liability under (a) of this subsection would apply to bodily injury,
29 property damage, uninsured and underinsured motorist, or personal
30 injury protection losses by damaged third parties required by chapter
31 46.29 RCW.

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

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

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

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

5 (i) A shared vehicle owner;

6 (ii) A shared vehicle driver;

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

8 (iv) Both a shared vehicle owner, a shared vehicle driver, and a
9 peer-to-peer car sharing program.

10 (f) The insurance described in (e) of this subsection that is
11 satisfying the insurance requirement of (d) of this subsection shall
12 be primary during each car sharing period.

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

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

18 (ii) The peer-to-peer car sharing program does not have
19 available, did not retain, or fails to provide the information
20 required by section 5 of this act.

21 The shared motor vehicle's insurer shall indemnify the car
22 sharing program to the extent of its obligation under, if any, the
23 applicable insurance policy, if it is determined that the shared
24 motor vehicle's owner was in control of the shared motor vehicle at
25 the time of the loss.

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

33 (i) Coverage under an automobile insurance policy maintained by
34 the peer-to-peer car sharing program is not dependent on another
35 automobile insurer first denying a claim nor shall another automobile
36 insurance policy be required to first deny a claim.

37 (j) Nothing in this chapter:

38 (i) Limits the liability of the peer-to-peer car sharing program
39 for any act or omission of the peer-to-peer car sharing program

1 itself that results in injury to any person as a result of the use of
2 a shared vehicle through a peer-to-peer car sharing program; or

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

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

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

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

23 (ii) Personal injury protection coverage;

24 (iii) Uninsured and underinsured motorist coverage;

25 (iv) Medical payments coverage;

26 (v) Comprehensive physical damage coverage; and

27 (vi) Collision physical damage coverage.

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

33 (4) A peer-to-peer car sharing program shall collect and verify
34 records pertaining to the use of a vehicle including, but not limited
35 to, times used, fees paid by the shared vehicle driver, and revenues
36 received by the shared vehicle owner and provide that information
37 upon request to the shared vehicle owner, the shared vehicle owner's
38 insurer, or the shared vehicle driver's insurer to facilitate a claim
39 coverage investigation. The peer-to-peer car sharing program shall

1 retain the records for a time period not less than the applicable
2 personal injury statute of limitations.

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

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

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

15 (b) Excluded under the terms of its policy.

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

20 (b) Nothing in this section creates liability on a peer-to-peer
21 car sharing program to maintain the coverage mandated by subsection
22 (1) of this section.

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

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

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

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

31 NEW SECTION. **Sec. 5.** (1) Each car sharing program agreement
32 made in the state shall disclose to the shared vehicle owner and the
33 shared vehicle driver:

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

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

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

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

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

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

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

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

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

28 (ii) Is a nonresident who:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
39 constitute a new chapter in Title 46 RCW.

1 NEW SECTION. **Sec. 7.** This act takes effect January 1, 2021.

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