

HOUSE BILL NO. 5949

September 26, 2024, Introduced by Reps. Tyrone Carter, Brenda Carter, Bierlein and Rogers and referred to the Committee on Transportation, Mobility and Infrastructure.

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 provide for liability for personal injuries and property damage in peer-to-peer car sharing; to provide for responsibilities of insurers; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 CHAPTER 1
2 SHORT TITLE

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

3 CHAPTER 3

4 DEFINITIONS

5 Sec. 3. As used in this act:

6 (a) "Automobile insurance" means that term as defined in
7 section 3303 of the insurance code of 1956, 1956 PA 218, MCL
8 500.3303.

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

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

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

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

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

1 345, MCL 257.2102.

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

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

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

13 (ii) The time of the return of the shared vehicle to a location
14 that is alternatively agreed on by the shared vehicle owner and
15 shared vehicle driver, as communicated through the peer-to-peer car
16 sharing program, which alternatively agreed-on location must be
17 incorporated into the car sharing program agreement.

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

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

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

28 (ii) A transportation network company prearranged ride, as that
29 term is defined in section 2 of the limousine, taxicab, and

1 transportation network company act, 2016 PA 345, MCL 257.2102.

2 (h) "Peer-to-peer car sharing program" means a person that
3 connects vehicle owners with drivers to enable the sharing of
4 vehicles for financial consideration. Peer-to-peer car sharing
5 program does not mean or include any of the following:

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

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

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

14 (i) "Person" means an individual, partnership, corporation,
15 association, or other legal entity.

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

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

24 (l) "Shared vehicle owner" means the registered owner, or a
25 person designated by the registered owner, of a vehicle made
26 available for sharing to shared vehicle drivers through a peer-to-
27 peer car sharing program. Shared vehicle owner does not mean or
28 include a car rental company, as that term is defined in section 3h
29 of the Michigan consumer protection act, 1976 PA 331, MCL 445.903h.

1 (m) "Vehicle" means a motor vehicle as that term is defined in
2 section 3101 of the insurance code of 1956, 1956 PA 218, MCL
3 500.3101.

4 CHAPTER 4

5 INSURANCE

6 Sec. 41. (1) Except as provided in subsection (2), a peer-to-
7 peer car sharing program shall assume the liability of a shared
8 vehicle owner for bodily injury and property damage to third
9 parties during the car sharing period in amounts stated in the car
10 sharing program agreement, which may not be less than those
11 required under section 3009 of the insurance code of 1956, 1956 PA
12 218, MCL 500.3009.

13 (2) Notwithstanding the definition of car sharing termination
14 time in section 3, the assumption of liability under subsection (1)
15 does not apply to a shared vehicle owner if the shared vehicle
16 owner does either of the following:

17 (a) Makes an intentional or fraudulent material
18 misrepresentation or omission to the peer-to-peer car sharing
19 program before the car sharing period in which the loss occurred.

20 (b) Acts in concert with the 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) Notwithstanding the definition of car sharing termination
24 time in section 3, the assumption of liability under subsection (1)
25 applies to financial responsibility requirements described in
26 chapter V of the Michigan vehicle code, 1949 PA 300, MCL 257.501 to
27 257.532, and requirements for insurance coverage for bodily injury
28 to and damage to the property of third parties under section 3009
29 of the insurance code of 1956, 1956 PA 218, MCL 500.3009.

1 (4) A peer-to-peer car sharing program shall ensure that,
2 during each car sharing period, the shared vehicle owner and the
3 shared vehicle driver are insured under an automobile insurance
4 policy that either recognizes that the shared vehicle insured under
5 the policy is made available and used through a peer-to-peer car
6 sharing program or that does not exclude use of a shared vehicle by
7 a shared vehicle owner or a shared vehicle driver. The peer-to-peer
8 car sharing program shall ensure that the automobile insurance
9 required under this section provides all of the following:

10 (a) For the shared vehicle owner, all of the following:

11 (i) Residual third-party liability insurance as required under
12 section 3101 of the insurance code of 1956, 1956 PA 218, MCL
13 500.3101, in the amounts required under section 3009 of the
14 insurance code of 1956, 1956 PA 218, MCL 500.3009.

15 (ii) Personal protection insurance and property protection
16 insurance of the types and in the amounts required by chapter 31 of
17 the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179,
18 except that the peer-to-peer car sharing program is not required to
19 ensure that the shared vehicle owner has personal protection
20 insurance benefits if the shared vehicle owner has elected to not
21 maintain coverage for personal protection insurance benefits under
22 section 3107d of the insurance code of 1956, 1956 PA 218, MCL
23 500.3107d, or if an exclusion applies to the vehicle under section
24 3109a(2) of the insurance code of 1956, 1956 PA 218, MCL 500.3109a.

25 (b) For the shared vehicle driver, residual third-party
26 liability insurance as required under section 3101 of the insurance
27 code of 1956, 1956 PA 218, MCL 500.3101, in the amounts required
28 under section 3009 of the insurance code of 1956, 1956 PA 218, MCL
29 500.3009.

1 (5) All of the following apply to the insurance required under
2 subsection (4):

3 (a) The insurance may be placed with an insurer licensed under
4 chapter 4 of the insurance code of 1956, 1956 PA 218, MCL 500.402
5 to 500.480, or, if the insurance is maintained by a peer-to-peer
6 car sharing program, an eligible unauthorized insurer under chapter
7 19 of the insurance code of 1956, 1956 PA 218, MCL 500.1901 to
8 500.1955.

9 (b) The insurance satisfies the financial responsibility
10 requirements described in chapter V of the Michigan vehicle code,
11 1949 PA 300, MCL 257.501 to 257.532.

12 (6) The insurance required under subsection (4) may be
13 satisfied by automobile insurance maintained by any of the
14 following:

15 (a) The shared vehicle owner.

16 (b) The shared vehicle driver.

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

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

20 (7) The insurance described in subsection (6) that is
21 satisfying the insurance requirement of subsection (4) must be
22 primary during each car sharing period and if a claim occurs in
23 another state with higher minimum financial responsibility limits
24 during the car sharing period, the coverage maintained under
25 subsection (6) must satisfy the difference in minimum coverage
26 amounts, up to the applicable policy limits. The insurer, insurers,
27 or peer-to-peer car sharing program providing coverage under
28 subsection (6) shall assume primary liability for a claim when
29 either of the following occurs:

1 (a) A dispute exists as to who was in control of the shared
2 vehicle at the time of the loss and the peer-to-peer car sharing
3 program does not have available, did not retain, or fails to
4 provide the information required by section 43.

5 (b) A dispute exists as to whether the shared vehicle was
6 returned to the alternatively agreed-on location as required under
7 section 3(f) (ii).

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

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

19 (10) This chapter does not do any of the following:

20 (a) Limit the liability of a peer-to-peer car sharing program
21 for any act or omission of the peer-to-peer car sharing program
22 itself that results in injury or damage to a person as a result of
23 the use of a shared vehicle through a peer-to-peer car sharing
24 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 (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 an automobile insurance policy issued to the shared
7 vehicle owner for the shared vehicle or to the shared vehicle
8 driver does not provide a defense or indemnification for any claim
9 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 during the car sharing
21 period and may exclude coverage and the duty to defend and
22 indemnify for any claim arising out of the ownership, maintenance,
23 or use of a shared vehicle afforded under the insurance.

24 (f) That the shared vehicle owner's or the shared vehicle
25 driver's automobile insurance policy might already provide the
26 coverage required by this act, depending on the terms of the
27 policy.

28 (g) An emergency telephone number to personnel capable of
29 fielding roadside assistance and other customer service inquiries.

1 (h) If there are conditions under which a shared vehicle
2 driver must maintain a personal automobile insurance policy with
3 certain applicable coverage limits on a primary basis in order to
4 book a shared motor vehicle.

5 (i) That, in accordance with sections 3101 and 3102 of the
6 insurance code of 1956, 1956 PA 218, MCL 500.3101 and 500.3102, the
7 operation of a shared vehicle for more than 30 days in this state
8 may require the shared vehicle driver to maintain security for
9 payment of benefits as required under chapter 31 of the insurance
10 code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179, and that the
11 failure to maintain required security might be subject to penalty
12 as provided by law.

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

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

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

23 (i) The individual has a driver license issued by the state or
24 country of the individual's residence that authorizes the
25 individual to drive vehicles of the class of the shared vehicle in
26 that state or country.

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

29 (c) The individual is otherwise specifically authorized by the

1 law of this state to drive vehicles of the class of the shared
2 vehicle.

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

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

6 (b) The number of the driver license of the shared vehicle
7 driver and of each other individual, if any, who will operate the
8 shared vehicle.

9 (c) The place of issuance of the driver licenses identified
10 under subdivision (b).

11 Sec. 53. A peer-to-peer car sharing program has sole
12 responsibility for any equipment, such as a GPS system or other
13 special equipment that is put in or on the shared vehicle to
14 monitor or facilitate the car sharing transaction, and shall agree
15 to indemnify and hold harmless the shared vehicle owner for any
16 damage to or theft of the equipment during the car sharing period
17 not caused by the shared vehicle owner. The peer-to-peer car
18 sharing program has the right to seek indemnity from the shared
19 vehicle driver for any loss or damage to the equipment that occurs
20 during the car sharing period.

21 Sec. 54. (1) When a vehicle's registered owner registers as a
22 shared vehicle owner with a peer-to-peer car sharing program and
23 before the shared vehicle owner makes the shared vehicle available
24 for car sharing through the peer-to-peer car sharing program, the
25 peer-to-peer car sharing program shall do both of the following:

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

28 (b) Notify the shared vehicle owner of the requirements under
29 subsections (2) to (4).

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

6 (3) If a shared vehicle owner receives an actual notice of a
 7 safety recall on a shared vehicle while the shared vehicle is made
 8 available through a peer-to-peer car sharing program, the shared
 9 vehicle owner shall remove the shared vehicle from being available
 10 through the peer-to-peer car sharing program as soon as practicable
 11 after receiving the notice and until the safety recall repair has
 12 been made.

13 (4) If a shared vehicle owner receives an actual notice of a
 14 safety recall while the shared vehicle is being used in the
 15 possession of a shared vehicle driver, as soon as practicable after
 16 receiving the notice, the shared vehicle owner shall notify the
 17 peer-to-peer car sharing program about the safety recall so that
 18 the shared vehicle owner may address the safety recall repair.

19 CHAPTER 7

20 EFFECTIVE DATE

21 Sec. 71. This act takes effect 9 months after it is enacted
 22 into law.

23 Enacting section 1. This act does not take effect unless all
 24 of the following bills of the 102nd Legislature are enacted into
 25 law:

26 (a) Senate Bill No. ____ or House Bill No. 5951 (request no.
 27 06036'24 a).

28 (b) Senate Bill No. ____ or House Bill No. 5952 (request no.
 29 06036'24 b).