

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 828

(SENATE AUTHORS: UTKE)

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Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to insurance; establishing a peer-to-peer car sharing program; proposing
1.3 coding for new law in Minnesota Statutes, chapter 65B.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. 65B.90] SHORT TITLE.

1.6 Sections 65B.91 to 65B.94 may be cited as the "Peer-to-Peer Car Sharing Program Act."

1.7 Sec. 2. 65B.91] SCOPE.

1.8 Sections 65B.91 to 65B.94 govern the intersection of peer-to-peer car services and the
1.9 state-regulated business of insurance. Nothing in sections 65B.91 to 65B.94 extends beyond
1.10 insurance or has any implications for other provisions in Minnesota Statutes, including but
1.11 not limited to motor vehicle regulation, airport regulation, or taxation.

1.12 Sec. 3. 65B.92] DEFINITIONS.

1.13 Subdivision 1. Application of definitions. Except as otherwise provided, the definitions
1.14 in this section apply to sections 65B.91 to 65B.94.

1.15 Subd. 2. Car sharing delivery period. "Car sharing delivery period" means the period
1.16 of time during which a shared motor vehicle is being delivered to the location of the car
1.17 sharing start time, if applicable, as documented by the governing car sharing program
1.18 agreement.

1.19 Subd. 3. Car sharing period. "Car sharing period" means the period of time that: (1)
1.20 commences with the car sharing delivery period or, if there is no car sharing delivery period,

2.1 that commences with the car sharing start time; and (2) ends at the car sharing termination
2.2 time.

2.3 Subd. 4. **Car sharing program agreement.** "Car sharing program agreement" means
2.4 the terms and conditions applicable to a shared motor vehicle owner and a shared motor
2.5 vehicle driver that govern the use of a shared motor vehicle through a peer-to-peer car
2.6 sharing program. Car sharing program agreement does not include a rental contract or similar
2.7 agreement, as defined in section 65B.49, subdivision 5a.

2.8 Subd. 5. **Car sharing start time.** "Car sharing start time" means the time when the
2.9 shared motor vehicle becomes subject to the control of the shared motor vehicle driver at
2.10 or after the time a shared motor vehicle reservation is scheduled to begin, as documented
2.11 in the peer-to-peer car sharing program records.

2.12 Subd. 6. **Car sharing termination time.** "Car sharing termination time" means the
2.13 earliest of the following events:

2.14 (1) the expiration of the agreed upon time established for the shared motor vehicle use,
2.15 according to the terms of the car sharing program agreement if the shared vehicle is delivered
2.16 to the location agreed upon in the car sharing program agreement;

2.17 (2) when the shared vehicle is returned to a location as alternatively agreed upon by the
2.18 shared motor vehicle owner and shared motor vehicle driver, as communicated through a
2.19 peer-to-peer car sharing program; or

2.20 (3) when the shared motor vehicle owner or the shared motor vehicle owner's authorized
2.21 designee takes possession and control of the shared motor vehicle.

2.22 Subd. 7. **Peer-to-peer car sharing.** "Peer-to-peer car sharing" means the authorized use
2.23 of a motor vehicle by an individual other than the motor vehicle's owner through a
2.24 peer-to-peer car sharing program. Peer-to-peer car sharing does not include use of a rental
2.25 motor vehicle or the term rented, as defined in section 65B.49, subdivision 5a.

2.26 Subd. 8. **Peer-to-peer car sharing program.** "Peer-to-peer car sharing program" means
2.27 a business platform that connects motor vehicle owners with drivers to enable the motor
2.28 vehicle sharing for financial consideration. Peer-to-peer car sharing program does not include
2.29 a company that engages in the business of renting motor vehicles, as provided under section
2.30 65B.49, subdivision 5a.

2.31 Subd. 9. **Shared motor vehicle.** "Shared motor vehicle" means a motor vehicle that is
2.32 available for sharing through a peer-to-peer car sharing program. Shared motor vehicle does
2.33 not include a rental motor vehicle, as defined in section 65B.49, subdivision 5a.

3.1 Subd. 10. **Shared motor vehicle driver.** "Shared motor vehicle driver" means an
3.2 individual authorized to drive the shared motor vehicle by the shared motor vehicle owner
3.3 under a car sharing program agreement.

3.4 Subd. 11. **Shared motor vehicle owner.** "Shared motor vehicle owner" means the
3.5 registered owner, or a person or entity designated by the registered owner, of a motor vehicle
3.6 made available for sharing with shared motor vehicle drivers through a peer-to-peer car
3.7 sharing program.

3.8 Sec. 4. **[65B.93] INSURANCE.**

3.9 Subdivision 1. **Insurance coverage during car sharing period.** (a) A peer-to-peer car
3.10 sharing program assumes liability, except as provided in paragraph (b), of a shared motor
3.11 vehicle owner for: (1) bodily injury or property damage to a third party, uninsured motorist,
3.12 or underinsured motorist; or (2) personal injury protection losses, during the car sharing
3.13 period in an amount stated in the peer-to-peer car sharing program agreement. The amount
3.14 must not be less than the amount set forth in section 65B.49, subdivision 3.

3.15 (b) Notwithstanding the definition of car sharing termination time under section 65B.92,
3.16 subdivision 6, the assumption of liability under paragraph (a) does not apply to a shared
3.17 motor vehicle owner when:

3.18 (1) a shared motor vehicle owner makes an intentional or fraudulent material
3.19 misrepresentation or omission to the peer-to-peer car sharing program before the car sharing
3.20 period during which the loss occurred; or

3.21 (2) the shared motor vehicle owner acts in concert with a shared motor vehicle driver
3.22 who fails to return the shared motor vehicle pursuant to the terms of the car sharing program
3.23 agreement.

3.24 (c) Notwithstanding the definition of car sharing termination time under section 65B.92,
3.25 subdivision 6, the assumption of liability under paragraph (a) applies to bodily injury,
3.26 property damage, uninsured and underinsured motorists, or personal injury protection losses
3.27 by damaged third parties required by section 65B.49, subdivision 3.

3.28 (d) A peer-to-peer car sharing program must ensure that during each car sharing period
3.29 the shared motor vehicle owner and the shared motor vehicle driver are insured under a
3.30 motor vehicle liability insurance policy that provides insurance coverage in amounts no less
3.31 than the minimum amounts set forth under section 65B.49, subdivision 3, and:

3.32 (1) recognizes the shared motor vehicle insured under the policy is made available and
3.33 used through a peer-to-peer car sharing program; or

4.1 (2) does not exclude use of a shared motor vehicle by a shared motor vehicle driver.

4.2 (e) The insurance described under paragraph (d) may be satisfied by motor vehicle
4.3 liability insurance maintained by:

4.4 (1) a shared motor vehicle owner;

4.5 (2) a shared motor vehicle driver;

4.6 (3) a peer-to-peer car sharing program; or

4.7 (4) a shared motor vehicle owner, a shared motor vehicle driver, and a peer-to-peer car
4.8 sharing program.

4.9 (f) The insurance described in paragraph (e) that satisfies the insurance requirement of
4.10 paragraph (d) must be primary during each car sharing period.

4.11 (g) The peer-to-peer car sharing program assumes primary liability for a claim when it
4.12 in whole or in part provides the insurance required under paragraphs (d) and (e) and:

4.13 (1) a dispute exists as to who was in control of the shared motor vehicle at the time of
4.14 the loss; and

4.15 (2) the peer-to-peer car sharing program does not have available, did not retain, or fails
4.16 to provide the information required by subdivision 4.

4.17 If it is determined that the shared motor vehicle's owner was in control of the shared motor
4.18 vehicle at the time of the loss, the shared motor vehicle's insurer must indemnify the car
4.19 sharing program to the extent of its obligation under, if any, the applicable insurance policy.

4.20 (h) If insurance maintained by a shared motor vehicle owner or shared motor vehicle
4.21 driver under paragraph (e) has lapsed or does not provide the required coverage, a
4.22 peer-to-peer car sharing program: (1) must maintain insurance that provides the coverage
4.23 required by paragraph (d), beginning with the first dollar of a claim; and (2) has the duty
4.24 to defend the claim, except under the circumstances set forth under paragraph (b).

4.25 (i) Coverage under an automobile insurance policy maintained by the peer-to-peer car
4.26 sharing program must not be dependent on another automobile insurer first denying a claim,
4.27 nor must another automobile insurance policy be required to first deny a claim.

4.28 (j) Nothing in this subdivision:

4.29 (1) limits the liability of the peer-to-peer car sharing program for any act or omission
4.30 of the peer-to-peer car sharing program itself that results in injury to any person as a result
4.31 of the use of a shared motor vehicle through a peer-to-peer car sharing program; or

5.1 (2) limits the ability of the peer-to-peer car sharing program to, by contract, seek
 5.2 indemnification from the shared motor vehicle owner or the shared motor vehicle driver
 5.3 for economic loss sustained by the peer-to-peer car sharing program resulting from a breach
 5.4 of the car sharing program agreement's terms and conditions.

5.5 Subd. 2. **Notification of implications of lien.** At the time a vehicle owner registers as
 5.6 a shared motor vehicle owner on a peer-to-peer car sharing program and before the shared
 5.7 motor vehicle owner makes a shared motor vehicle available for car sharing on the
 5.8 peer-to-peer car sharing program, the peer-to-peer car sharing program must notify the
 5.9 shared vehicle owner that if the shared motor vehicle has a lien against it, the shared motor
 5.10 vehicle's use through a peer-to-peer car sharing program, including use without physical
 5.11 damage coverage, may violate the terms of the shared motor vehicle owner's contract with
 5.12 the lienholder.

5.13 Subd. 3. **Exclusions in motor vehicle liability insurance policies.** (a) An authorized
 5.14 insurer that writes motor vehicle liability insurance in Minnesota may exclude any and all
 5.15 coverage, including the duty to defend or indemnify for any claim, afforded under a shared
 5.16 motor vehicle owner's motor vehicle liability insurance policy. An exclusion under this
 5.17 subdivision may include but is not limited to:

5.18 (1) liability coverage for bodily injury and property damage;

5.19 (2) personal injury protection coverage;

5.20 (3) uninsured and underinsured motorist coverage;

5.21 (4) medical payments coverage;

5.22 (5) comprehensive physical damage coverage; and

5.23 (6) collision physical damage coverage.

5.24 (b) Nothing in sections 65B.91 to 65B.94 invalidates or limits an exclusion contained
 5.25 in a motor vehicle liability insurance policy, including any insurance policy in use or
 5.26 approved for use that excludes coverage for motor vehicles made available for rent, sharing,
 5.27 hire, or for any business use.

5.28 Subd. 4. **Record keeping; use of vehicle in car sharing program.** A peer-to-peer car
 5.29 sharing program must collect and verify records pertaining to the use of a motor vehicle,
 5.30 including but not limited to times used, fees paid by the shared motor vehicle driver, and
 5.31 revenues received by the shared motor vehicle owner. A peer-to-peer car sharing program
 5.32 must provide the information upon request to the shared motor vehicle owner, the shared
 5.33 motor vehicle owner's insurer, or the shared motor vehicle driver's insurer to facilitate a

6.1 claim coverage investigation. The peer-to-peer car sharing program must retain the records
6.2 for a time period not less than the applicable personal injury statute of limitations.

6.3 Subd. 5. **Exemption; vicarious liability.** A peer-to-peer car sharing program and a
6.4 shared motor vehicle owner are exempt from vicarious liability in accordance with United
6.5 States Code, title 49, section 30106, and under any state or local law that imposes liability
6.6 solely based on vehicle ownership.

6.7 Subd. 6. **Contribution against indemnification.** A motor vehicle insurer that defends
6.8 or indemnifies a claim against a shared motor vehicle that is excluded under the terms of
6.9 the shared motor vehicle's policy has the right to seek contribution against the motor vehicle
6.10 insurer of the peer-to-peer car sharing program if the claim is: (1) made against the shared
6.11 motor vehicle owner or the shared motor vehicle driver for loss or injury that occurs during
6.12 the car sharing period; and (2) excluded under the terms of the shared motor vehicle's policy.

6.13 Subd. 7. **Insurable interest.** (a) Notwithstanding any other law, statute, rule, or regulation
6.14 to the contrary, a peer-to-peer car sharing program must have an insurable interest in a
6.15 shared motor vehicle during the car sharing period.

6.16 (b) Nothing in this subdivision creates liability on a peer-to-peer car sharing program
6.17 to maintain the coverage mandated by subdivision 1.

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

6.20 (1) liabilities assumed by the peer-to-peer car sharing program under a peer-to-peer car
6.21 sharing program agreement;

6.22 (2) any liability of the shared motor vehicle owner;

6.23 (3) damage or loss to the shared motor vehicle; or

6.24 (4) any liability of the shared motor vehicle driver.

6.25 **Sec. 5. [65B.94] CONSUMER PROTECTIONS DISCLOSURES.**

6.26 Subdivision 1. **Required disclosures.** A car sharing program agreement made in
6.27 Minnesota must disclose to the shared motor vehicle owner and the shared motor vehicle
6.28 driver:

6.29 (1) any right the peer-to-peer car sharing program has to seek indemnification from the
6.30 shared motor vehicle owner or the shared motor vehicle driver for economic loss sustained
6.31 by the peer-to-peer car sharing program resulting from a breach of the car sharing program
6.32 agreement's terms and conditions;

7.1 (2) that a motor vehicle liability insurance policy issued to the shared motor vehicle
7.2 owner for the shared motor vehicle or to the shared motor vehicle driver does not provide
7.3 a defense for or indemnification against any claim asserted by the peer-to-peer car sharing
7.4 program;

7.5 (3) that the peer-to-peer car sharing program's insurance coverage on the shared motor
7.6 vehicle owner and the shared motor vehicle driver is effective only during each car sharing
7.7 period, and that the shared motor vehicle driver and the shared motor vehicle owner may
7.8 not be covered by insurance for any use of the shared motor vehicle by the shared vehicle
7.9 driver after the car sharing termination time;

7.10 (4) the daily rate, fees, and if applicable, any insurance or protection package costs
7.11 charged to the shared motor vehicle owner or the shared motor vehicle driver;

7.12 (5) that the shared motor vehicle owner's motor vehicle liability insurance might not
7.13 provide coverage for a shared motor vehicle;

7.14 (6) an emergency telephone number to personnel capable of fielding roadside assistance
7.15 and other customer service inquiries; and

7.16 (7) if conditions exist under which a shared motor vehicle driver must maintain a personal
7.17 automobile insurance policy, with certain applicable coverage limits on a primary basis, in
7.18 order to book a shared motor vehicle.

7.19 Subd. 2. **Driver's license verification and data retention.** (a) A peer-to-peer car sharing
7.20 program is prohibited from entering into a peer-to-peer car sharing program agreement with
7.21 a driver unless the driver operating the shared motor vehicle:

7.22 (1) holds a driver's license issued under chapter 171 that authorizes the driver to operate
7.23 vehicles of the shared motor vehicle's class; or

7.24 (2) is a nonresident who:

7.25 (i) has a driver's license issued by the state or country of the driver's residence that
7.26 authorizes the driver to operate vehicles of the shared motor vehicle's class in the state or
7.27 country of issuance; and

7.28 (ii) is at least the same age as the age required for a resident to drive in Minnesota; or

7.29 (3) otherwise is specifically authorized by the commissioner of public safety to drive
7.30 vehicles of the shared motor vehicle's class.

7.31 (b) A peer-to-peer car sharing program must keep a record of:

7.32 (1) the name and address of the shared motor vehicle driver;

8.1 (2) the driver's license number for the shared motor vehicle driver and each other person,
8.2 if any, who operates the shared motor vehicle; and

8.3 (3) the place the driver's license was issued.

8.4 Subd. 3. **Responsibility for equipment.** A peer-to-peer car sharing program has the
8.5 sole responsibility for any equipment, including a GPS system or other special equipment,
8.6 that is installed in or on the vehicle to monitor or facilitate the car sharing transaction. A
8.7 peer-to-peer car sharing program must indemnify and hold harmless the motor vehicle owner
8.8 for any damage to or theft of equipment during the car sharing period that is not caused by
8.9 the shared motor vehicle owner. The peer-to-peer car sharing program may seek indemnity
8.10 from the shared motor vehicle driver for any loss or damage to equipment that occurs during
8.11 the car sharing period.

8.12 Subd. 4. **Automobile safety recalls.** (a) At the time when a vehicle owner registers as
8.13 a shared motor vehicle owner on a peer-to-peer car sharing program and before the shared
8.14 motor vehicle owner makes a shared motor vehicle available for car sharing on the
8.15 peer-to-peer car sharing program, the peer-to-peer car sharing program must:

8.16 (1) verify that the shared vehicle does not have any safety recalls on the vehicle for
8.17 which the repairs have not been made; and

8.18 (2) notify the shared motor vehicle owner of the requirements under paragraph (b).

8.19 (b) If the shared motor vehicle owner has received an actual safety recall notice on the
8.20 vehicle, a shared motor vehicle owner is prohibited from making a vehicle available as a
8.21 shared motor vehicle on a peer-to-peer car sharing program until after the safety recall repair
8.22 has been made. If a shared motor vehicle owner receives an actual safety recall notice on a
8.23 shared motor vehicle while the shared motor vehicle is made available on the peer-to-peer
8.24 car sharing program, the shared motor vehicle owner must remove the shared motor vehicle
8.25 from on the peer-to-peer car sharing program as soon as is practicably possible after receiving
8.26 the safety recall notice and until after the safety recall repair has been made. If a shared
8.27 vehicle owner receives an actual safety recall notice while the shared motor vehicle is being
8.28 used or in the possession of a shared motor vehicle driver, the shared vehicle owner must
8.29 notify the peer-to-peer car sharing program about the safety recall as soon as is practicably
8.30 possible after receiving the safety recall notice so the shared motor vehicle owner may
8.31 address the safety recall repair.

8.32 Sec. 6. **EFFECTIVE DATE.**

8.33 Sections 1 to 5 are effective January 1, 2023.