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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To govern the intersection of peer-to-peer car sharing and insurance in the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Peer-to-Peer Car Sharing Act of 2023”.

Sec. 2. Definitions.

For the purposes of this act, the term:

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

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

(3) “Car sharing program agreement” means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer car sharing program. Car sharing program agreement does not mean rental transaction, as defined in the Rental Vehicle Tax Reform Act of 1978, effective March 6, 1979 (D.C. Law 2-157; D.C. Official Code § 50-1505.01(7)).

(4) “Car sharing start time” means the time when the shared vehicle becomes

34 subject to the control of the shared vehicle driver at or after the time the reservation of a shared
35 vehicle is scheduled to begin as documented in the records of a peer-to-peer car sharing program.

36 (5) “Car sharing termination time” means the earliest of the following events:

37 (A) The expiration of the agreed upon period of time established for the
38 use of a shared vehicle according to the terms of the car sharing program agreement if the shared
39 vehicle is delivered to the location agreed upon in the car sharing programs agreement;

40 (B) When the shared vehicle is returned to a location as alternatively
41 agreed upon by the shared vehicle owner and shared vehicle driver as communicated through a
42 peer-to-peer car sharing program, which alternatively agreed upon location shall be incorporated
43 into the car sharing program agreement; or

44 (C) When the shared vehicle owner of the shared vehicle owner’s
45 authorized designee, takes possession and control of the shared vehicle.

46 (6) “Peer-to-peer car sharing” means the authorized use of a vehicle by an
47 individual other than the vehicle’s owner through a peer-to-peer car sharing program. “Peer-to-
48 peer car sharing” does not mean rental vehicle as defined in Rental Vehicle Tax Reform Act of
49 1978, effective March 6, 1979 (D.C. Law 2-157; D.C. Official Code § 50-1505.01(8)).

50 (7) “Peer-to-peer car sharing program” means a business platform that connects
51 vehicle owners with drivers to enable the sharing of vehicles for financial consideration. “Peer-
52 to-peer car sharing program” does not mean rental transaction, as defined in the Rental Vehicle
53 Tax Reform Act of 1978, effective March 6, 1979 (D.C. Law 2-157; D.C. Official Code § 50-
54 1505.01(7)).

55 (8) “Shared vehicle” means a vehicle that is available for sharing through a peer-
56 to-peer car sharing program. “Shared vehicle” does not mean a rental vehicle as defined in
57 Rental Vehicle Tax Reform Act of 1978, effective March 6, 1979 (D.C. Law 2-157; D.C.

58 Official Code § 50-1505.01(8)).

59 (9) “Shared vehicle driver” means an individual who has been authorized to drive
60 the shared vehicle by the shared vehicle owner under a car sharing program agreement.

61 (10) “Shared vehicle owner” means the registered owner, or a person or entity
62 designated by the registered owner, of a vehicle made available for sharing to shared vehicle
63 drivers through a peer-to-peer car sharing program.

64 Sec. 3. Insurance coverage during car sharing period

65 (a) A peer-to-peer car sharing program shall assume liability, except as provided in
66 subsection (b) of this section, of a shared vehicle owner for bodily injury or property damage to
67 third parties or uninsured and underinsured motorist or personal injury protection losses during
68 the car sharing period in an amount stated in the peer-to-peer car sharing program agreement
69 which amount may not be less than those set forth in the Compulsory/No Fault Motor Vehicle
70 Insurance Act of 1982, effective September 18, 1982 (D.C. Law 4-155 7; D.C. Official Code §
71 31-2406).

72 (b) Notwithstanding the definition of “car sharing termination time” as set forth in this
73 act, the assumption of liability under subsection (a) of this section does not apply to any shared
74 vehicle owner when:

75 (1) A shared vehicle owner makes an intentional or fraudulent material
76 misrepresentation or omission to the peer-to-peer car sharing program before the car sharing
77 period in which the loss occurred, or

78 (2) Acting in concert with a shared vehicle driver who fails to return the shared
79 vehicle pursuant to the terms of car sharing program agreement.

80 (c) Notwithstanding the definition of “car sharing termination time” as set forth in this
81 act, the assumption of liability under subsection (a) of this section would apply to bodily injury,

82 property damage, uninsured and underinsured motorist or personal injury protection losses by
83 damaged third parties required by An Act to promote safe driving, to eliminate the reckless and
84 financially irresponsible driver from the highways, and to provide for the giving of security and
85 proof of financial responsibility by persons driving or owning vehicles of a type subject to
86 registration under the laws of the District of Columbia, effective May 25, 1954 (68 Stat. 129, ch.
87 222 § 34; D.C. Official Code § 50-1301.34).

88 (d) A peer-to-peer car sharing program shall ensure that, during each car sharing period,
89 the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability
90 insurance policy that provides insurance coverage in amounts no less than the minimum amounts
91 set forth in the Compulsory/No Fault Motor Vehicle Insurance Act of 1982, effective September
92 18, 1982 (D.C. Law 4-155 § 7; D.C. Official Code § 31-2406), and:

93 (1) Recognizes that the shared vehicle insured under the policy is made available
94 and used through a peer-to-peer car sharing program; or

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

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

98 (1) A shared vehicle owner;

99 (2) A shared vehicle driver;

100 (3) A peer-to-peer car sharing program; or

101 (4) Both a shared vehicle owner, a shared vehicle driver, and a peer-to-peer car
102 sharing program.

103 (f) The insurance described in subsection (e) of this section used to satisfy the insurance
104 requirement of subsection (d) of this section shall be primary during each car sharing period and
105 in the event that a claim occurs in another state with minimum financial responsibility limits

106 higher than those in the Compulsory/No Fault Motor Vehicle Insurance Act of 1982, effective
107 September 18, 1982 (D.C. Law 4-155 § 7; D.C. Official Code § 31-2406) during the car sharing
108 period, the coverage maintained under subsection (d) of this section shall satisfy the difference in
109 minimum coverage amounts, up to the applicable policy limits.

110 (g) The insurer, insurers, or peer-to-peer car sharing program providing coverage under
111 subsection (e) of this section shall assume primary liability for a claim when:

112 (1) A dispute exists as to who was in control of the shared motor vehicle at the
113 time of the loss and the peer-to-peer car sharing program does not have available, did not retain,
114 or fails to provide the information required under section 6; or

115 (2) A dispute exists as to whether the shared vehicle was returned to the
116 alternatively agreed upon location as required under section 2(5)(B).

117 (h) If a policy maintained by a shared vehicle owner or shared vehicle driver in
118 accordance with subsection (e) of this section has lapsed or does not provide the required
119 coverage, insurance maintained by a peer-to-peer car sharing program shall provide the coverage
120 required by subsection (d) of this section beginning with the first dollar of a claim and have the
121 duty to defend such claim except under circumstances as set forth in section 3(a).

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

125 (j) Nothing in this act shall:

126 (1) Limit the liability of the peer-to-peer car sharing program for any
127 act or omission of the peer-to-peer car sharing program itself that results in injury to any person
128 as a result of the use of a shared vehicle through a peer-to-peer car sharing program; or

129 (2) Limit the ability of the peer-to-peer car sharing program to, by

130 contract, seek indemnification from the shared vehicle owner or the shared vehicle driver for
131 economic loss sustained by the peer-to-peer car sharing program resulting from a breach of the
132 terms and conditions of the car sharing program agreement.

133 Sec. 4. Notification of implications of lien.

134 At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer
135 car sharing program and prior to the time when the shared vehicle owner makes a shared vehicle
136 available for car sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing
137 program shall notify the shared vehicle owner that, if the shared vehicle has a lien against it, the
138 use of the shared vehicle through a peer-to-peer car sharing program, including use without
139 physical damage coverage, may violate the terms of the contract with the lienholder.

140 Sec. 5. Exclusions in Motor Vehicle Liability Insurance Policies

141 (a) An authorized insurer that writes motor vehicle liability insurance in the District may
142 exclude any and all coverage and the duty to defend or indemnify for any claim afforded under a
143 shared vehicle owner's motor vehicle liability insurance policy, including but not limited
144 to:

145 (1) Liability coverage for bodily injury and property damage;

146 (2) Personal injury protection coverage as defined in section 5 of the
147 Compulsory/No Fault Motor Vehicle Insurance Act of 1982, effective September 18, 1982 (D.C.
148 Law 4-155 § 5; D.C. Official Code § 31-2404);

149 (3) Uninsured and underinsured motorist coverage;

150 (4) Medical payments coverage;

151 (5) Comprehensive physical damage coverage; and

152 (6) Collision physical damage coverage.

153 (b) Nothing in this act invalidates or limits an exclusion contained in a motor vehicle

154 liability insurance policy, including any insurance policy in use or approved for use that excludes
155 coverage for motor vehicles made available for rent, sharing, or hire or for any business use.

156 (c) Nothing in this act invalidates, limits or restricts an insurer's ability under existing
157 law to underwrite any insurance policy. Nothing in this act invalidates, limits or restricts an
158 insurer's ability under existing law to cancel and non-renew policies.

159 Sec. 6. Recordkeeping for use of vehicle in car sharing.

160 A peer-to-peer car sharing program shall collect and verify records pertaining to the use
161 of a vehicle, including, but not limited to, times used, car sharing period pick up and drop off
162 locations, fees paid by the shared vehicle driver, and revenues received by the shared vehicle
163 owner and provide that information upon request to the shared vehicle owner, the shared vehicle
164 owner's insurer, or the shared vehicle driver's insurer to facilitate a claim coverage investigation,
165 settlement, negotiation, or litigation. The peer-to-peer car sharing program shall retain the
166 records for a time period not less than the applicable personal injury statute of limitations.

167 Sec. 7. Exemption for vicarious liability.

168 A peer-to-peer car sharing program and a shared vehicle owner shall be exempt from
169 vicarious liability in accordance with 49 U.S.C. § 30106 and under any District law that imposes
170 liability solely based on vehicle ownership.

171 Sec. 8. Contribution against indemnification.

172 A motor vehicle insurer that defends or indemnifies a claim against a shared vehicle that
173 is excluded under the terms of its policy shall have the right to seek recovery against the motor
174 vehicle insurer of the peer-to-peer car sharing program if the claim is:

175 (1) Made against the shared vehicle owner or the shared vehicle driver for loss or
176 injury that occurs during the car sharing period; and

177 (2) Excluded under the terms of its policy.

178 Sec. 9. Insurable interest.

179 (a) Notwithstanding any other law, statute, rule, or regulation to the contrary, a peer-to-
180 peer car sharing program shall have an insurable interest in a shared vehicle during the car
181 sharing period.

182 (b) Nothing in this section creates liability on a Peer-to-Peer Car Sharing Program to
183 maintain the coverage mandated by section 3(a).

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

186 (1) Liabilities assumed by the peer-to-peer car sharing program
187 under a peer-to-peer car sharing program agreement;

188 (2) Any liability of the shared vehicle owner; or

189 (3) Damage or loss to the shared motor vehicle; or any liability of
190 the shared vehicle driver.

191 Sec. 10. Consumer protections disclosures.

192 Each car sharing program agreement made in the District shall disclose to the
193 shared vehicle owner and the shared vehicle driver:

194 (1) Any right of the peer-to-peer car sharing program to seek indemnification
195 from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the
196 peer-to-peer car sharing program resulting from a breach of the terms and conditions of the car
197 sharing program agreement;

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

201 (3) That the peer-to-peer car sharing program's insurance coverage on the shared

202 vehicle owner and the shared vehicle driver is in effect only during each car sharing period and
203 that, for any use of the shared vehicle by the shared vehicle driver after the car sharing
204 termination time, the shared vehicle driver and the shared vehicle owner may not have insurance
205 coverage;

206 (4) The daily rate, fees, and if applicable, any insurance or protection
207 package costs that are charged to the shared vehicle owner or the shared vehicle driver;

208 (5) That the shared vehicle owner's motor vehicle liability insurance may
209 not provide coverage for a shared vehicle;

210 (6) An emergency telephone number to personnel capable of fielding
211 roadside assistance and other customer service inquiries; and

212 (7) If there are conditions under which a shared vehicle driver must maintain a
213 personal automobile insurance policy with certain applicable coverage limits on a primary basis
214 in order to book a shared motor vehicle.

215 Sec. 11. Driver's license verification and data retention.

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

218 (1) Holds a driver's license issued pursuant to Title 18 of the D.C. Municipal
219 Regulations that authorizes the driver to operate vehicles of the class of the shared vehicle; or

220 (2) Is a nonresident who:

221 (i) Has a driver's license issued by the state or country of the driver's
222 residence that authorizes the driver in that state or country to drive vehicles of the class of the
223 shared vehicle; and

224 (ii) Is at least the same age as that required of a resident to drive; or

225 (3) Otherwise is specifically authorized to drive vehicles of the class of the shared

226 vehicle.

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

228 (1) The name and address of the shared vehicle driver;

229 (2) The number of the driver's license of the shared vehicle driver and each other
230 person, if any, who will operate the shared vehicle; and

231 (3) The place of issuance of the driver's license.

232 Sec. 12. Responsibility for equipment.

233 A peer-to-peer car sharing program shall have sole responsibility for any equipment, such
234 as a GPS system or other special equipment that is put in or on the vehicle to monitor or facilitate
235 the car sharing transaction, and shall agree to indemnify and hold harmless the vehicle owner for
236 any damage to or theft of such equipment during the sharing period not caused by the vehicle
237 owner. The peer-to-peer car sharing program has the right to seek indemnity from the shared
238 vehicle driver for any loss or damage to such equipment that occurs during the sharing period.

239 Sec. 13. Automobile safety recalls.

240 (a) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-
241 peer car sharing program and prior to the time when the shared vehicle owner makes a shared
242 vehicle available for car sharing on the peer-to-peer car sharing program, the peer-to-peer car
243 sharing program shall:

244 (1) Verify that the shared vehicle does not have any safety recalls on the vehicle
245 for which the repairs have not been made; and

246 (2) Notify the shared vehicle owner of the requirements under subsection (b) of
247 this section.

248 (b) (1) If the shared vehicle owner has received an actual notice of a safety recall on the
249 vehicle, a shared vehicle owner may not make a vehicle available as a shared vehicle on a peer-

250 to-peer car sharing program until the safety recall repair has been made.

251 (2) If a shared vehicle owner receives an actual notice of a safety recall on a
252 shared vehicle while the shared vehicle is made available on the peer-to-peer car sharing
253 program, the shared vehicle owner shall remove the shared vehicle as available on the peer-to-
254 peer car sharing program, as soon as practicably possible after receiving the notice of the safety
255 recall and until the safety recall repair has been made.

256 (3) If a shared vehicle owner receives an actual notice of a safety recall while the
257 shared vehicle is being used in the possession of a shared vehicle driver, as soon as practicably
258 possible after receiving the notice of the safety recall, the shared vehicle owner shall notify the
259 peer-to-peer car sharing program about the safety recall so that the shared vehicle owner may
260 address the safety recall repair.

261 Sec. 14. Rulemaking.

262 The Mayor may promulgate rules in accordance with the District of Columbia
263 Administrative Procedure Act, approved October 12, 1968 (82 Stat. 1204; D.C. Official Code §
264 2-1501 et seq.), to carry out the purposes of this act.

265 Sec. 15. Fiscal impact statement.

266 The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact
267 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
268 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

269 Sec. 16. Effective date.

270 This act shall take effect following approval by the Mayor (or in the event of veto by the
271 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
272 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
273 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of

