

HOUSE No. 1061

The Commonwealth of Massachusetts

PRESENTED BY:

Aaron Michlewitz

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act regulating and insuring personal car sharing platforms.

PETITION OF:

NAME:

Aaron Michlewitz

DISTRICT/ADDRESS:

3rd Suffolk

HOUSE No. 1061

By Mr. Michlewitz of Boston, a petition (accompanied by bill, House, No. 1061) of Aaron Michlewitz relative to regulating and insuring personal car sharing platforms. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act regulating and insuring personal car sharing platforms.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 90 of the General Laws is hereby amended by adding after
2 Chapter 90I the following Chapter

3 CHAPTER 90 J: PERSONAL VEHICLE SHARING

4 Section 1 .In this Chapter, the following words and phrases shall have the following
5 meaning, unless the context requires otherwise:

6 “Owner”, any person who owns a motor vehicle and makes it available for use on a
7 personal vehicle sharing platform.

8 “Personal Vehicle Sharing Platform,” an entity qualified to do business in the
9 Commonwealth that is engaged in facilitating the sharing of private passenger motor vehicles for
10 noncommercial use.

11 “Personal Vehicle Sharing,” the operation and use of a private passenger motor vehicle,
12 by persons other than the vehicle’s registered owner in connection with a personal vehicle
13 sharing platform.

14 “Private Passenger Vehicle,” a motor vehicle which is designed primarily for the
15 transport of persons.

16 “Registry,” The Registry of Motor Vehicles.

17 “Vehicle Sharing Period,” The period of time during which the motor vehicle is being
18 shared through the “personal vehicle sharing platform.

19 Section 2. (a) The registry, in conjunction with local law enforcement and the state
20 police, shall ensure the safety and annual inspection of private passenger vehicles engaged in
21 personal vehicle sharing pursuant to section 7A of chapter 90.

22 (b) The registry shall ensure that local law enforcement and state police shall be able to
23 identify vehicles that are being used on a personal vehicle sharing platform by searching a
24 vehicles license plate number. The registry shall promulgate regulations to implement this
25 section.

26 Section 3. (a) Prior to a vehicle owner listing a vehicle on a personal vehicle sharing
27 platform, the vehicle owner shall verify to the platform that the vehicle is not subject to any
28 unresolved safety recalls from the manufacturer. If said vehicle is subject to any unresolved
29 safety recalls, the owner shall not list the vehicle on a personal vehicle sharing platform.

30 (b) An owner shall provide notice to all insurers of the vehicle that they intend to make
31 the vehicle available on a personal vehicle sharing platform.

32 Section 4. (a) A personal vehicle sharing platform shall provide clear and conspicuous
33 cost estimates to consumers for all transportation and additional costs.

34 Such costs shall include, but not be limited to, the daily rate, fees, insurance costs, and
35 any protection package costs that are charged to the shared vehicle owner or driver.

36 A car sharing platform may charge a shared vehicle driver a separately stated fee to
37 recover specified costs paid to a government entity that are incurred by the platform. If a rate is
38 advertised by the car sharing platform, these fees must be clearly disclosed.

39 (b) A platform that provides insurance coverage to its users shall make said
40 policies available to the division of insurance to be placed on file.

41 (c) A platform shall maintain certain records that shall include, but not be limited to:

42 (1) the number of vehicles listed

43 (2) the number of users who used the platform to rent out a vehicle

44 (3) the number of hours vehicles were rented out to a user via the platform

45 The platform shall compile these records and distribute it to the Department of
46 Transportation on an annual basis.

47 SECTION 2. Chapter 175 of the General Laws is hereby amended by adding the
48 following new section:-

49 Section 230. (a) A vehicle that is being made available on a personal vehicle sharing
50 platform, as defined in section 1 of chapter 90J, shall have automobile liability insurance that
51 provides coverage amounting to at least \$50,000 of coverage per individual for bodily injury,

52 \$100,000 of total coverage for bodily injury, \$30,000 of coverage for property damage,
53 uninsured motorist coverage, to the extent required by said section 113L, and personal injury
54 protection, to the extent required by section 34A of chapter 90. The insurance may be held by the
55 vehicle owner, the personal vehicle sharing platform, or a combination thereof.

56 (b) In every instance where insurance maintained by a vehicle owner to fulfill the
57 insurance requirements in subsections (a) has lapsed, failed to provide the required coverage,
58 denied a claim for the required coverage or otherwise ceased to exist, insurance maintained by a
59 personal vehicle sharing platform shall provide the coverage required by said subsections (a),
60 beginning with the first dollar of a claim, and shall have the duty to investigate and defend that
61 claim.

62 (c) Coverage under an automobile insurance policy maintained by the personal vehicle
63 sharing platform shall not be dependent on a personal automobile insurer first denying a claim
64 nor shall a personal automobile insurer be required to first deny a claim.

65 (d) Insurance required by this section shall be placed with an insurer authorized to do
66 business in the commonwealth or, if such coverage is not available, from any admitted carrier,
67 then with a surplus lines insurer eligible pursuant to section 168.

68 (e) Insurers that write automobile insurance may exclude any and all coverage afforded
69 under the policy issued to an owner or operator of a vehicle for any loss or injury that occurs
70 while a vehicle is being used on a personal vehicle sharing platform. This right to exclude all
71 coverage may apply to any coverage included in an automobile insurance policy including, but
72 not limited to: (i) liability coverage for bodily injury and property damage; (ii) personal injury
73 protection coverage as defined in section 34A of chapter 90; (iii) uninsured and underinsured

74 motorist coverage; (iv) medical payments coverage; (v) comprehensive physical damage
75 coverage; and (vi) collision physical damage coverage.

76 Such exclusions shall apply notwithstanding any requirement of said section 34A of said
77 chapter 90 and section 113L.

78 Nothing shall preclude an insurer from providing coverage for the vehicle if the insurer
79 so chooses to do so by contract or endorsement.

80 Automobile insurers that exclude the coverage described in this section shall not have a
81 duty to defend or indemnify any claim expressly excluded by a policy. Nothing in this section
82 shall invalidate or limit an exclusion contained in a policy, including any policy in use or
83 approved for use in the commonwealth before the enactment of this section that excludes
84 coverage for vehicles used to carry persons or property for a charge or available for hire by the
85 public. An automobile insurer that defends or indemnifies a claim against a vehicle that is being
86 used on a personal vehicle sharing platform that is excluded under the terms of its policy shall
87 have a right of contribution against other insurers that provide automobile insurance to the same
88 vehicle in satisfaction of the coverage requirements of this section at the time of loss.

89 SECTION 3. (a) There shall be a Personal Vehicle Sharing Fund. The Department of
90 Transportation shall be the trustee of the fund and shall expend money in the fund to address the
91 impact of personal vehicle sharing platforms, as defined in section 1 of chapter 90J of the
92 General Laws. There shall be credited to the fund: (i) any per-ride assessment collected pursuant
93 to subsection (b); and (ii) any interest earned on money in the fund. Amounts credited to the fund
94 shall be expended by the department pursuant to subsection (c) without further appropriation.
95 Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

96 (b) Annually, not later than February 1, each personal vehicle sharing platform shall
97 submit to the department the number of rides from the previous calendar year a per-day
98 assessment of \$1. Not later than June 30, the department shall publicly post the aggregate
99 number of vehicles shared from the previous calendar year originating within each city or town.

100 (c) The department shall: (i) proportionately distribute $\frac{3}{4}$ of the amount received from
101 the fund to the Massachusetts Bay Transportation Authority; (ii) distribute $\frac{1}{4}$ of the amount
102 collected to regional transit authorities, to be distributed equally among them by the department.

103 SECTION 4. Notwithstanding any general or special law to the contrary, as a matter of
104 public safety and security, the Massachusetts Port Authority, established pursuant to chapter 465
105 of the acts of 1956, shall establish rules for the operation of personal vehicle sharing at the
106 General Edward Lawrence Logan Airport.

107 SECTION 5. (a) Section 9, subsection (e) of Chapter 152 of the Acts of 1997 is hereby
108 amended as follows:-

109 provided further that primary residents of the cities of Boston and Cambridge shall be
110 exempted from paying the additional surcharge.

111 (b) Subsection (e) of section 9 of chapter 152 of the acts of 1997 is hereby amended by
112 inserting after the word "Fund" the following words:-

113 provided further, that the surcharge shall not apply to rental transaction contracts under
114 section 32J of chapter 90 of the General Laws.

115 SECTION 6. Sections 1 thru 4 shall take effect six months after the passage of this act.