

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:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Aaron Michlewitz</i>	<i>3rd Suffolk</i>	<i>1/17/2019</i>

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.

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

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

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

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

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

(1) the number of vehicles listed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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