

The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1166

Title: An Act further regulating the rental of motor vehicles

Sponsor: Representative Sean Garballey

Hearing Date: May 27, 2025

Reporting Date: July 26, 2025

Similar Matters: See S712 of 2021-2022 and H903 of 2019-2020

Prior History:

S712 (2021-2022) Extension-Study

H1018 (2023-2024) Extension-Study

Current Law: M.G.L.Chapter 90 Sections 63 governs the collection and storage of traffic stop data.

Summary: S.712 adds Sections 63 through 65 to M.G.L Chapter 90 and regulates “Rental Facilitators” and car sharing. S712 mandates tax reporting and regulates insurance requirements of car sharers.

Section 63 of Chapter 90 Defines Motor Vehicles as having a gross weight rating of 10,000 lbs.

Section 63 of Chapter 90 Shall not include Commercial Vehicles, which are defined in Section 1 of Chapter 90F as a motor vehicle used in commerce designed or used to transport passengers or property which has a gross vehicle weight rating of twenty-six thousand and one or more pounds or such lesser rating as determined by federal regulation, or which is designed to transport more than 16 passengers, including the driver; or which transports hazardous materials and is required to be placarded in accordance with 49 CFR part 172, sub-part F.

Section 64 of Chapter 90 mandates that vehicle rental transactions shall be subject to statutory and regulatory obligations for private passenger motor rental vehicles, transactions and companies including, but not limited to compliance with Sections 11 (certificate of registration must be presented after an accident) and 12 (penalties for employing or permitting unlicensed operators to operate motor vehicles). Section 20E (liability for parking violations for vehicle lessors), section 32C (regulates leasing vehicles on a mileage basis, registering mileage by device, deception by lessee or lessor, leasing to unlicensed or intoxicated persons, redelivery) 32 (mandates record keeping for manufacturers and retailers of motor vehicles and trailers and in Boston, open air garages), 32E ½ (regulates rental agreements, notices, exclusions and penalties

collision damage waivers) section 32E3/4, (rental agreements, separately stated surcharges, fees or charges, vehicle license recovery (costs, airport access fees. Must be visibly posted), section 32E7/8 (police training surcharge) of Chapter 90. Chapter 206 Section 92A regulates sales of motor vehicles and requires disclosure of vehicle being submerged in water, used as a police car or a leased vehicle. Chapter 642 does not exist.

Section 65 of Chapter 90 regulates that Rental Facilitators, if requested by an Airport, can enter into an agreement that would:

- Allow Rental Facilitators to list, publish, or advertise rental vehicles parked on airport property
- Allow airline passengers to rent vehicles to transport them to and from Airport property
- Allows the promotion and marketing of rental vehicles for transport to and from the airport.

Section 2: Subsection (a) of section 168 of Chapter 175 of the General Laws, as most recently amended by section 80 of said Chapter 358, is amended by striking out the words “Personal vehicle sharing” and “Personal vehicle sharing program”

(ch358 does not exist)

Section 3: Subsection (b) of said section 168 of said chapter 175 “The Commissioner may, upon the payment of the fee prescribed by section 14, issue to any suitable persons aged 18 or older, a license to act as a special insurance broker to negotiate, continue, or renew contracts a license to act as a special insurance broker to negotiate, continue or renew contracts of insurance against any of the hazards specified in section 47, except as specified in clause Fifteenth thereof, and except accident and health, workers' compensation, compulsory motor vehicle liability, with the exception of both motor vehicle policies for transportation network vehicles and any contracts that directly or indirectly provide insurance or other forms of protection, including without limitation, collision damage waivers, for vehicles and vehicle drivers ~~engaged in personal vehicle sharing through a personal vehicle sharing program~~, and life insurance on property or interests in the commonwealth with an unauthorized company upon the following conditions”

Section 4: Said section 168 of chapter 175, as amended by section 81 of said chapter 358, is hereby further amended striking out subsections (i) (j) and inserting the following:

- **The commissioner may promulgate regulations as necessary to implement this section**

Section 5: Chapter 175 of the General Laws is amended by adding the following 8 sections:

- **Peer to peer car sharing:** Business that connects drivers to vehicles and is not a rental car company
- **Car Sharing program Agreement:** The terms and conditions applicable to a shared ride.

- **Shared Vehicle:** shall not include rental car or rental vehicles defined in 32E1/2 of said ch 90
- **Shared Vehicle Owner:** the registered owner of the shared vehicle
- **Car Sharing Delivery period:** begins with the car sharing start time and ends when the rider stops using the vehicle.
- **Car sharing Termination time:** (a) expiration of agreed upon time established for the use of a shared vehicle, (b) when a shared vehicle is returned to an agreed upon location, (c) when the shared vehicle owner takes possession of the vehicle after a shared ride

Section 231: A peer to peer car sharing program shall assume liability of a shared vehicle owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses during the car sharing period (as set by the peer-to-peer car sharing program)

Section 232: It is incumbent upon the peer-to-peer car sharing program to notify the shared vehicle owner that if there is a lien on the shared vehicle at the time it is registered, then they may be violating the terms and conditions of the ride share agreement.

Section 234: Peer to peer car sharing programs shall collect and verify and share records pertaining to the use of the vehicle including:

- times used
- fees paid by the shared vehicle driver
- revenues received by the shared vehicle owner

Section 235: Peer-to-peer car sharing program and a shared vehicle owner are exempt from any vicarious liability solely based on vehicle ownership.

Section 236: If an insurance claim is either (a) made against the shared vehicle owner or the shared vehicle driver for loss or injury that occurs during the car sharing period or (b) excluded under the terms and conditions of its policy, then the motor vehicle insurer has the right to seek contribution against the motor vehicle insurer of the peer-to-peer car sharing program.

Section 237: Peer-to-peer car sharing programs shall have insurable interest in a shared vehicle during the car sharing period.

Section 238: Each Car sharing program agreement made in the commonwealth shall disclose:

- Any right of the peer-to-peer car sharing program to seek indemnification from the shared vehicle driver for any loss sustained resulting from a breach of the terms and conditions
- Liability insurance policy issued to the shared vehicle owner does not provide a defense or indemnification for any claim asserted by the peer-to-peer car sharing program
- Peer-to-peer car sharing programs insurance coverage is in effect only during each car sharing period
- The shared vehicle owner's coverage may not cover for a shared vehicle
- Set conditions under which a shared vehicle driver must maintain a personal automobile insurance policy with certain applicable coverage

Section 239: States that a Peer-to-peer car sharing program may NOT enter into a car sharing agreement unless the driver of the vehicle:

- Holds driver's license issued under section 8 ch 90
- or is a non-resident who (a) has a driver's license issued by the state or country to drive vehicles the class of the shared vehicle
- Is at least the same age as required for a resident to drive or
- Otherwise is specifically authorized to drive vehicles of the class of the shared vehicle.
- Shall Keep record of; name/address of vehicle driver

Section 240: Peer-to-peer car sharing program shall be solely responsible for any equipment, such as GPS system or other special equipment and the vehicle owner bears no responsibility for any damage to the equipment

Section 241: At the time of registration for a vehicle owner that wishes to use a peer-to-peer car sharing program the Program shall:

- verify that the shared vehicle has no safety recalls
- notify the owner of the requirements set forth in subsection b

Section 7: This act shall take effect July 1, 2026

Public Summary:

Bill regulating peer-to-peer car rentals

- P2P car rentals also subject to regulations and statutory obligations of car rentals and private car ownership
- If rental through app, app must collect taxes and fees from renter
- App must have an agreement with Logan to have business and advertise service there
- Airport may seek injunction if app refuses to an agreement
- Deletes section about P2P apps not being covered by MA insurers fund if insurance company they use fails and ability to use insurance company not licensed in MA
- P2P app is not a rental car company
- P2P app assumes liability for accident/damage caused by a renter during rental period
- P2P app must notify owner of car that renting out personal vehicle with a lien on it on app may violate terms and conditions with lien holder
- Authorized MA insurance company can exclude P2P in coverage
- P2P app must ensure insurance coverage for car owner and renter and be made available
- P2P app must collect data, fees paid, revenue generated and provide info to insurance company in a claim

- App and owner can't automatically be blamed for something just because they own car
- Car insurance company B can seek difference in cost of claim from app's insurance if accident involves a car in P2P sharing program and if P2P is not covered in B's policy
- Each contract shall disclose to both owner and renter: 1) right of app to seek indemnification for any loss resulting from a breach of terms and agreement, 2) that the liability insurance does not provide a defense or indemnification for any claim asserted by the peer-to-peer car sharing program, 3) App insurance coverage only during rental period, 4) owner's insurance coverage may not cover P2P, 5) number for roadside assistance, 6) if there are conditions for renter to have insurance with certain coverage to book
- Renter must have a license and of age in MA if renter a non-resident
- App records name/ address of renter, license #, and state license was issued
- App assumes responsibility of equipment provided to monitor/facilitate transaction
- App must ensure that car being rented doesn't have any safety recalls, notify car owner that car can't be rented out unless safety notice is addressed if there is one, must take car off app if owner receives a safety notice on car