

# WEST VIRGINIA LEGISLATURE

## 2020 REGULAR SESSION

**Introduced**

### **House Bill 4474**

**FISCAL  
NOTE**

BY DELEGATES WESTFALL, HOTT, D. JEFFRIES AND

PORTERFIELD

[Introduced January 22, 2020; Referred to the  
Committee on Banking and Insurance then the  
Judiciary]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,  
 2 designated §17A-6F-1, §17A-6F-2, §17A-6F-3a, §17A-6F-3b, §17A-6F-3c, §17A-6F-3d,  
 3 §17A-6F-3e, §17A-6F-3f, §17A-6F-3g, §17A-6F-4, §17A-6F-5, §17A-6F-6, §17A-6F-7,  
 4 §17A-6F-8, §17A-6F-9, and §17A-6F-10, all relating to peer-to-peer car sharing programs;  
 5 defining the scope of this article and providing for other definitions; imposing insurance  
 6 requirements; providing for certain exclusions from motor vehicle insurance policies;  
 7 requiring peer-to-peer car sharing programs to obtain a limited lines insurance license for  
 8 automobile rental coverage; establishing certain consumer protection and record-keeping  
 9 requirements; establishing requirements for data collection and retention; establishing  
 10 benchmarks for safety for automobiles used in peer-to-peer car sharing programs;  
 11 providing for the collection of sales and use tax by a peer-to-peer car sharing program;  
 12 establishing a shared vehicle tax in lieu of the daily passenger car rental tax and the  
 13 vehicle cost recovery fee; establishing the authority to regulate peer-to-peer car sharing  
 14 programs at airports; establishing controlled authority and other requirements for peer-to-  
 15 peer car sharing programs in this state; and providing for an effective date.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 6F. PEER-TO-PEER CAR SHARING PROGRAMS.**

**§17A-6F-1. Scope.**

1 This article is intended to govern the intersection of peer-to-peer car services and the  
 2 state-regulated business of insurance. Nothing in this article shall be interpreted or construed to  
 3 extend beyond insurance or have any implications for other provisions of this code, including, but  
 4 not limited to, those provisions related to motor vehicle regulation, airport regulation, or taxation.

**§17A-6F-2. Definitions.**

1 As used in this article:

2 “Peer-to-peer car sharing” means the authorized use of a vehicle by an individual other  
 3 than the vehicle’s owner through a peer-to-peer car sharing program. “Peer-to-Peer Car Sharing”

4 is not a “daily passenger rental car business” as licensed by the provisions of §17A-6D-1 of this  
5 code.

6 “Peer-to-peer car sharing program” means a business platform that connects vehicle  
7 owners with drivers to enable the sharing of vehicles for financial consideration. “Peer-to-Peer  
8 Car Sharing Program” does not mean a “daily passenger rental car business” as licensed by the  
9 provisions of §17A-6D-1 of this code.

10 “Car sharing program agreement” means the terms and conditions applicable to a shared  
11 vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-  
12 to-peer car sharing program.

13 “Shared vehicle” means a vehicle that is available for sharing through a peer-to-peer car  
14 sharing program. “Shared vehicle” does not mean rental car or rental vehicle as utilized in a “daily  
15 passenger rental car business” licensed by the provisions of §17A-6D-1 of this code.

16 “Shared vehicle driver” means an individual who has been authorized to drive the shared  
17 vehicle by the shared vehicle owner under a car sharing program agreement.

18 “Shared vehicle owner” means the registered owner, or a person or entity designated by  
19 the registered owner, of a vehicle made available for sharing to shared vehicle drivers through a  
20 peer-to-peer car sharing program.

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

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

27 “Car sharing start time” means the time when the shared vehicle becomes subject to the  
28 control of the shared vehicle driver at or after the time the reservation of a shared vehicle is  
29 scheduled to begin as documented in the records of a peer-to-peer car sharing program.

30 “Car sharing termination time” means the earliest of the following events:

31 The expiration of the agreed upon period of time established for the use of a shared vehicle  
32 according to the terms of the car sharing program agreement if the shared vehicle is delivered to  
33 the location agreed upon in the car sharing program agreement;

34 When the shared vehicle is returned to a location as alternatively agreed upon by the  
35 shared vehicle owner and shared vehicle driver as communicated through a peer-to-peer car  
36 sharing program; or

37 When the shared vehicle owner or the shared vehicle owner’s authorized designee, takes  
38 possession and control of the shared vehicle.

39 If a dispute arises as to whether the car sharing termination time has transpired, or if a car  
40 return calls into question whether the car sharing termination time has occurred, the peer-to-peer  
41 car sharing program shall extend primary coverage for the loss. If during the investigation of the  
42 claim it becomes apparent that one of the parties to the car sharing program agreement was  
43 negligent, engaged in misrepresentation, or is otherwise responsible for the loss, the car sharing  
44 program may seek recovery from one or both parties directly through subrogation.

**§17A-6F-3a. Insurance coverage during car sharing period; limited license for automobile rental coverage required.**

1 (a) A peer-to-peer car sharing program shall assume primary liability of a shared vehicle  
2 owner for bodily injury or property damage to third parties or uninsured and underinsured motorist  
3 or personal injury protection losses during the car sharing period in an amount stated in the peer-  
4 to-peer car sharing program agreement which amounts may not be less than the minimum  
5 amounts required in §17D-4-2 and §33-6-31 of this code.

6 (b) Notwithstanding the definition of “car sharing termination time” as defined in this article,  
7 the assumption of liability under subsection (a) of this section would apply to bodily injury, property  
8 damage, uninsured and underinsured motorist, or personal injury protection losses by damaged  
9 third parties in the same manner required by §17D-4-2 and §33-6-31 of this code.

10 (c) A peer-to-peer car sharing program shall ensure that, during each car sharing period,  
11 the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability  
12 insurance policy that provides insurance coverage which amounts may not be less than the  
13 minimum amounts required in §17D-4-2 and §33-6-31 of this code and:

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

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

17 (d) The insurance described under subsection (c) of this section may be satisfied by motor  
18 vehicle liability insurance maintained by:

19 (1) A shared vehicle owner;

20 (2) A shared vehicle driver;

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

22 (4) A combination of a shared vehicle owner, a shared vehicle driver, and a peer-to-peer  
23 car sharing program.

24 (e) The insurance described in subsection (d) of this section that is satisfying the insurance  
25 requirement of subsection (c) of this section shall be the primary insurance during each car  
26 sharing period and, in the event that a claim occurs in another state with minimum state financial  
27 responsibility limits higher than the minimum amounts required in §17D-4-2 and §33-6-31 of this  
28 code during the car sharing period, the peer-to-peer car sharing program shall satisfy the  
29 difference in minimum coverage amounts.

30 (f) The peer-to-peer car sharing program shall assume primary liability for a claim when it  
31 is, in whole or in part, providing the insurance required under subsections (c) and (d) of this section  
32 and:

33 (1) A dispute exists as to who was in control of the shared motor vehicle at the time of the  
34 loss; and

35 (2) The peer-to-peer car sharing program does not have available, did not retain, or fails

36 to provide the information required by this article.

37 A peer-to-peer car sharing program may seek indemnity from a shared vehicle owner if  
38 the shared vehicle owner is determined to have been the operator of the shared vehicle at the  
39 time of the loss.

40 (g) If insurance maintained by a shared vehicle owner or shared vehicle driver required by  
41 subsection (c) of this section has lapsed or does not provide the required coverage, insurance  
42 maintained by a peer-to-peer car sharing program shall provide the coverage required by  
43 subsection (a) of this section beginning with the first dollar of a claim and have the duty to defend  
44 such claim.

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

48 (i) In addition to any other insurance coverage required by this article, a peer-to-peer car  
49 sharing program shall maintain insurance which amounts may not be less than the minimum  
50 amounts required in §17D-4-2 and §33-6-31 of this code that provides coverage for the program's  
51 liability for an act or omission of the program that is the proximate cause of death, bodily injury,  
52 or property damage to any person in any one accident because of the operation of a shared  
53 vehicle through the peer-to-peer car sharing program.

54 (j) Nothing in this article may be interpreted as either limiting or restricting:

55 (1) The liability of the peer-to-peer car sharing program for any act or omission of the peer-  
56 to-peer car sharing program itself that results in injury to any person as a result of the use of a  
57 shared vehicle through a peer-to-peer car sharing program; or

58 (2) The ability of the peer-to-peer car sharing program to, by contract, seek indemnification  
59 from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the  
60 peer-to-peer car sharing program resulting from a breach of the terms and conditions of the car  
61 sharing program agreement.

62 (k) Notwithstanding any other provision of this article to the contrary, a peer-to-peer car  
63 sharing program shall apply for and obtain a limited license from the commissioner for the sale of  
64 automobile rental coverage in accordance with the provisions of §33-12-32 of this code.

**§17A-6F-3b. Notification of implications of lien.**

1 At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer  
2 car sharing program and prior to the time when the shared vehicle owner makes a shared vehicle  
3 available for car sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing  
4 program shall notify the shared vehicle owner that, if the shared vehicle has a lien against it, the  
5 use of the shared vehicle through a peer-to-peer car sharing program, including use without  
6 physical damage coverage, may violate the terms of the contract with the lienholder.

**§17A-6F-3c. Exclusions for personal vehicle liability insurance policy.**

1 (a) A motor vehicle insurer that writes motor vehicle liability insurance in this state may  
2 exclude any and all coverage and the duty to defend or indemnify for any claim afforded under a  
3 shared vehicle owner's motor vehicle liability insurance policy, including, but not limited to:

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

5 (2) Personal injury protection coverage;

6 (3) Uninsured and underinsured motorist coverage;

7 (4) Medical payments coverage;

8 (5) Comprehensive physical damage coverage; and

9 (6) Collision physical damage coverage.

10 (b) Nothing in this article shall be interpreted or construed as invalidating or limiting an  
11 exclusion contained in a motor vehicle liability insurance policy, including any insurance policy in  
12 use or approved for use that excludes coverage for motor vehicles made available for rent,  
13 sharing, or hire or for any business use.

14 (c) Nothing in this article shall be interpreted or construed as invalidating, limiting, or  
15 restricting a motor vehicle insurer's ability to underwrite any insurance policy.

16 (d) Nothing in this article shall be interpreted or construed as invalidating, limiting, or  
17 restricting a motor vehicle insurer's ability under to cancel and nonrenew policies, including for  
18 participation in a peer-to-peer car sharing program.

**§17A-6F-3d. Recordkeeping; use of vehicle in car sharing.**

1 (a) A peer-to-peer car sharing program shall collect and verify records pertaining to the  
2 use of a vehicle, including, but not limited to, times used, car sharing period pick up and drop off  
3 locations, fees paid by the shared vehicle driver, and revenues received by the shared vehicle  
4 owner and provide that information upon request to the shared vehicle owner, the shared vehicle  
5 owner's insurer, or the shared vehicle driver's insurer to facilitate a claim coverage investigation,  
6 settlement, negotiation, or litigation.

7 (b) The peer-to-peer car sharing program shall retain the records for a time period not less  
8 than the applicable personal injury statute of limitations.

**§17A-6F-3e. Vicarious liability.**

1 A peer-to-peer car sharing program and a shared vehicle owner shall be exempt from  
2 vicarious liability in accordance with 49 U.S.C. § 30106 and under any state or local law that  
3 imposes liability solely based on vehicle ownership.

**§17A-6F-3f. Contribution against indemnification.**

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

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

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

**§17A-6F-3g. Insurable interest.**

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



3 sharing period.

4 (b) Nothing in this section creates liability on a peer-to-peer car sharing program to  
5 maintain the coverage mandated by this article.

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

8 (1) Liabilities assumed by the peer-to-peer car sharing program under a peer-to-peer  
9 car sharing program agreement; or

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

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

**§17A-6F-4. Consumer protections for car sharing programs.**

1 Each car sharing program agreement made in this state shall disclose to the shared  
2 vehicle owner and the shared vehicle driver, at a minimum:

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

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

10 (3) That the peer-to-peer car sharing program's insurance coverage on the shared vehicle  
11 owner and the shared vehicle driver is in effect only during each car sharing period and that, for  
12 any use of the shared vehicle by the shared vehicle driver after the car sharing termination time,  
13 the shared vehicle driver and the shared vehicle owner may not have insurance coverage;

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

16 (5) That the shared vehicle owner's motor vehicle liability insurance may not provide

17 coverage for a shared vehicle;

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

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

**§17A-6F-5. Driver's license verification and data retention.**

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

3 (1) Holds a driver's license issued pursuant to the provisions of §17B-2-1 et seq. of this  
4 code, which authorizes the driver to operate a motor vehicle of the class of the shared vehicle; or

5 (2) Is a nonresident who:

6 (A) Has a driver's license issued by the state or country of the driver's residence that  
7 authorizes the driver in that state or country to drive a motor vehicle of the class of the shared  
8 vehicle; and

9 (B) Is at least the same age as that required of a resident of this state to operate a motor  
10 vehicle of the class of the shared vehicle; or

11 (3) Otherwise is specifically authorized by the applicable provisions of §17B-2-1 et seq. of  
12 this code to operate a motor vehicle of the class of the shared vehicle.

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

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

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

17 (3) The date and place of issuance of the driver's license.

**§17A-6F-6. Responsibility for equipment of a shared vehicle.**

1 A peer-to-peer car sharing program shall have sole responsibility for any equipment, such

2 as a GPS system or other special equipment that is put in or on the vehicle to monitor or facilitate  
3 the car sharing transaction, and shall agree to indemnify and hold harmless the vehicle owner for  
4 any damage to or theft of such equipment during the sharing period not caused by the vehicle  
5 owner. The peer-to-peer car sharing program has the right to seek indemnity from the shared  
6 vehicle driver for any loss or damage to such equipment that occurs during the sharing period.

**§17A-6F-7. Automobile safety recalls.**

1 (a) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-  
2 peer car sharing program and prior to the time when the shared vehicle owner makes a shared  
3 vehicle available for car sharing on the peer-to-peer car sharing program, the peer-to-peer car  
4 sharing program shall:

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

7 (2) Notify the shared vehicle owner of the requirements of this section; and

8 (3) Notify the shared vehicle owner that the shared vehicle owner's personal insurance  
9 may exclude peer-to-peer car sharing activity.

10 (b)(1) If the shared vehicle owner has received an actual notice of a safety recall on the  
11 vehicle, a shared vehicle owner may not make a vehicle available as a shared vehicle on a peer-  
12 to-peer car sharing program until the safety recall repair has been made.

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

18 (3) If a shared vehicle owner receives an actual notice of a safety recall while the shared  
19 vehicle is being used in the possession of a shared vehicle driver, as soon as practicably possible  
20 after receiving the notice of the safety recall, the shared vehicle owner shall notify the peer-to-

21 peer car sharing program about the safety recall so that the shared vehicle owner may address  
22 the safety recall repair.

**§17A-6F-8. Regulation of peer-to-peer car sharing programs at airports and airport facilities.**

1 (a) A peer-to-peer car sharing program shall, upon request of an airport or airport authority  
2 in this state, enter into an agreement, which agreement may be a concession agreement, prior  
3 to:

4 (1) Listing shared vehicles parked on airport property or at airport facilities;  
5 (2) Facilitating the use of shared vehicles to transport airport customers to or from airport  
6 property or airport facilities, regardless of whether that use is to be initiated or has a car sharing  
7 start time which occurs on or off of airport property or airport facilities; or

8 (3) Promoting or marketing shared vehicles to transport airport customers to or from airport  
9 property or airport facilities, regardless of whether that transportation is to be initiated or has a car  
10 sharing start time which occurs on or off of airport property or airport facilities.

11 (b) The agreement required in subsection (a) of this section shall set forth reasonable  
12 standards, regulations, procedures and fees applicable to a peer-to-peer car sharing program that  
13 shall govern the activity of peer-to-peer car sharing on airport property or airport facilities.

**§17A-6F-9. Controlling authority; taxation and other requirements of a peer-to-peer car sharing program.**

1 (a) Notwithstanding any provision of this code to the contrary, the regulation of the  
2 business activities of a peer-to-peer car sharing program is governed exclusively by this article.

3 (b) Notwithstanding any other provision of this article to the contrary, a peer-to-peer car  
4 sharing program shall comply with the provisions of §46A-2-127, §46A-2-128 and §46A-6-104 of  
5 this code.

6 (c) *Licensure, registration, and qualification.* - No municipality, county, or other local  
7 governmental entity or special district may require a peer-to-peer car sharing program to obtain a

8 business license or any other similar authorization to operate within the jurisdiction, or subject a  
9 peer-to-peer car sharing program or a shared vehicle owner to any licensure requirement, fee,  
10 entry requirement, registration requirement, operating or operational requirement, or any other  
11 requirement.

12 (d) Duty to collect tax. - A peer-to-peer car sharing program operating in this state pursuant  
13 to the provisions of this article shall have a duty to collect and remit the consumer sales and  
14 service and use tax on all taxable sales of services to purchasers in this state. For the purposes  
15 of collection of tax required under §11-15A-6 and §11-15A-6b of this code, a “peer-to-peer car  
16 sharing program” is a remote seller, marketplace facilitator, or referrer that meets the  
17 requirements of §11-15A-1(e) of this code.

18 (e) A peer-to-peer car sharing program operating in this state pursuant to the provisions  
19 of this article is exempt from the collection and remittance requirements of the daily rental car  
20 passenger tax in §17A-6D-2 of this code.

21 (f) A peer-to-peer car sharing program operating in this state pursuant to the provisions of  
22 this article is exempt from the collection and remittance requirements of the vehicle license cost  
23 recovery fee charged by a daily passenger rental car business in §17A-6D-16 of this code.

24 (g) In lieu of the daily rental car passenger tax and the vehicle license cost recovery fee  
25 charged by a daily passenger rental car business, there is hereby imposed a tax of not less than  
26 \$1 nor more than \$1.50 for each day or part-day of the car sharing period. The Commissioner of  
27 the Division of Motor Vehicles shall propose an emergency rule in accordance with the provisions  
28 of §29A-3-1 et seq. of this code to establish this tax. A peer-to-peer car sharing program operating  
29 in this state pursuant to the provisions of this article shall collect the tax on each shared vehicle  
30 regardless of where the vehicle is titled or registered and shall remit all taxes collected to the  
31 Division of Motor Vehicles on a monthly basis. All taxes collected pursuant to this subsection shall  
32 be deposited in the State Road Fund and subject to appropriation by the Legislature.

33 (h) Limitations and interpretation. -

34 (1) No provision of this section or this article shall be interpreted to void, abrogate, restrict,  
35 or affect imposition of the ad valorem property tax on tangible personal property of a peer-to-peer  
36 car sharing program or of a shared vehicle owner by any levying body.

37 (2) No provision of this section or this article shall be interpreted to void, abrogate, restrict,  
38 or affect imposition of the state personal income tax or state corporation net income tax on a peer-  
39 to-peer car sharing program or a shared vehicle owner.

40 (3) No provision of this section or this article shall be interpreted to void, abrogate, restrict,  
41 or affect imposition of the motor fuel excise tax on any taxable motor fuel or alternative fuel  
42 purchased by any peer-to-peer car sharing program, shared vehicle owner, or shared vehicle  
43 driver.

44 (4) No provision of this section or this article shall be interpreted to void, abrogate, restrict,  
45 or affect the requirements of chapter 11 of this code for issuance of a business registration  
46 certificate for a peer-to-peer car sharing program.

47 (5) No provision of this section or this article shall be interpreted to void, abrogate, restrict,  
48 or affect any requirement of state law with relation to licensure of drivers of motor vehicles.

49 (6) Shared vehicle owners may not assert the exemption from the consumer sales and  
50 service tax and use tax, for purchases of tangible personal property and services directly used in  
51 the provision of services in §11-15-9 of this code.

**§17A-6F-10. Effective date.**

1 The provisions of this article shall be effective July 1, 2020.

NOTE: The purpose of this bill is to create a regulatory framework for the operation of and use of peer-to-peer car sharing programs in the State of West Virginia.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.