

SENATE BILL NO. 478—COMMITTEE ON COMMERCE AND LABOR

MARCH 25, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Enacts provisions relating to peer-to-peer car sharing programs. (BDR 43-530)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to car sharing; enacting provisions governing a car sharing agreement that is part of a peer-to-peer car sharing program; imposing certain requirements and duties on the parties to a car sharing agreement; providing provisions governing motor vehicle insurance required as part of a car sharing agreement; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill enacts provisions governing a peer-to-peer car sharing program in this State. **Sections 9 and 27** of this bill define “peer-to-peer car sharing program” as a business platform that connects motor vehicle owners with drivers to enable the sharing of vehicles for financial consideration. The term does not include the provisions governing traditional car rental companies. (NRS 482.295-482.3159) **Section 13** of this bill imposes certain duties on a peer-to-peer car sharing program and on a shared vehicle owner if his or her vehicle is subject to certain federal safety recalls. **Section 15** of this bill imposes certain duties on a peer-to-peer car sharing program regarding the verification of a shared vehicle driver’s licensure and authorization to drive a shared vehicle. **Section 16** of this bill requires a peer-to-peer car sharing program to disclose certain information clearly to both the shared vehicle owner and shared vehicle driver, and **section 17** of this bill requires a peer-to-peer car sharing program to collect, verify and retain certain records relating to the program. **Sections 31-37** of this bill provide the insurance requirements for a peer-to-peer car sharing program, the shared vehicle owner and the shared vehicle driver.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 482 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 17, inclusive, of this act.

Sec. 2. *As used in sections 2 to 17, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 12, inclusive, of this act, have the meanings ascribed to them in those sections.*

Sec. 3. *“Car sharing” means the authorized use of a motor vehicle, by a natural person other than the owner of the motor vehicle, through a peer-to-peer car sharing program. The term does not include the renting or leasing of a motor vehicle in accordance with NRS 482.295 to 482.3159, inclusive, or 483.610.*

Sec. 4. *“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 car sharing program agreement.*

Sec. 5. *“Car sharing period” means the period of time that commences with a 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.*

Sec. 6. *“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. The term does not include a lease, as that term is defined in NRS 482.053, or any other car rental agreement.*

Sec. 7. *“Car sharing start time” means the time when a shared vehicle becomes subject to the control of the shared vehicle driver, at or after the time the reservation of the shared vehicle is scheduled to begin as documented in the records of a peer-to-peer car sharing program.*

Sec. 8. *“Car sharing termination time” means the time when:*

1. A shared vehicle is returned to the location designated by the shared vehicle owner through a peer-to-peer car sharing program; and

2. The earliest of the following occurs:

(a) The expiration of the agreed period of time established for the use of the shared vehicle in the applicable car sharing program agreement;



(b) The intent to terminate the use of the shared vehicle is verifiably communicated by the shared vehicle driver to the shared vehicle owner using the peer-to-peer car sharing program; or

(c) The shared vehicle owner or an authorized designee of the shared vehicle owner takes possession and control of the shared vehicle.

Sec. 9. “Peer-to-peer car sharing program” means a business platform that connects shared vehicle owners with shared vehicle drivers to enable the sharing of vehicles for financial consideration. The term does not include:

1. A long-term lessee, long-term lessor, short-term lessee or short-term lessor as those terms are defined in NRS 482.053; or

2. The renting or leasing of motor vehicles in accordance with NRS 482.295 to 482.3159, inclusive, or NRS 483.610.

Sec. 10. “Shared vehicle” means a motor vehicle that is registered with and available for car sharing through a peer-to-peer car sharing program. The term does not include a motor vehicle leased from a long-term lessor or a short-term lessor as those terms are defined in NRS 482.053.

Sec. 11. “Shared vehicle driver” means a person who has been authorized to drive a shared vehicle by the owner of the vehicle through a car sharing program agreement.

Sec. 12. “Shared vehicle owner” means the registered owner of a motor vehicle who has made his or her vehicle available for car sharing by registering with a peer-to-peer car sharing program.

Sec. 13. 1. Before qualifying the vehicle of a prospective shared vehicle owner, a peer-to-peer car sharing program must:

(a) Verify that the prospective shared vehicle is not the subject of any current federal safety recalls for which the safety recall repairs have not been made.

(b) Notify the shared vehicle owner:

(1) Of the requirements of subsection 2; and

(2) That, if the prospective shared vehicle has a lien against it, the use of the vehicle in a peer-to-peer car sharing program may violate the terms of the shared vehicle owner’s contract with the lienholder.

2. Upon qualifying his or her vehicle with a peer-to-peer car sharing program, a shared vehicle owner who receives notice of a safety recall applicable to the shared vehicle for which the safety recall repairs have not been made:

(a) May not make the shared vehicle available as a shared vehicle.



1 (b) *Must, as soon as practicable, remove the shared vehicle*
2 *from the peer-to-peer car sharing program until the safety recall*
3 *repairs are made.*

4 (c) *Must, if the vehicle is in use as a shared vehicle by a shared*
5 *vehicle driver, notify the peer-to-peer car sharing program as soon*
6 *as practicable.*

7 3. *A peer-to-peer car sharing program that receives a*
8 *notification required pursuant to paragraph (c) of subsection 2*
9 *must, as soon as practicable, arrange for the return of the shared*
10 *vehicle to the shared vehicle owner so that the safety recall repairs*
11 *can be made.*

12 4. *As used in this section, "safety recall" means a safety*
13 *recall of a vehicle in accordance with federal law and any*
14 *regulations adopted thereunder.*

15 **Sec. 14. 1. A peer-to-peer car sharing program:**

16 (a) *Has sole responsibility for any equipment, including,*
17 *without limitation, a GPS system or other special equipment that is*
18 *placed in or otherwise attached to the vehicle of a shared vehicle*
19 *owner for the purposes of the vehicle being used as a shared*
20 *vehicle; and*

21 (b) *Shall indemnify and hold harmless the shared vehicle*
22 *owner for any damage to or loss of such equipment that is not*
23 *caused by the shared vehicle owner.*

24 2. *May seek indemnity from the shared vehicle driver or the*
25 *insurer of the shared vehicle driver for any damage or loss that*
26 *occurs during a car sharing period to any equipment, including,*
27 *without limitation, a GPS system or other special equipment that is*
28 *placed in or otherwise attached to the shared vehicle for the*
29 *purposes of the vehicle being used as a shared vehicle.*

30 **Sec. 15. A peer-to-peer car sharing program shall not**
31 *facilitate a car sharing program agreement with a shared vehicle*
32 *driver unless the shared vehicle driver provides proof satisfactory*
33 *to the peer-to-peer car sharing program that the shared vehicle*
34 *driver and any other person who the owner may authorize to drive*
35 *the shared vehicle:*

36 1. *Hold a valid driver's license or driver authorization card*
37 *issued by this State pursuant to chapter 483 of NRS or a license or*
38 *card from another state or jurisdiction that authorizes the shared*
39 *vehicle driver to operate the class of the shared vehicle that is the*
40 *subject of the peer-to-peer car sharing program agreement; and*

41 2. *Is at least 16 years of age.*

42 **Sec. 16. A car sharing program agreement must clearly**
43 *disclose to the shared vehicle owner and the shared vehicle driver:*



1 1. The daily rate, fees and, if applicable, any insurance or
2 protection package costs to be charged to the shared vehicle owner
3 and the shared vehicle driver, respectively.

4 2. An emergency telephone number for access to personnel
5 who can field requests for roadside assistance and other customer
6 service requests.

7 **Sec. 17. 1.** A peer-to-peer car sharing program shall collect
8 and verify records pertaining to each vehicle qualified with the
9 program as a shared vehicle. Such records must include, without
10 limitation:

11 (a) The number and length of times the vehicle was used as a
12 shared vehicle after qualification;

13 (b) The fees paid by shared drivers for use of the shared
14 vehicle; and

15 (c) The revenues received by the shared vehicle owner.

16 2. A peer-to-peer car sharing program shall collect and verify
17 records pertaining to each shared vehicle driver who drives a
18 shared vehicle through the program, including, without limitation:

19 (a) The name, address and age of the shared vehicle driver;

20 (b) The number of the driver's license or driver authorization
21 card possessed by the shared vehicle driver and any person
22 authorized by the owner to operate a shared vehicle, as required
23 pursuant to section 15 of this act; and

24 (c) The date and jurisdiction of issuance of each such driver's
25 license or driver authorization card.

26 3. A peer-to-peer car sharing program shall:

27 (a) Retain the records required pursuant to this section for not
28 less than the length of the statute of limitations imposed pursuant
29 to NRS 11.190 for an action to recover damages for injuries to a
30 person or for the death of a person caused by the wrongful act or
31 neglect of another, but in no case less than 2 years.

32 (b) Make the records required pursuant to subsection 1
33 available upon request to the shared vehicle owner, the shared
34 vehicle owner's insurer or the shared vehicle driver's insurer,
35 ↪ for use in a claim investigation.

36 **Sec. 18.** NRS 482.053 is hereby amended to read as follows:

37 482.053 For the purposes of regulation under this chapter *and*
38 *sections 20 to 37, inclusive, of this act*, and of imposing tort
39 liability under NRS 41.440, and for no other purpose:

40 1. "Lease" means a contract by which the lienholder or owner
41 of a vehicle transfers to another person, for compensation, the right
42 to use such vehicle.

43 2. "Long-term lessee" means a person who has leased a vehicle
44 from another person for a fixed period of more than 31 days.



3. "Long-term lessor" means a person who has leased a vehicle to another person for a fixed period of more than 31 days.

4. "Short-term lessee" means a person who has leased a vehicle from another person for a period of 31 days or less, or by the day, or by the trip.

5. "Short-term lessor" means a person who has leased a vehicle to another person for a period of 31 days or less, or by the day, or by the trip.

Sec. 19. Chapter 690B of NRS is hereby amended by adding thereto the provisions set forth as sections 20 to 37, inclusive, of this act.

Sec. 20. *As used in sections 20 to 37, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 21 to 30, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 21. *"Car sharing" means the authorized use of a motor vehicle, by a natural person other than the owner of the motor vehicle, through a peer-to-peer car sharing program. The term does not include the renting or leasing of motor vehicles in accordance with NRS 482.295 to 482.3159, inclusive or NRS 483.610.*

Sec. 22. *"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 car sharing program agreement.*

Sec. 23. *"Car sharing period" means the period of time that commences with a 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.*

Sec. 24. *"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. The term does not include a lease, as that term is defined in NRS 482.053, or any other car rental agreement.*

Sec. 25. *"Car sharing start time" means the time when a shared vehicle becomes subject to the control of the shared vehicle driver, at or after the time the reservation of the shared vehicle is scheduled to begin as documented in the records of a peer-to-peer car sharing program.*

Sec. 26. *"Car sharing termination time" means the time when:*

1. A shared vehicle is returned to the location designated by the shared vehicle owner through a peer-to-peer car sharing program; and



2. *The earliest of the following occurs:*

(a) *The expiration of the agreed period of time established for the use of the shared vehicle in the applicable car sharing program agreement;*

(b) *The intent to terminate the use of the shared vehicle is verifiably communicated by the shared vehicle driver to the shared vehicle owner using the peer-to-peer car sharing program; or*

(c) *The shared vehicle owner or an authorized designee of the shared vehicle owner takes possession and control of the shared vehicle.*

Sec. 27. *“Peer-to-peer car sharing program” means a business platform that connects motor vehicle owners with drivers to enable the sharing of vehicles for financial consideration. The term does not include:*

1. *A long-term lessee, long-term lessor, short-term lessee or short-term lessor as those terms are defined in NRS 482.053; or*

2. *The renting or leasing of motor vehicles in accordance with NRS 482.295 to 482.3159, inclusive and NRS 483.610.*

Sec. 28. *“Shared vehicle” means a motor vehicle that is registered with and available for car sharing through a peer-to-peer car sharing program. The term does not include a motor vehicle leased from a long-term lessor or a short-term lessor as those terms are defined in NRS 482.053.*

Sec. 29. *“Shared vehicle driver” means a person who has been authorized to drive a shared vehicle by the owner of the vehicle through a car sharing program agreement.*

Sec. 30. *“Shared vehicle owner” means the registered owner of a motor vehicle who has made his or her vehicle available for car sharing by registering with a peer-to-peer car sharing program.*

Sec. 31. *A peer-to-peer car sharing program must clearly disclose to the shared vehicle owner and the shared vehicle driver:*

1. *That the peer-to-peer car sharing program has the right to seek indemnification from the shared vehicle owner or the shared vehicle driver for any economic loss sustained by the peer-to-peer car sharing program that results from a breach of the terms or conditions of the car sharing program agreement.*

2. *A policy of insurance covering the shared vehicle may not provide a defense or indemnification for a claim asserted by a peer-to-peer car sharing program pursuant to subsection 1.*

3. *The insurance coverage of the peer-to-peer car sharing program on the shared vehicle owner and the shared vehicle driver is in effect only during the car sharing period, and the shared vehicle owner and shared vehicle driver might not have*



1 *insurance coverage for any use of the shared vehicle before or*
2 *after the car sharing period.*

3 *4. The policy of insurance of the shared vehicle owner*
4 *covering the shared vehicle might not provide coverage during the*
5 *shared vehicle period.*

6 **Sec. 32.** *1. Except as otherwise provided in subsection 9, a*
7 *peer-to-peer car sharing program shall assume the liability of a*
8 *shared vehicle owner for any bodily injury or property damage to*
9 *third parties or uninsured or underinsured motorists or personal*
10 *injury protection for losses during the car sharing period in*
11 *amounts not less than the amounts specified in NRS 485.185.*

12 *2. A peer-to-peer car sharing program shall ensure that,*
13 *during each car sharing period, the shared vehicle owner and the*
14 *shared vehicle driver are insured under a policy of insurance that:*

15 *(a) Acknowledges that the vehicle insured under the policy is*
16 *made available by and used through a peer-to-peer car sharing*
17 *program; and*

18 *(b) Provides coverage that meets the requirements of*
19 *NRS 485.185.*

20 *3. The coverage required pursuant to subsection 2 may be*
21 *satisfied by a policy of insurance maintained by:*

22 *(a) The shared vehicle owner;*

23 *(b) The shared vehicle driver;*

24 *(c) A peer-to-peer car sharing program during a car sharing*
25 *period facilitated by the peer-to-peer car sharing program; or*

26 *(d) A combination of a peer-to-peer car sharing program and*
27 *either a shared vehicle owner or a shared vehicle driver.*

28 *4. Except as otherwise provided in subsection 5 and 6, a*
29 *policy or policies of insurance described in subsection 3 shall be*
30 *considered the primary insurance coverage for the purposes of*
31 *satisfying the insurance requirements described in subsection 2.*

32 *5. A peer-to-peer car sharing program shall assume primary*
33 *liability for a claim when:*

34 *(a) It is in whole or in part providing the insurance required*
35 *pursuant to subsection 2;*

36 *(b) A dispute exists as to who was in control of the shared*
37 *vehicle at the time of the loss or losses; and*

38 *(c) The peer-to-peer car sharing program does not have*
39 *available, did not retain or fails to provide the relevant records*
40 *required pursuant to section 17 of this act.*

41 *6. If it is determined that the shared vehicle owner was in*
42 *control of the shared vehicle at the time of a loss or losses, the*
43 *shared vehicle owner's insurance shall indemnify the peer-to-peer*
44 *car sharing program to the extent of its obligations, if any, under*
45 *the applicable insurance policy.*



7. *If insurance maintained by a shared vehicle owner or a shared vehicle driver which is providing the coverage required in subsection 3 has lapsed or does not provide the required coverage, insurance maintained by the peer-to-peer car sharing program pursuant to subsection 1 shall provide the coverage required by subsection 2, beginning with the first dollar of a claim, and shall have a duty to defend such a claim.*

8. *Coverage under an insurance policy maintained by a peer-to-peer car sharing program must not be dependent on another insurer of a personal motor vehicle first denying a claim, nor shall such an insurer be required to first deny a claim.*

9. *The assumption of liability required pursuant to subsection 1 does not apply if the shared vehicle owner made an intentional or fraudulent material misrepresentation to the peer-to-peer car sharing program before the car sharing period in which the loss or losses occurred.*

Sec. 33. *1. An insurance company transacting motor vehicle insurance in this State may exclude any and all coverage and the duty to defend or indemnify for any claim afforded under a shared vehicle owner's personal private motor vehicle liability insurance for loss or injury during a car sharing period. Nothing in sections 20 to 37, inclusive, of this act invalidates or limits an exclusion contained in a motor vehicle liability insurance policy, including without limitation, any insurance policy in use or approved for use that excludes coverage for motor vehicles made available for rent, car sharing, hire or any business use.*

2. Except as otherwise provided in subsection 3 or 4, or pursuant to an exclusion from coverage authorized in subsection 1, an insurance company transacting motor vehicle insurance in this State may not deny, cancel, void, terminate, rescind or fail to renew a policy of personal private motor vehicle liability insurance for a shared vehicle owner based solely on the shared vehicle owner making the vehicle available for car sharing through a peer-to-peer car sharing program.

3. An insurance company transacting motor vehicle insurance in this State may deny, cancel, void, terminate, rescind or fail to renew a policy of personal private motor vehicle liability insurance for a motor vehicle that has been made available for car sharing through a peer-to-peer car sharing program if the applicant or policy holder fails to provide complete and accurate information about the applicant or policy holder's participation in the peer-to-peer car sharing program as requested by the insurance company during the application or renewal process for the policy of personal private motor vehicle liability insurance.



4. An insurance company transacting motor vehicle insurance in this State may limit the number of motor vehicles that can be made available for car sharing through a peer-to-peer car sharing program that the company will insure on a single policy.

Sec. 34. An insurance company transacting motor vehicle insurance in this State that defends or indemnifies a claim against a shared vehicle that is excluded under the terms of its policy has the right to seek contribution against the motor vehicle insurer of the peer-to-peer car sharing program if the claim is:

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

2. Excluded under the terms of its policy.

Sec. 35. Notwithstanding any other provision of law, a peer-to-peer car sharing program and a shared vehicle owner are exempt from vicarious liability in accordance with 49 U.S.C. § 30106 and any other law or ordinance that imposes liability solely based on ownership of a shared vehicle.

Sec. 36. 1. Notwithstanding any other provision of law, a peer-to-peer car sharing program shall have an insurable interest in a shared vehicle during a car sharing period.

2. Nothing in this section creates liability on a peer-to-peer car sharing program to maintain the coverage required by section 32 of this act.

Sec. 37. Nothing in the provisions of sections 20 to 37, inclusive, of this act limits:

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

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

Sec. 38. NRS 690B.025 is hereby amended to read as follows:
690B.025 1. ~~HH~~ Except as otherwise provided in sections 20 to 37, inclusive, of this act, if two or more policies of liability insurance covering the same motor vehicle are in effect when the motor vehicle is involved in an incident which results in a claim against the policies:

(a) If the motor vehicle was being operated by a person engaged in the business of selling, repairing, servicing, delivering, testing, road testing, parking or storing motor vehicles, or by an agent or



1 employee of the person while in pursuit of that business, the policy
2 issued to that business shall be deemed to be primary and any other
3 policy shall be deemed to provide excess coverage.

4 (b) If the motor vehicle was being operated by a person
5 described in paragraph (a) in any pursuit other than of that business,
6 or by some other person, the policy issued to the operator of the
7 vehicle shall be deemed to be primary and any policy issued to the
8 business shall be deemed to provide excess coverage.

9 (c) If, while the vehicle of the customer was being repaired or
10 serviced in the bailment of a garage operator engaged in the
11 business of repairing or servicing motor vehicles, the customer is
12 lent by the garage operator a motor vehicle for use during the time
13 required to complete the repairs or service, the policy issued to the
14 customer shall be deemed to be primary and all other policies shall
15 be deemed to provide excess coverage. A garage operator engaged
16 in the business of repairing or servicing motor vehicles who loans a
17 customer a vehicle for use during the time required to complete the
18 repairs or service shall provide express notice to the customer that
19 the customer's policy of insurance will provide primary coverage
20 while the customer is operating that vehicle.

21 2. The provisions in subsection 1 may be modified but only by
22 a written agreement signed by all the insurers who have issued
23 policies applicable to a claim described in subsection 1 and by all
24 the insureds under those policies.

25 3. This section applies only to policies of liability insurance
26 issued or renewed on or after July 1, 1981.

27 **Sec. 39.** This act becomes effective:

28 1. Upon passage and approval for the purpose of adopting any
29 regulations and performing any other preparatory administrative
30 tasks that are necessary to carry out the provisions of this act; and

31 2. On January 1, 2020, for all other purposes.

