

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 2753

(SENATE AUTHORS: UTKE)

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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to insurance; establishing a peer-to-peer car sharing program; amending
1.3 Minnesota Statutes 2020, sections 65B.49, subdivision 5a; 72A.125, subdivision
1.4 1; 297A.64, subdivision 4; proposing coding for new law in Minnesota Statutes,
1.5 chapter 65B.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2020, section 65B.49, subdivision 5a, is amended to read:

1.8 Subd. 5a. **Rental vehicles.** (a) Every plan of reparation security, wherever issued, insuring
1.9 a natural person as named insured, covering private passenger vehicles as defined under
1.10 section 65B.001, subdivision 3, and pickup trucks and vans as defined under section 168.002
1.11 must: (1) provide that all of the obligation for damage and loss of use to a rented private
1.12 passenger vehicle, including pickup trucks and vans as defined under section 168.002, and
1.13 rented trucks with a registered gross vehicle weight of 26,000 pounds or less would be
1.14 covered by the property damage liability portion of the plan; and (2) extend the plan's basic
1.15 economic loss benefits, residual liability insurance, and uninsured and underinsured motorist
1.16 coverages to the operation or use of the rented motor vehicle. This subdivision does not
1.17 apply to plans of reparation security covering only motor vehicles registered under section
1.18 168.10, subdivision 1a, 1b, 1c, or 1d, or recreational vehicles as defined under section
1.19 168.002. The obligation of the plan must not be contingent on fault or negligence. In all
1.20 cases where the plan's property damage liability coverage is less than \$35,000, the coverage
1.21 available under the subdivision must be \$35,000. Other than as described in this paragraph;
1.22 paragraph (i), clause (2); or paragraph (j), nothing in this section amends or alters the
1.23 provisions of the plan of reparation security as to primacy of the coverages in this section.

1.24 (b) A vehicle is rented for purposes of this subdivision:

2.1 (1) if the rate for the use of the vehicle is determined on a monthly, weekly, or daily
2.2 basis; or

2.3 (2) during the time that a vehicle is loaned as a replacement for a vehicle being serviced
2.4 or repaired regardless of whether the customer is charged a fee for the use of the vehicle.

2.5 A vehicle is not rented for the purposes of this subdivision if the rate for the vehicle's
2.6 use is determined on a period longer than one month or if the term of the rental agreement
2.7 is longer than one month. A vehicle is not rented for purposes of this subdivision if the
2.8 rental agreement has a purchase or buyout option or otherwise functions as a substitute for
2.9 purchase of the vehicle. A vehicle is not rented for purposes of this subdivision if the vehicle
2.10 is part of a peer-to-peer car sharing program, as defined in section 65B.91, subdivision 8.

2.11 (c) The policy or certificate issued by the plan must inform the insured of the application
2.12 of the plan to private passenger rental vehicles, including pickup trucks and vans as defined
2.13 under section 168.002, and that the insured may not need to purchase additional coverage
2.14 from the rental company.

2.15 (d) Where an insured has two or more vehicles covered by a plan or plans of reparation
2.16 security containing the rented motor vehicle coverage required under paragraph (a), the
2.17 insured may select the plan the insured wishes to collect from and that plan is entitled to a
2.18 pro rata contribution from the other plan or plans based upon the property damage limits
2.19 of liability. If the person renting the motor vehicle is also covered by the person's employer's
2.20 insurance policy or the employer's automobile self-insurance plan, the reparation obligor
2.21 under the employer's policy or self-insurance plan has primary responsibility to pay claims
2.22 arising from use of the rented vehicle.

2.23 (e) A notice advising the insured of rental vehicle coverage must be given by the
2.24 reparation obligor to each current insured with the first renewal notice after January 1, 1989.
2.25 The notice must be approved by the commissioner of commerce. The commissioner may
2.26 specify the form of the notice.

2.27 (f) When a motor vehicle is rented in this state, there must be attached to the rental
2.28 contract a separate form containing a written notice in at least 10-point bold type, if printed,
2.29 or in capital letters, if typewritten, which states:

2.30 "Under Minnesota law, a personal automobile insurance policy must: (1) cover the rental
2.31 of this motor vehicle against damage to the vehicle and against loss of use of the vehicle;
2.32 and (2) extend the policy's basic economic loss benefits, residual liability insurance, and
2.33 uninsured and underinsured motorist coverages to the operation or use of a rented motor
2.34 vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected

3.1 in this rental contract is not necessary. In addition, purchase of any additional liability
3.2 insurance is not necessary if your policy was issued in Minnesota unless you wish to
3.3 have coverage for liability that exceeds the amount specified in your personal automobile
3.4 insurance policy."

3.5 No collision damage waiver or other insurance offered as part of or in conjunction with a
3.6 rental of a motor vehicle may be sold unless the person renting the vehicle provides a written
3.7 acknowledgment that the above consumer protection notice has been read and understood.

3.8 (g) When damage to a rented vehicle is covered by a plan of reparation security as
3.9 provided under paragraph (a), the rental contract must state that payment by the reparation
3.10 obligor within the time limits of section 72A.201 is acceptable, and prior payment by the
3.11 renter is not required.

3.12 (h) Compensation for the loss of use of a damaged rented motor vehicle is limited to a
3.13 period no longer than 14 days.

3.14 (i)(1) For purposes of this subdivision, "rented motor vehicle" means a rented vehicle
3.15 described in paragraph (a), using the definition of "rented" provided in paragraph (b).

3.16 (2) Notwithstanding section 169.09, subdivision 5a, an owner of a rented motor vehicle
3.17 is not vicariously liable for legal damages resulting from the operation of the rented motor
3.18 vehicle in an amount greater than \$100,000 because of bodily injury to one person in any
3.19 one accident and, subject to the limit for one person, \$300,000 because of injury to two or
3.20 more persons in any one accident, and \$50,000 because of injury to or destruction of property
3.21 of others in any one accident, if the owner of the rented motor vehicle has in effect, at the
3.22 time of the accident, a policy of insurance or self-insurance, as provided in section 65B.48,
3.23 subdivision 3, covering losses up to at least the amounts set forth in this paragraph. Nothing
3.24 in this paragraph alters or affects the obligations of an owner of a rented motor vehicle to
3.25 comply with the requirements of compulsory insurance through a policy of insurance as
3.26 provided in section 65B.48, subdivision 2, or through self-insurance as provided in section
3.27 65B.48, subdivision 3, which policy of insurance or self-insurance must apply whenever
3.28 the operator is not covered by a plan of reparation security as provided under paragraph (a);
3.29 or with the obligations arising from section 72A.125 for products sold in conjunction with
3.30 the rental of a motor vehicle. Nothing in this paragraph alters or affects liability, other than
3.31 vicarious liability, of an owner of a rented motor vehicle.

3.32 (3) The dollar amounts stated in this paragraph shall be adjusted for inflation based upon
3.33 the Consumer Price Index for all urban consumers, known as the CPI-U, published by the
3.34 United States Bureau of Labor Statistics. The dollar amounts stated in this paragraph are

4.1 based upon the value of that index for July 1995, which is the reference base index for
4.2 purposes of this paragraph. The dollar amounts in this paragraph shall change effective
4.3 January 1 of each odd-numbered year based upon the percentage difference between the
4.4 index for July of the preceding year and the reference base index, calculated to the nearest
4.5 whole percentage point. The commissioner shall announce and publish, on or before
4.6 September 30 of the preceding year, the changes in the dollar amounts required by this
4.7 paragraph to take effect on January 1 of each odd-numbered year. The commissioner shall
4.8 use the most recent revision of the July index available as of September 1. Changes in the
4.9 dollar amounts must be in increments of \$5,000, and no change shall be made in a dollar
4.10 amount until the change in the index requires at least a \$5,000 change. If the United States
4.11 Bureau of Labor Statistics changes the base year upon which the CPI-U is based, the
4.12 commissioner shall make the calculations necessary to convert from the old base year to
4.13 the new base year. If the CPI-U is discontinued, the commissioner shall use the available
4.14 index that is most similar to the CPI-U.

4.15 (j) The plan of reparation security covering the owner of a rented motor vehicle is excess
4.16 of any residual liability coverage insuring an operator of a rented motor vehicle.

4.17 Sec. 2. **[65B.90] SHORT TITLE.**

4.18 Sections 65B.91 to 65B.95 may be cited as the "Peer-to-Peer Car Sharing Program Act."

4.19 Sec. 3. **[65B.91] DEFINITIONS.**

4.20 Subdivision 1. **Application of definitions.** Except as otherwise provided, the definitions
4.21 in this section apply to sections 65B.91 to 65B.95.

4.22 Subd. 2. **Car sharing delivery period.** "Car sharing delivery period" means the period
4.23 of time during which a shared motor vehicle is being delivered to the location of the car
4.24 sharing start time, if applicable, as documented by the governing car sharing program
4.25 agreement.

4.26 Subd. 3. **Car sharing period.** "Car sharing period" means the period of time that: (1)
4.27 commences with the car sharing delivery period or, if there is no car sharing delivery period,
4.28 that commences with the car sharing start time; and (2) ends at the car sharing termination
4.29 time.

4.30 Subd. 4. **Car sharing program agreement.** "Car sharing program agreement" means
4.31 the terms and conditions applicable to a shared motor vehicle owner and a shared motor
4.32 vehicle driver that govern the use of a shared motor vehicle through a peer-to-peer car

5.1 sharing program. A car sharing program agreement is not a rental contract agreement, as
5.2 defined in section 65B.49, subdivision 5a.

5.3 Subd. 5. **Car sharing start time.** "Car sharing start time" means the time when the
5.4 shared motor vehicle becomes subject to the control of the shared motor vehicle driver at
5.5 or after the time a shared motor vehicle reservation is scheduled to begin, as documented
5.6 in the peer-to-peer car sharing program records.

5.7 Subd. 6. **Car sharing termination time.** "Car sharing termination time" means the
5.8 earliest of the following events:

5.9 (1) the expiration of the agreed upon time established for the shared motor vehicle use,
5.10 according to the terms of the car sharing program agreement if the shared vehicle is delivered
5.11 to the location agreed upon in the car sharing program agreement;

5.12 (2) when the shared vehicle is returned to a location as alternatively agreed upon by the
5.13 shared motor vehicle owner and shared motor vehicle driver, as communicated through a
5.14 peer-to-peer car sharing program and incorporated into the car sharing program agreement;
5.15 or

5.16 (3) when the shared motor vehicle owner or the shared motor vehicle owner's authorized
5.17 designee takes possession and control of the shared motor vehicle.

5.18 Subd. 7. **Peer-to-peer car sharing.** "Peer-to-peer car sharing" means the authorized use
5.19 of a motor vehicle by an individual other than the motor vehicle's owner through a
5.20 peer-to-peer car sharing program. Peer-to-peer car sharing is not a rental motor vehicle or
5.21 rented, as defined in section 65B.49, subdivision 5a.

5.22 Subd. 8. **Peer-to-peer car sharing program.** "Peer-to-peer car sharing program" means
5.23 a business platform that connects motor vehicle owners with drivers to enable the motor
5.24 vehicle sharing for financial consideration. A peer-to-peer car sharing program is not a
5.25 company that engages in the business of renting motor vehicles, as provided under section
5.26 65B.49, subdivision 5a.

5.27 Subd. 9. **Shared motor vehicle.** "Shared motor vehicle" means a motor vehicle that is
5.28 available for sharing through a peer-to-peer car sharing program. A shared motor vehicle
5.29 is not a rental motor vehicle, as defined in section 65B.49, subdivision 5a.

5.30 Subd. 10. **Shared motor vehicle driver.** "Shared motor vehicle driver" means an
5.31 individual authorized to drive the shared motor vehicle by the shared motor vehicle owner
5.32 under a car sharing program agreement.

6.1 Subd. 11. **Shared motor vehicle owner.** "Shared motor vehicle owner" means the
6.2 registered owner, or a person or entity designated by the registered owner, of a motor vehicle
6.3 made available for sharing with shared motor vehicle drivers through a peer-to-peer car
6.4 sharing program. A shared motor vehicle owner is not a company that engages in the business
6.5 of renting motor vehicles, as provided under section 65B.49, subdivision 5a.

6.6 Sec. 4. [65B.92] INSURANCE.

6.7 Subdivision 1. **Insurance coverage during car sharing period.** (a) Except as provided
6.8 in paragraph (b), a peer-to-peer car sharing program assumes liability of a shared motor
6.9 vehicle owner for: (1) bodily injury or property damage to a third party, uninsured motorist,
6.10 or underinsured motorist; or (2) personal injury protection losses. The assumption of liability
6.11 under this subdivision occurs only during the car sharing period and provides coverage in
6.12 the amount stated in the peer-to-peer car sharing program agreement. The amount must not
6.13 be less than the amount set forth in section 65B.49, subdivision 3.

6.14 (b) Notwithstanding the definition of car sharing termination time under section 65B.91,
6.15 subdivision 6, the assumption of liability under paragraph (a) does not apply to a shared
6.16 motor vehicle owner when:

6.17 (1) a shared motor vehicle owner makes an intentional or fraudulent material
6.18 misrepresentation or omission to the peer-to-peer car sharing program before the car sharing
6.19 period during which the loss occurred; or

6.20 (2) the shared motor vehicle owner acts in concert with a shared motor vehicle driver
6.21 who fails to return the shared motor vehicle pursuant to the terms of the car sharing program
6.22 agreement.

6.23 (c) Notwithstanding the definition of car sharing termination time under section 65B.91,
6.24 subdivision 6, the assumption of liability under paragraph (a) applies to bodily injury,
6.25 property damage, uninsured and underinsured motorists, or personal injury protection losses
6.26 by damaged third parties, as required by section 65B.49, subdivision 3.

6.27 (d) A peer-to-peer car sharing program must ensure that during each car sharing period
6.28 the shared motor vehicle owner and the shared motor vehicle driver are insured under a
6.29 motor vehicle liability insurance policy that provides insurance coverage in amounts no less
6.30 than the minimum amounts set forth under section 65B.49, subdivision 3, and:

6.31 (1) recognizes the shared motor vehicle insured under the policy is made available and
6.32 used through a peer-to-peer car sharing program; or

6.33 (2) does not exclude use of a shared motor vehicle by a shared motor vehicle driver.

7.1 (e) The insurance described under paragraph (d) may be satisfied by motor vehicle
7.2 liability insurance maintained by:

7.3 (1) a shared motor vehicle owner;

7.4 (2) a shared motor vehicle driver;

7.5 (3) a peer-to-peer car sharing program; or

7.6 (4) a shared motor vehicle owner, a shared motor vehicle driver, and a peer-to-peer car
7.7 sharing program.

7.8 (f) The insurance described in paragraph (e) that satisfies the insurance requirement of
7.9 paragraph (d) must be primary during each car sharing period. In the event that a claim
7.10 occurs in another state with minimum financial responsibility limits higher than \$60,000
7.11 during the car sharing period, the coverage maintained under paragraph (e) must satisfy the
7.12 difference in minimum coverage amounts, up to the applicable policy limits.

7.13 (g) The insurer, insurers, or peer-to-peer car sharing program providing coverage under
7.14 paragraph (d) or (e) must assume primary liability for a claim when:

7.15 (1) a dispute exists as to who was in control of the shared motor vehicle at the time of
7.16 the loss and the peer-to-peer car sharing program does not have available, did not retain, or
7.17 fails to provide the information required by subdivision 4; or

7.18 (2) a dispute exists as to whether the shared vehicle was returned to the alternatively
7.19 agreed upon location, as required under section 65B.91, subdivision 6, clause (2).

7.20 (h) If insurance maintained by a shared motor vehicle owner or shared motor vehicle
7.21 driver under paragraph (e) has lapsed or does not provide the required coverage, a
7.22 peer-to-peer car sharing program: (1) must maintain insurance that provides the coverage
7.23 required by paragraph (d), beginning with the first dollar of a claim; and (2) has the duty
7.24 to defend the claim, except under the circumstances set forth under paragraph (b).

7.25 (i) Coverage under an automobile insurance policy maintained by the peer-to-peer car
7.26 sharing program must not be dependent on another automobile insurer first denying a claim,
7.27 nor must another automobile insurance policy be required to first deny a claim.

7.28 (j) Nothing in this subdivision:

7.29 (1) limits the liability of the peer-to-peer car sharing program for any act or omission
7.30 of the peer-to-peer car sharing program itself that results in injury to any person as a result
7.31 of the use of a shared motor vehicle through a peer-to-peer car sharing program; or

8.1 (2) limits the ability of the peer-to-peer car sharing program to, by contract, seek
8.2 indemnification from the shared motor vehicle owner or the shared motor vehicle driver
8.3 for economic loss sustained by the peer-to-peer car sharing program resulting from a breach
8.4 of the car sharing program agreement's terms and conditions.

8.5 Subd. 2. **Notification of implications of lien.** At the time a vehicle owner registers as
8.6 a shared motor vehicle owner on a peer-to-peer car sharing program and before the shared
8.7 motor vehicle owner makes a shared motor vehicle available for car sharing on the
8.8 peer-to-peer car sharing program, the peer-to-peer car sharing program must notify the
8.9 shared vehicle owner that if the shared motor vehicle has a lien against it, the shared motor
8.10 vehicle's use through a peer-to-peer car sharing program, including use without physical
8.11 damage coverage, may violate the terms of the shared motor vehicle owner's contract with
8.12 the lienholder.

8.13 Subd. 3. **Exclusions in motor vehicle liability insurance policies.** (a) An authorized
8.14 insurer that writes motor vehicle liability insurance in Minnesota may exclude any and all
8.15 coverage, including the duty to defend or indemnify for any claim, afforded under a shared
8.16 motor vehicle owner's motor vehicle liability insurance policy. An exclusion under this
8.17 subdivision may include but is not limited to:

8.18 (1) liability coverage for bodily injury and property damage;

8.19 (2) personal injury protection coverage;

8.20 (3) uninsured and underinsured motorist coverage;

8.21 (4) medical payments coverage;

8.22 (5) comprehensive physical damage coverage; and

8.23 (6) collision physical damage coverage.

8.24 (b) Nothing in sections 65B.91 to 65B.95 invalidates or limits an exclusion contained
8.25 in a motor vehicle liability insurance policy, including any insurance policy in use or
8.26 approved for use that excludes coverage for motor vehicles made available for rent, sharing,
8.27 hire, or for any business use.

8.28 (c) Nothing in sections 65B.91 to 65B.95 (1) invalidates, limits, or restricts an insurer's
8.29 ability under existing law to underwrite any insurance policy; or (2) limits or restricts an
8.30 insurer's ability under existing law to cancel and nonrenew policies.

8.31 Subd. 4. **Record keeping; use of vehicle in car sharing program.** A peer-to-peer car
8.32 sharing program must collect and verify records pertaining to the use of a motor vehicle,

9.1 including but not limited to times used, car sharing period pick-up and drop-off locations,
9.2 fees paid by the shared motor vehicle driver, and revenues received by the shared motor
9.3 vehicle owner. A peer-to-peer car sharing program must provide the information upon
9.4 request to the shared motor vehicle owner, the shared motor vehicle owner's insurer, or the
9.5 shared motor vehicle driver's insurer to facilitate a claim coverage investigation, settlement,
9.6 negotiation, or litigation. The peer-to-peer car sharing program must retain the records for
9.7 a time period not less than the applicable personal injury statute of limitations.

9.8 Subd. 5. **Exemption; vicarious liability.** A peer-to-peer car sharing program and a
9.9 shared motor vehicle owner are exempt from vicarious liability in accordance with United
9.10 States Code, title 49, section 30106, and under any state or local law that imposes liability
9.11 solely based on vehicle ownership.

9.12 Subd. 6. **Contribution against indemnification.** A motor vehicle insurer that defends
9.13 or indemnifies a claim against a shared motor vehicle that is excluded under the terms of
9.14 the shared motor vehicle's policy has the right to seek recovery against the motor vehicle
9.15 insurer of the peer-to-peer car sharing program if the claim is: (1) made against the shared
9.16 motor vehicle owner or the shared motor vehicle driver for loss or injury that occurs during
9.17 the car sharing period; and (2) excluded under the terms of the shared motor vehicle's policy.

9.18 Subd. 7. **Insurable interest.** (a) Notwithstanding any other law, statute, rule, or regulation
9.19 to the contrary, a peer-to-peer car sharing program must have an insurable interest in a
9.20 shared motor vehicle during the car sharing period.

9.21 (b) Nothing in this subdivision creates liability on a peer-to-peer car sharing program
9.22 to maintain the coverage mandated by subdivision 1.

9.23 (c) A peer-to-peer car sharing program may own and maintain as the named insured one
9.24 or more motor vehicle liability insurance policies that separately or in combination provides
9.25 coverage for:

9.26 (1) liabilities assumed by the peer-to-peer car sharing program under a peer-to-peer car
9.27 sharing program agreement;

9.28 (2) any liability of the shared motor vehicle owner;

9.29 (3) damage or loss to the shared motor vehicle; or

9.30 (4) any liability of the shared motor vehicle driver.

9.31 (d) A policy that provides the insurance described in paragraph (c), clauses (2) and (4),
9.32 must expressly provide liability coverage, without prior notice to the insurer, for all shared

10.1 motor vehicles during the car sharing period, subject to any conditions or exclusions permitted
10.2 by this section.

10.3 (e) The insurance described in paragraph (c) may be issued by any authorized insurer
10.4 or any eligible surplus lines insurer.

10.5 (f) A peer-to-peer car sharing company is not required to itemize or charge the shared
10.6 vehicle owner or shared vehicle driver the amount payable as premium under any insurance
10.7 described in paragraph (c) that is allocable to coverage provided to the shared vehicle driver
10.8 or the shared vehicle owner, if:

10.9 (1) in the case of the shared vehicle owner, the provided insurance is included without
10.10 additional or itemized charge in the fee charged by the peer-to-peer car sharing company
10.11 for the applicable car share reservation, including any financial protection package authorized
10.12 under section 65B.94; and

10.13 (2) in the case of the shared vehicle driver, the provided insurance is included without
10.14 additional or itemized charge in the cost of the reservation of the shared motor vehicle,
10.15 including any financial protection package authorized under section 65B.94.

10.16 (g) Notwithstanding any other law or rule to the contrary, a peer-to-peer car sharing
10.17 company is not engaged in the sale, negotiation, solicitation, or offer of insurance by
10.18 providing or offering to provide coverage to a shared vehicle owner or shared vehicle driver
10.19 under a policy of insurance maintained by the peer-to-peer car sharing program pursuant
10.20 to paragraph (c), including describing the coverage provided and allowing the shared vehicle
10.21 owner or shared vehicle driver to select among coverage limits.

10.22 **Sec. 5. [65B.93] PHYSICAL DAMAGE PROGRAM.**

10.23 Subdivision 1. **Contractual assumption of risk.** (a) A peer-to-peer car sharing program
10.24 may enter into a contract with a shared vehicle owner pursuant to the peer-to-peer car sharing
10.25 program agreement, for a fee, to contractually assume some or all of the shared motor vehicle
10.26 owner's risk of loss due to physical damage to the shared motor vehicle during the time that
10.27 the shared motor vehicle is in custody of the shared vehicle driver or peer-to-peer car sharing
10.28 program.

10.29 (b) Contractual assumption of risk is not considered physical damage insurance or the
10.30 transaction of the business of insurance in Minnesota.

10.31 (c) Assumption of risk may include loss due to wear and tear, the cost of a substitute
10.32 vehicle, towing, or other losses directly related to the sharing of the vehicle through the
10.33 peer-to-peer car sharing program.

11.1 Subd. 2. **Collision damage waiver.** A peer-to-peer car sharing program may enter into
 11.2 a contract with a shared vehicle driver pursuant to which the peer-to-peer car sharing program
 11.3 agrees, for a charge, to contractually assume all or part of the shared vehicle driver's liability
 11.4 for physical damage to the shared motor vehicle due to physical damage to the shared motor
 11.5 vehicle during the time that the shared motor vehicle is in custody of the shared vehicle
 11.6 driver. A contractual assumption of liability under this subdivision:

11.7 (1) is not considered physical damage insurance or the transaction of the business of
 11.8 insurance in Minnesota;

11.9 (2) may be referred to as "collision damage waiver," "optional vehicle protection,"
 11.10 "financial protection," or "physical damage protection" or similar descriptive terms; and

11.11 (3) must be on a separate form that includes:

11.12 (i) the terms of the assumption of liability, including but not limited to any conditions
 11.13 or exclusions;

11.14 (ii) notice that coverage to the shared motor vehicle may be covered under the shared
 11.15 vehicle driver's own automobile insurance; and

11.16 (iii) notice that entering into the contract is not mandatory and may be waived.

11.17 Subd. 3. **No requirement to use adjusters.** A peer-to-peer car sharing program is not
 11.18 required to use licensed property damage adjusters or third-party administrators to value or
 11.19 determine losses under a contract issued pursuant to subdivision 1 and value or determine
 11.20 losses based on estimates from independent repair shops or other independent sources.

11.21 Sec. 6. **[65B.94] FINANCIAL PROTECTION PACKAGES.**

11.22 (a) A car sharing program may offer a financial protection package consisting of a
 11.23 combination of any insurance permitted under section 65B.92 and any contractual assumption
 11.24 of physical damage loss or liability permitted under section 65B.93.

11.25 (b) A financial protection package under this section may be identified as a "package"
 11.26 or "financial protection plan" or words of similar description.

11.27 (c) The cost of a financial protection package under this section may be calculated on a
 11.28 daily basis as a percentage of the daily reservation fee.

11.29 (d) Offering a financial protection package under this section is not the sale, solicitation,
 11.30 or negotiation of insurance merely because the package includes insurance.

12.1 **Sec. 7. [65B.95] CONSUMER PROTECTIONS DISCLOSURES.**

12.2 **Subdivision 1. Required disclosures. A car sharing program agreement made in**
12.3 **Minnesota must disclose to the shared motor vehicle owner and the shared motor vehicle**
12.4 **driver:**

12.5 **(1) any right the peer-to-peer car sharing program has to seek indemnification from the**
12.6 **shared motor vehicle owner or the shared motor vehicle driver for economic loss sustained**
12.7 **by the peer-to-peer car sharing program resulting from a breach of the car sharing program**
12.8 **agreement's terms and conditions;**

12.9 **(2) that a motor vehicle liability insurance policy issued to the shared motor vehicle**
12.10 **owner for the shared motor vehicle or to the shared motor vehicle driver does not provide**
12.11 **a defense for or indemnification against any claim asserted by the peer-to-peer car sharing**
12.12 **program;**

12.13 **(3) that the peer-to-peer car sharing program's insurance coverage on the shared motor**
12.14 **vehicle owner and the shared motor vehicle driver is effective only during each car sharing**
12.15 **period, and that the shared motor vehicle driver and the shared motor vehicle owner may**
12.16 **not be covered by insurance for any use of the shared motor vehicle by the shared vehicle**
12.17 **driver after the car sharing termination time;**

12.18 **(4) the daily rate, fees, and, if applicable, any insurance or protection package costs**
12.19 **charged to the shared motor vehicle owner or the shared motor vehicle driver;**

12.20 **(5) that the shared motor vehicle owner's motor vehicle liability insurance might not**
12.21 **provide coverage for a shared motor vehicle;**

12.22 **(6) an emergency telephone number to personnel capable of fielding roadside assistance**
12.23 **and other customer service inquiries; and**

12.24 **(7) whether conditions exist under which a shared motor vehicle driver must maintain**
12.25 **a personal automobile insurance policy, with certain applicable coverage limits on a primary**
12.26 **basis, in order to book a shared motor vehicle.**

12.27 **Subd. 2. Driver's license verification and data retention. (a) A peer-to-peer car sharing**
12.28 **program is prohibited from entering into a peer-to-peer car sharing program agreement with**
12.29 **a driver unless the driver operating the shared motor vehicle:**

12.30 **(1) holds a driver's license issued under chapter 171 that authorizes the driver to operate**
12.31 **vehicles of the shared motor vehicle's class; or**

12.32 **(2) is a nonresident who:**

13.1 (i) has a driver's license issued by the state or country of the driver's residence that
 13.2 authorizes the driver to operate vehicles of the shared motor vehicle's class in the state or
 13.3 country of issuance; and

13.4 (ii) is at least the same age as the age required for a resident to drive in Minnesota; or

13.5 (3) otherwise is specifically authorized by the commissioner of public safety to drive
 13.6 vehicles of the shared motor vehicle's class.

13.7 (b) A peer-to-peer car sharing program must keep a record of:

13.8 (1) the name and address of the shared motor vehicle driver;

13.9 (2) the driver's license number for the shared motor vehicle driver and each other person,
 13.10 if any, who operates the shared motor vehicle; and

13.11 (3) the place the driver's license was issued.

13.12 Subd. 3. **Responsibility for equipment.** A peer-to-peer car sharing program has the
 13.13 sole responsibility for any equipment, including a GPS system or other special equipment,
 13.14 that is installed in or on the vehicle to monitor or facilitate the car sharing transaction. A
 13.15 peer-to-peer car sharing program must indemnify and hold harmless the motor vehicle owner
 13.16 for any damage to or theft of equipment during the car sharing period that is not caused by
 13.17 the shared motor vehicle owner. The peer-to-peer car sharing program may seek indemnity
 13.18 from the shared motor vehicle driver for any loss or damage to equipment that occurs during
 13.19 the car sharing period.

13.20 Subd. 4. **Automobile safety recalls.** (a) At the time when a vehicle owner registers as
 13.21 a shared motor vehicle owner on a peer-to-peer car sharing program and before the shared
 13.22 motor vehicle owner makes a shared motor vehicle available for car sharing on the
 13.23 peer-to-peer car sharing program, the peer-to-peer car sharing program must:

13.24 (1) verify that the shared vehicle does not have any safety recalls on the vehicle for
 13.25 which the repairs have not been made; and

13.26 (2) notify the shared motor vehicle owner of the requirements under paragraph (b).

13.27 (b) If the shared motor vehicle owner has received an actual safety recall notice on the
 13.28 vehicle, a shared motor vehicle owner is prohibited from making a vehicle available as a
 13.29 shared motor vehicle on a peer-to-peer car sharing program until after the safety recall repair
 13.30 has been made. If a shared motor vehicle owner receives an actual safety recall notice on a
 13.31 shared motor vehicle while the shared motor vehicle is made available on the peer-to-peer
 13.32 car sharing program, the shared motor vehicle owner must remove the shared motor vehicle

14.1 from on the peer-to-peer car sharing program as soon as is practicably possible after receiving
14.2 the safety recall notice and until after the safety recall repair has been made. If a shared
14.3 vehicle owner receives an actual safety recall notice while the shared motor vehicle is being
14.4 used or in the possession of a shared motor vehicle driver, the shared vehicle owner must
14.5 notify the peer-to-peer car sharing program about the safety recall as soon as is practicably
14.6 possible after receiving the safety recall notice so the shared motor vehicle owner may
14.7 address the safety recall repair.

14.8 Sec. 8. Minnesota Statutes 2020, section 72A.125, subdivision 1, is amended to read:

14.9 Subdivision 1. **Definitions.** (a) "Auto rental company" means a corporation, partnership,
14.10 individual, or other person that is engaged primarily in the renting of motor vehicles at per
14.11 diem rates. An auto rental company does not include a peer-to-peer car sharing program,
14.12 as defined in section 65B.91, subdivision 8, or shared vehicle owner, as defined in section
14.13 65B.91, subdivision 11.

14.14 (b) "Rental vehicle personal accident insurance" means accident only insurance providing
14.15 accidental death benefits, dismemberment benefits and/or reimbursement for medical
14.16 expenses which is issued by an insurer authorized in this state to issue accident and health
14.17 insurance. These coverages are nonqualified plans under chapter 62E.

14.18 (c) "Liability insurance" means insurance that provides coverage, as applicable, to renters
14.19 and other authorized drivers of rental vehicles for liability arising from the operation of the
14.20 rental vehicle. At the option of the auto rental company, this coverage may include uninsured
14.21 or underinsured motorist coverage whether offered separately or in combination with other
14.22 liability insurance.

14.23 (d) "Personal effects insurance" means coverage, as applicable, to renters and other
14.24 rental vehicle occupants for the loss of, or damage to, personal effects which occurs during
14.25 the rental period.

14.26 Sec. 9. Minnesota Statutes 2020, section 297A.64, subdivision 4, is amended to read:

14.27 Subd. 4. **Exemptions.** (a) The tax and the fee imposed by this section do not apply to a
14.28 lease or rental of (1) a vehicle to be used by the lessee to provide a licensed taxi service;
14.29 (2) a hearse or limousine used in connection with a burial or funeral service; or (3) a van
14.30 designed or adapted primarily for transporting property rather than passengers. The tax and
14.31 the fee imposed under this section do not apply when the lease or rental of a vehicle is
14.32 exempt from the tax imposed under section 297A.62, subdivision 1. The tax and fee imposed

15.1 under this section do not apply to a vehicle that is part of a peer-to-peer car sharing program,
15.2 as defined in section 65B.91, subdivision 8.

15.3 (b) The lessor may elect not to charge the fee imposed in subdivision 2 if in the previous
15.4 calendar year the lessor had no more than 20 vehicles available for lease that would have
15.5 been subject to tax under this section, or no more than \$50,000 in gross receipts that would
15.6 have been subject to tax under this section.

15.7 Sec. 10. **EFFECTIVE DATE.**

15.8 Sections 1 to 9 are effective January 1, 2023.