
A BILL FOR AN ACT

RELATING TO PEER-TO-PEER CAR-SHARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to title 15 to be appropriately designated
3 and to read as follows:

4 **"CHAPTER**

5 **PEER-TO-PEER CAR-SHARING**

6 § -1 **Definitions.** As used in this chapter:

7 "Car-sharing delivery period" means the period of time
8 during which a shared car is being delivered to the location of
9 the car-sharing start time, if applicable, as documented by the
10 governing car-sharing program agreement.

11 "Car-sharing period" means the period of time that
12 commences with the car-sharing delivery period or, if there is
13 no delivery period, that commences with the car-sharing start
14 time and, in either case, ends at the car-sharing termination
15 time.

16 "Car-sharing program agreement" means the terms and
17 conditions applicable to a shared car owner, a shared car



1 driver, and a peer-to-peer car-sharing platform that govern the
2 use of a shared car through a peer-to-peer car-sharing program.

3 "Car-sharing start time" means the time the shared car
4 driver obtains control of a shared car through a peer-to-peer
5 car-sharing program.

6 "Car-sharing termination time" means the earliest of the
7 following events:

- 8 (1) The expiration of the agreed upon period of time
9 established for the use of a shared car according to
10 the terms of the car-sharing program agreement if the
11 shared car is delivered to the location agreed upon in
12 the car-sharing program agreement;
- 13 (2) When the shared car is returned to a location as
14 alternatively agreed upon by the shared car owner and
15 shared car driver as communicated through a peer-to-
16 peer car-sharing program;
- 17 (3) When a shared car, during the car-sharing period,
18 cannot safely or legally be operated and the shared
19 car driver notifies the peer-to-peer car-sharing
20 program that the shared car is inoperable and
21 identifies the location of the shared car;



1 (4) When the shared car is returned to the location agreed
2 upon in the car-sharing agreement or alternatively
3 agreed upon by the shared car owner and the shared car
4 driver upon the shared car driver receiving notice of
5 a safety recall affecting the shared car; or

6 (5) When the shared car owner or the shared car owner's
7 authorized designee takes possession and control of
8 the shared car.

9 "Peer-to-peer car-sharing" means the authorized control and
10 operation of a vehicle by an individual other than the vehicle's
11 owner through a peer-to-peer car-sharing program. For the
12 purposes of assessing a vehicle surcharge tax, "peer-to-peer
13 car-sharing" shall not mean the "business of providing rental
14 motor vehicles to the public" as the phrase is used in section
15 251-3.

16 "Peer-to-peer car-sharing program" means any person that
17 connects vehicle owners with drivers to enable the sharing of
18 vehicles for financial consideration. "Peer-to-peer car-sharing
19 program" shall not include a "car-sharing organization" as
20 defined in section 251-1.



1 "Peer-to-peer car-sharing program" does not include a
2 "transportation network company" as defined in section
3 431:1C-701. "Peer-to-peer car-sharing program" does not include
4 any person registered and acting as a travel agency pursuant to
5 chapter 468L or any person registered and acting as an activity
6 desk pursuant to chapter 468M.

7 "Shared car" means a motor vehicle that is registered
8 pursuant to chapter 286 and is not owned, controlled, operated,
9 or managed by or registered to the peer-to-peer car-sharing
10 program and is available for sharing through a peer-to-peer car-
11 sharing program.

12 "Shared car driver" means an individual who has been
13 authorized to drive the shared car by the shared car owner under
14 a car-sharing program agreement.

15 "Shared car owner" means the registered owner of a shared
16 car.

17 § -2 Insurance coverage during car-sharing period. (a)
18 A peer-to-peer car-sharing program shall ensure that, during
19 each car-sharing period, the shared car owner and the shared car
20 driver shall be insured under a motor vehicle insurance policy



1 that provides insurance coverage in amounts no less than the
2 minimum amounts required under section 431:10C-301 and:

- 3 (1) Insurance to pay on behalf of the shared car owner and
4 the shared car driver while the shared car insured
5 under the respective policies is made available and
6 used through a peer-to-peer car-sharing program; and
7 (2) Does not exclude use of a shared car by a shared car
8 driver.

9 (b) A peer-to-peer car-sharing program shall be insured
10 under a policy that provides primary insurance coverage for each
11 shared car available and used through a peer-to-peer car-sharing
12 program in amounts no less than the minimum amounts required for
13 a transportation network driver or a transportation network
14 company under 431:10C-703.

15 (c) In addition to the insurance coverage required by this
16 section, insurance offered by or through a peer-to-peer car
17 sharing program shall comply with chapter 431.

18 § -3 Notification of implications of lien. When a car
19 owner registers as a shared car owner on a peer-to-peer car-
20 sharing program and prior to when the shared car owner makes a
21 shared car available for car-sharing on the peer-to-peer car-



1 sharing program, the peer-to-peer car-sharing program shall
2 notify the shared car owner that, if the shared car has a lien
3 against it, the use of the shared car through a peer-to-peer
4 car-sharing program, including use without physical damage
5 coverage, may violate the terms of the contract with the
6 lienholder.

7 § -4 Exclusions in motor vehicle insurance policies.

8 (a) An authorized insurer that writes motor vehicle insurance
9 in the State may exclude any and all coverage and the duty to
10 defend or indemnify any claim afforded under a shared car
11 owner's or shared car driver's motor vehicle insurance policy,
12 including:

- 13 (1) Liability coverage for bodily injury and property
14 damage;
- 15 (2) Personal injury protection coverage as set forth in
16 section 431:10C-304;
- 17 (3) Uninsured and underinsured motorist coverage;
- 18 (4) Medical payments coverage;
- 19 (5) Comprehensive physical damage coverage; and
- 20 (6) Collision physical damage coverage.



1 (b) Nothing in this chapter shall invalidate or limit an
2 exclusion contained in a motor vehicle insurance policy,
3 including any insurance policy in use or approved for use that
4 excludes coverage for motor vehicles made available for rent,
5 sharing, or hire or for any business use.

6 (c) No peer-to-peer car-sharing program shall make
7 available through its business platform any shared car when the
8 shared car owner's motor vehicle insurance policy excludes any
9 coverage required under this chapter.

10 (d) No peer-to-peer car-sharing program shall make
11 available through its business platform any shared car to a
12 shared car driver when the shared car driver's motor vehicle
13 insurance policy excludes any coverage required under this
14 chapter.

15 § -5 Recordkeeping; use of vehicle in car-sharing. A
16 peer-to-peer car-sharing program shall collect and verify
17 records pertaining to the use of a shared car for each car-
18 sharing program agreement, including dates and times of the car-
19 sharing start time and the car-sharing termination time in the
20 car-sharing program agreement, dates and times of the actual
21 car-sharing start time and car-sharing termination time,



1 itemized descriptions and amounts of all fees and costs charged
2 to the share car driver, itemized descriptions and amounts of
3 all fees and costs paid by the shared car driver, and itemized
4 descriptions and amounts of all fees and costs paid to the
5 shared car owner, the name, and contact information of the
6 shared car owner and the shared car driver, the insurance policy
7 number, effective date, coverage and coverage amounts of the
8 insurance policies of the peer-to-peer car-sharing program,
9 shared car owner, and shared car driver. The peer-to-peer car-
10 sharing program shall retain the records for a time period not
11 less than the six-year statute of limitations period set forth
12 under section 657-1(4). The peer-to-peer car sharing program
13 shall provide upon request the information required in this
14 section, and any information relating to the peer-to-peer
15 program agreement in its possession and control, to the shared
16 car owner, the shared car owner's insurer, the shared car driver
17 or the shared car driver's insurer to facilitate a claim
18 coverage investigation.

19 § -6 Contribution against indemnification. A motor
20 vehicle insurer that defends or indemnifies a claim against a
21 shared car that is excluded under the terms of its policy shall



1 have the right to seek contribution against the motor vehicle
2 insurer of the peer-to-peer car-sharing program if the claim is:

- 3 (1) Made against the shared car owner or the shared car
4 driver for loss or injury that occurs during the car-
5 sharing period; and
- 6 (2) Excluded under the terms of its policy.

7 **§ -7 Insurable interest.** (a) Notwithstanding any other
8 law, statute, or rule to the contrary, a peer-to-peer car-
9 sharing program shall have an insurable interest in a shared car
10 during the car-sharing period.

11 (b) In addition to the insurance coverage mandated by
12 section -2, a peer-to-peer car-sharing program may own and
13 maintain as the named insured one or more policies of motor
14 vehicle insurance that provides coverage for:

- 15 (1) Liabilities assumed by the peer-to-peer car-sharing
16 program under a peer-to-peer car-sharing program
17 agreement;
- 18 (2) Any liability of the shared car owner; or
- 19 (3) Damage or loss to the shared car or any liability of
20 the shared car driver.



1 § -8 Required disclosures and notices. For each shared
2 car participating in a car-sharing program agreement on its
3 platform, a peer-to-peer car-sharing program shall:

4 (1) Provide, prior to the execution of a car-sharing
5 program agreement, the shared car owner and shared car
6 driver with the terms and conditions of the car-
7 sharing program agreement;

8 (2) Disclose to the shared car driver, prior to the
9 execution of a car-sharing program agreement, all
10 costs or fees that are to be charged to the shared car
11 driver under the car-sharing program agreement,
12 including all costs or fees for mandatory insurance
13 coverage charged by the peer-to-peer car-sharing
14 program;

15 (3) Disclose to the shared car owner, prior to the
16 execution of a car-sharing program agreement, all
17 costs or fees that are to be charged to the shared car
18 owner under the car-sharing program agreement,
19 including all costs or fees for mandatory insurance
20 coverage charged by the peer-to-peer car-sharing
21 program;



1 (4) Provide a twenty-four hour emergency telephone number
2 for a person capable of facilitating roadside
3 assistance for the shared car driver;

4 (5) Disclose any right of the peer-to-peer car-sharing
5 program to seek indemnification from the shared car
6 owner or the shared car driver for economic loss
7 sustained by the car-sharing program caused by a
8 breach of the car-sharing program agreement; the peer-
9 to-peer car-sharing program shall require the shared
10 car owner and the shared car driver to specifically
11 and separately acknowledge notice of the disclosure
12 prior to execution of a car-sharing program agreement;

13 (6) Disclose that a motor vehicle insurance policy issued
14 to the shared car owner for the shared car or to the
15 shared car driver does not provide a defense or
16 indemnification for any claim asserted by the peer-to-
17 peer car-sharing program; the peer-to-peer car-sharing
18 program shall require the shared car owner and the
19 shared car driver to specifically and separately
20 acknowledge notice of the disclosure prior to
21 execution of a car-sharing program agreement;



- 1 (7) Disclose that the peer-to-peer car-sharing program's
2 insurance coverage on the shared car owner and the
3 shared car driver is in effect only during each
4 sharing period and that the shared car may not have
5 insurance coverage for use of the shared car by the
6 shared car driver after the sharing termination time;
7 the peer-to-peer car-sharing program shall require the
8 shared car owner and the shared car driver to
9 specifically and separately acknowledge notice of the
10 disclosure prior to execution of a car-sharing program
11 agreement;
- 12 (8) Disclose any insurance or protection package costs
13 that are charged to the shared car owner or the shared
14 car driver; the peer-to-peer car-sharing program shall
15 require the shared car owner and the shared car driver
16 to specifically and separately acknowledge notice of
17 the disclosure prior to execution of a car-sharing
18 program agreement;
- 19 (9) Disclose that if the shared car owner's or shared car
20 driver's motor vehicle insurance policy does not
21 provide or excludes coverage for a shared car then the



1 shared car owner and the shared car driver are
2 prohibited from participating in the peer-to-peer car-
3 sharing program;

4 (10) Disclose to the shared car driver any conditions in
5 which the shared car driver is required to maintain a
6 motor vehicle insurance policy as the primary coverage
7 for the shared car in order to drive a shared car; and

8 (11) Disclose that a shared car owner shall be permitted to
9 obtain insurance that provides coverage for loss of
10 use of a shared car.

11 § -9 Driver's license verification and data retention.

12 (a) A peer-to-peer car-sharing program shall not enter into a
13 car-sharing program agreement with a shared car driver unless
14 the shared car driver:

15 (1) Holds a valid driver's license issued under section
16 286-102 that authorizes the shared car driver to
17 operate motor vehicles of the class of the shared car;

18 (2) Is a nonresident who:

19 (A) Has a valid driver's license issued by the state
20 or country of the driver's residence that
21 authorizes the shared car driver in that state or



1 country to drive motor vehicles of the class of
2 the shared car; provided that the foreign
3 driver's license is accepted by the State; and

4 (B) Is at least the same age as that required of a
5 resident to drive; or

6 (3) Otherwise is specifically authorized to drive vehicles
7 of the class of the shared car; and

8 (4) Has obtained insurance required by section -2.

9 (b) A peer-to-peer car-sharing program shall record:

10 (1) The name and address of the shared car driver; and

11 (2) The place of issuance and number of the driver's
12 license of the shared car driver and each other
13 person, if any, who will operate the shared car.

14 § -10 Responsibility for equipment and shared car. (a)

15 A peer-to-peer car-sharing program shall have sole
16 responsibility for any equipment, such as a global positioning
17 system or other special equipment that is put in or on the
18 shared car to monitor or facilitate the car-sharing transaction,
19 and shall agree to indemnify and hold harmless the shared car
20 owner or shared car driver for any damage to or theft of the
21 equipment during the car-sharing period.



1 (b) A shared car owner has the right to seek indemnity
2 from the peer-to-peer car-sharing program for any loss or damage
3 to a shared car that occurs as a result of any equipment, such
4 as a global positioning system or other special equipment, that
5 is put in or on a vehicle to monitor or facilitate the car
6 sharing.

7 (c) A shared car driver has the right to seek indemnity
8 from the peer-to-peer car-sharing program for any loss or damage
9 that occurs as a result of any equipment, such as a global
10 positioning system or other special equipment, that is put in or
11 on a vehicle to monitor or facilitate the car sharing.

12 (d) No peer-to-peer car-sharing program or shared car
13 owner shall require a shared car driver to make an advance
14 deposit in any form, including an advance charge against the
15 credit card of a shared car driver, for damages to a shared car
16 occurring during the car-sharing period. No peer-to-peer car-
17 sharing program or shared car owner shall require any payment
18 for damages to a shared car occurring during the car-sharing
19 period until after the cost to repair shared car damages and
20 liability therefor is agreed to by the shared car driver or is
21 determined pursuant to law.



1 (e) No peer-to-peer car-sharing program or shared car
2 owner shall charge a shared car driver more than the cost of the
3 parts and labor necessary to repair damages to a shared car
4 occurring during the car-sharing period, if the vehicle is
5 repaired; The costs to repair the damages to the shared car
6 shall be in accordance with standard practice in the motor
7 vehicle industry in the community.

8 (f) No peer-to-peer car-sharing program or shared car
9 owner shall charge a shared car driver more than the actual cash
10 value of a vehicle determined in accordance with standard
11 practice in the motor vehicle insurance industry, if the share
12 car damaged during the car-sharing period is declared a total
13 loss.

14 § -11 Motor vehicle safety recalls. (a) A peer-to-peer
15 car-sharing program shall:

16 (1) Verify that no safety recalls exist for each shared
17 car available for peer-to-peer car-sharing through the
18 peer-to-peer car-sharing program;

19 (2) Verify that all repairs of the safety recall have been
20 completed for each shared car before each car-sharing
21 start time;



- 1 (3) Shall immediately notify the shared car driver of any
2 safety recall affecting the shared car so that the
3 shared car may be removed from use until the shared
4 car owner effects the necessary safety recall repair.
5 Continued use of the shared car by the shared car
6 driver pursuant to the car-sharing program agreement
7 shall not indemnify the peer-to-peer sharing program
8 or share car owner from loss arising out of such use
9 of the shared car by the shared car driver;
- 10 (4) Make no vehicle available for car-sharing that is
11 subject to a safety recall and the safety recall
12 repair has not been completed; and
- 13 (5) Prior to each car-sharing period, notify the shared
14 car owner of the requirements under subsection (b).
- 15 (b) A shared car owner shall:
- 16 (1) Not make the shared car available for use through a
17 peer-to-peer car-sharing program if the shared car
18 owner has received notice of a safety recall on the
19 shared car, until the safety repair has been
20 completed;



1 (2) Remove any vehicle listed for use through a peer-to-
2 peer car-sharing program upon receipt of notice of a
3 safety recall as soon as practicably possible but no
4 longer than forty-eight hours after receipt of notice
5 of a safety recall; and

6 (3) Notify the peer-to-peer car-sharing program of a
7 safety recall within forty-eight hours of receipt of a
8 safety recall when the vehicle is in the possession of
9 a shared car driver.

10 § -12 Department of transportation; airports division;
11 contract or agreement; rules. A peer-to-peer car-sharing
12 program shall enter into a contract or other agreement with the
13 airports division of the department of transportation pursuant
14 to section 261-7(a) prior to operating at any airport in the
15 State. A peer-to-peer car-sharing program shall comply with all
16 rules of the airports division of the department of
17 transportation.

18 § -13 Additional mandatory charges prohibited. (a)
19 Prior to the execution of a car-sharing agreement, the peer-to-
20 peer car-sharing program shall disclose to the shared car driver
21 the total cost to be charged to the shared car driver that shall



1 include the total cost as well as itemized descriptions of the
2 amount of each charge that is required as a condition to the
3 peer-to-peer car-sharing program agreement. The peer-to-peer
4 car-sharing program shall disclose as part of any quotations of
5 price, including all quotations contained in advertising or
6 through online quotations, all costs that a shared car driver is
7 required to pay as part of the car-sharing program agreement.

8 (b) A peer-to-peer car-sharing program shall separately
9 disclose the cost of any insurance offered to a shared car owner
10 or shared car driver by or through the peer-to-peer car-sharing
11 program. The cost of insurance shall be included in the total
12 cost to be disclosed to a shared car driver required by (a).

13 (c) A peer-to-peer car-sharing program and shared car
14 owner shall not visibly pass on any costs or expenses incurred
15 by the peer-to-peer car-sharing program or shared car owner
16 relating to ownership, maintenance or operation of the shared
17 car or participation in or operation of the peer-to-peer car
18 sharing program.

19 § -14 Civil penalties. Any person who violates or
20 attempts to violate any provision of this chapter shall be
21 deemed to have engaged in an unfair or deceptive act or practice



1 in the conduct of trade or commerce within the meaning of
2 section 480-2."

3 SECTION 2. Chapter 251, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§251- Rental motor vehicle marketplace facilitators.

7 (a) A rental motor vehicle marketplace facilitator, as defined
8 under section 251-1, shall be subject to the tax levied under
9 section 251-2(a) for rental motor vehicles rented or leased by
10 rental motor vehicle lessors through its forum.

11 (b) Any person other than a rental motor vehicle
12 marketplace facilitator who provides a forum, whether physical
13 or electronic, in which rental motor vehicle lessors list or
14 advertise rental motor vehicles for lease and takes or processes
15 lease orders shall:

16 (1) Post a conspicuous notice on its forum that informs
17 rental motor vehicle lessors intending to lease rental
18 motor vehicles in this State that the rental motor
19 vehicle lessor is required to pay the rental motor
20 vehicle and tour vehicle surcharge tax under section
21 251-2; and



1 (2) No later than the twentieth day of the fourth month
2 following the close of the taxable year, submit a
3 report to the department that includes, with respect
4 to each rental motor vehicle lessor, the following:
5 (A) The rental motor vehicle lessor's name, billing
6 address, and mailing address;
7 (B) The address in this State at which the rental
8 motor vehicle was delivered to the lessee; and
9 (C) The aggregate dollar amount of the lessee's
10 leases from the lessor;
11 provided that the person, in lieu of complying with the notice
12 and reporting requirements in this subsection, may elect to be
13 deemed the rental motor vehicle lessor as provided in subsection
14 (a).
15 (c) Any person who fails to comply with subsection (b) and
16 has not elected to be deemed the rental motor vehicle lessor,
17 unless it is shown that the failure is due to reasonable cause
18 and not due to neglect, shall be assessed a penalty of \$1,000 if
19 the failure is for not more than one month, with an additional
20 \$1,000 for each additional month or fraction thereof during



1 which the failure continues, not to exceed \$12,000 in the
2 aggregate.

3 (d) Notwithstanding subsections (a) and (b), this section
4 shall not apply to transactions involving rental motor vehicles
5 leased by a lessor, who in any single month in the past twelve
6 months, has leased one or more rental motor vehicles for thirty
7 or more days or portions of days in the aggregate.

8 For purposes of this subsection, the term "lessor" does not
9 include a rental motor vehicle marketplace facilitator."

10 SECTION 3. Section 251-1, Hawaii Revised Statutes, is
11 amended by adding a new definition to be appropriately inserted
12 and to read as follows:

13 "Rental motor vehicle marketplace facilitator" means any
14 person, other than a rental motor vehicle lessor, who assists in
15 the lease of rental motor vehicles on behalf of a rental motor
16 vehicle lessor by:

17 (1) Providing a forum, whether physical or electronic, in
18 which lessors list or advertise the lease of rental
19 motor vehicles; and



1 (2) Collecting payment from the rental motor vehicle
2 lessee, either directly or indirectly through an
3 agreement with a third party."

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2050.



H.B. NO. 1833
H.D. 2
S.D. 1

Report Title:

Peer-to-Peer Car-sharing; Authorized; DOT; Surcharge Tax; State Highway Fund

Description:

Authorizes and regulates peer-to-peer car-sharing. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

