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4 SYNOPSIS:

5           This bill would authorize peer-to-peer car  
6           sharing programs, which are business platforms that  
7           connect vehicle owners with drivers, to enable the  
8           sharing of vehicles for financial consideration in this  
9           state.

10           This bill would also provide requirements for  
11           the operation of a peer-to-peer car sharing program,  
12           including insurance requirements, notification  
13           requirements, tax requirements, recordkeeping and  
14           reporting requirements, liability requirements,  
15           consumer protection disclosure requirements, and safety  
16           recall requirements.

17  
18  
19                           A BILL  
20                           TO BE ENTITLED  
21                           AN ACT

22  
23           Relating to motor vehicles; to establish the  
24           Peer-to-Peer Car Sharing Program Act; to provide requirements  
25           for the operation of peer-to-peer car sharing programs; and to  
26           amend Section 40-12-222, Code of Alabama 1975, to provide for  
27           the taxation of peer-to-peer car sharing programs under  
28           certain conditions.



BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 1 through 14 of this act shall be known and may be cited as the Peer-to-Peer Car Sharing Program Act.

Section 2. As used in Sections 1 through 14 of this act, the following words have the following meanings:

(1) CAR SHARING DELIVERY PERIOD. 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 governing peer-to-peer car sharing program agreement.

(2) CAR SHARING PERIOD. The period of time that commences with the 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.

(3) CAR SHARING START TIME. The time when the shared vehicle becomes subject to the control of the shared vehicle driver at or after the time the reservation of a shared vehicle is scheduled to begin, as documented in the records of a peer-to-peer car sharing program.

(4) CAR SHARING TERMINATION TIME. The earliest of the following events:

a. The expiration of the agreed-upon period of time established for the use of a shared vehicle according to the terms of the peer-to-peer car sharing program agreement, if the shared vehicle is delivered to the agreed upon location in the agreement.



57           b. When the shared vehicle is returned to a location as  
58 alternatively agreed upon by the shared vehicle owner and the  
59 shared vehicle driver as communicated through a peer-to-peer  
60 car sharing program, if the alternatively agreed upon location  
61 is incorporated into the peer-to-peer car sharing program  
62 agreement.

63           c. When the shared vehicle owner, or the shared vehicle  
64 owner's authorized designee, takes possession and control of  
65 the shared vehicle.

66           (5) PEER-TO-PEER CAR SHARING. The authorized use of a  
67 vehicle by an individual other than the vehicle's owner  
68 through a peer-to-peer car sharing program. The term does not  
69 include any of the following:

70           a. A rental or leasing transaction of tangible personal  
71 property which is subject to Article 4 of Chapter 12 of Title  
72 40, Code of Alabama 1975, except as provided by Section  
73 40-12-222(a)(2)b.1., Code of Alabama 1975.

74           b. Hiring, leasing, or renting a motor vehicle under a  
75 rental agreement governed by Section 32-15-6, Code of Alabama  
76 1975.

77           (6) PEER-TO-PEER CAR SHARING PROGRAM. A business  
78 platform that connects vehicle owners with drivers to enable  
79 the sharing of vehicles for financial consideration. The term  
80 does not include any of the following:

81           a. A person engaging or continuing within this state in  
82 the business of leasing or renting any automotive vehicle or  
83 truck trailer, semitrailer, or house trailer that is subject  
84 to Article 4 of Chapter 12 of Title 40, Code of Alabama 1975.



85           b. A person facilitating a rental transaction of  
86 tangible personal property which is subject to Article 4 of  
87 Chapter 12 of Title 40, Code of Alabama 1975, except as  
88 provided by Section 40-12-222(a)(2)b.1., Code of Alabama 1975.

89           c. A motor vehicle rental company licensed pursuant to  
90 Section 27-7-5.1, Code of Alabama 1975.

91           d. A person facilitating rental transactions as  
92 described in Section 40-2-11(a)(7)c., Code of Alabama 1975.

93           (7) PEER-TO-PEER CAR SHARING PROGRAM AGREEMENT. The  
94 terms and conditions applicable to a shared vehicle owner and  
95 a shared vehicle driver that govern the use of a shared  
96 vehicle through a peer-to-peer car sharing program. The term  
97 does not include any of the following:

98           a. A motor vehicle rental agreement governed by Section  
99 32-15-6, Code of Alabama 1975.

100           b. A rental agreement with a motor vehicle rental  
101 company licensed pursuant to Section 27-7-5.1, Code of Alabama  
102 1975.

103           (8) SHARED VEHICLE. A vehicle that is available for  
104 sharing through a peer-to-peer car sharing program. The term  
105 does not include an automotive vehicle or a truck trailer,  
106 semitrailer, or house trailer that is subject to Article 4 of  
107 Chapter 12 of Title 40, Code of Alabama 1975, except as  
108 provided by Section 40-12-222(a)(2)b.1., Code of Alabama 1975.

109           (9) SHARED VEHICLE DRIVER. An individual who has been  
110 authorized to drive a shared vehicle by the shared vehicle  
111 owner under a peer-to-peer car sharing program agreement. The  
112 term does not include a person hiring, leasing, or renting a



motor vehicle under a rental agreement with a motor vehicle rental company licensed pursuant to Section 27-7-5.1, Code of Alabama 1975, or under a rental agreement governed by Section 32-15-6, Code of Alabama 1975.

(10) SHARED VEHICLE OWNER. The registered owner, or a person or entity designated by the registered owner, of a vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program. The term does not include any of the following:

a. A lessor that is subject to Article 4 of Chapter 12 of Title 40, Code of Alabama 1975, except as provided by Section 40-12-222(a)(2)b.1., Code of Alabama 1975.

b. A motor vehicle rental company licensed pursuant to Section 27-7-5.1, Code of Alabama 1975.

Section 3. (a) Except as provided in subsection (b), a peer-to-peer car sharing program shall assume liability of a shared vehicle owner for bodily injury or property damage to third parties during the car sharing period in an amount stated in the peer-to-peer car sharing program agreement. The amount shall not be less than the proof of financial responsibility required under Chapter 7 of Title 32, Code of Alabama 1975.

(b) Notwithstanding the definition of "car sharing termination time," the assumption of liability under subsection (a) does not apply to any shared vehicle owner under either of the following circumstances:

(1) When a shared vehicle owner makes an intentional or fraudulent material misrepresentation or omission to the



141 peer-to-peer car sharing program before the car sharing period  
142 in which the loss occurred.

143 (2) When a shared vehicle owner acts in concert with a  
144 shared vehicle driver who fails to return the shared vehicle  
145 pursuant to the terms of the peer-to-peer car sharing program  
146 agreement.

147 (c) Notwithstanding the definition of "car sharing  
148 termination time," the assumption of liability under  
149 subsection (a) applies to bodily injury or property damage to  
150 third parties as required under Chapter 7 of Title 32, Code of  
151 Alabama 1975.

152 (d) A peer-to-peer car sharing program shall ensure  
153 that during each car sharing period the shared vehicle owner  
154 and the shared vehicle driver are insured under a motor  
155 vehicle liability insurance policy that does all of the  
156 following:

157 (1) Provides insurance coverage in amounts no less than  
158 the minimum amounts required for proof of financial  
159 responsibility described under Section 32-7-2, Code of Alabama  
160 1975.

161 (2) Does either of the following:

162 a. Recognizes that the shared vehicle insured under the  
163 policy is made available and used through a peer-to-peer car  
164 sharing program.

165 b. Does not exclude the use of a shared vehicle by a  
166 shared vehicle driver.

167 (e) The insurance required under subsection (d) may be  
168 purchased by any of the following:



(1) A shared vehicle owner.

(2) A shared vehicle driver.

(3) A peer-to-peer car sharing program.

(4) Any combination of a shared vehicle owner, a shared vehicle driver, or a peer-to-peer car sharing program.

(f) The insurance described in subsection (e), that is satisfying the requirement of subsection (d), shall be primary during each car sharing period. If a claim occurs in another state with minimum financial responsibility limits higher than those described in Section 32-7-2, Code of Alabama 1975, during the car sharing period, the insurance maintained under subsection (e) shall satisfy the difference in minimum coverage amounts, up to the applicable policy limits.

(g) The insurer, insurers, or peer-to-peer car sharing program providing coverage under subsection (d) or (e) shall assume primary liability for a claim when either of the following occurs:

(1) A dispute exists as to who was in control of the shared vehicle at the time of the loss and the peer-to-peer car sharing program does not have available, did not retain, or fails to provide the information required by Section 6.

(2) A dispute exists as to whether the shared vehicle was returned to the alternatively agreed upon location as required under Section 2(4)b.

(h) If insurance purchased by a shared vehicle owner or shared vehicle driver pursuant to subsection (e) has lapsed or does not provide the required coverage, insurance maintained by a peer-to-peer car sharing program shall provide the



coverage required by subsection (d) beginning with the first dollar of a claim and shall have the duty to defend the claim except under circumstances as set forth in subsection (b).

(i) Coverage under an automobile insurance policy maintained by the peer-to-peer car sharing program may not be dependent on another automobile insurer first denying a claim and may not require another automobile insurance policy to first deny a claim.

(j) Nothing in this section does either of the following:

(1) Limits the liability of a peer-to-peer car sharing program for any act or omission of the peer-to-peer car sharing program which results in injury to any person as a result of the use of a shared vehicle through a peer-to-peer car sharing program.

(2) Limits the ability of the peer-to-peer car sharing program to seek indemnification, by contract, from the shared vehicle owner or the 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 peer-to-peer car sharing program agreement.

Section 4. When the owner of a vehicle registers as a shared vehicle owner on a peer-to-peer car sharing program, and before the owner makes a vehicle available for peer-to-peer car sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing program shall notify the owner that, if the vehicle has a lien against the vehicle, the use of the vehicle through the peer-to-peer car sharing





program, including use without physical damage coverage, may violate the terms of the contract with the lienholder.

Section 5. (a) An authorized insurer that writes motor vehicle liability 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 motor vehicle liability insurance policy, including, but not limited to, all of the following:

(1) Liability coverage for bodily injury and property damage.

(2) Personal injury protection coverage.

(3) Uninsured and underinsured motorist coverage.

(4) Medical payments coverage.

(5) Comprehensive physical damage coverage.

(6) Collision physical damage coverage.

(b) Nothing in Sections 1 through 14 of this act invalidates, limits, or restricts any of the following:

(1) An exclusion contained in a motor vehicle liability insurance policy, including any insurance policy in use or approved for use, which excludes coverage for motor vehicles made available for rent, sharing, hire, or for any business use.

(2) An insurer's ability under existing law to underwrite any insurance policy.

(3) An insurer's ability under existing law to cancel and nonrenew policies.

Section 6. (a) A peer-to-peer car sharing program shall collect and verify records pertaining to the use of all shared



vehicles used in a peer-to-peer car sharing program,  
including, but not limited to, all of the following:

- (1) The number of times the shared vehicle is used.
- (2) Car sharing period pick up and drop off locations.
- (3) Fees paid by the shared vehicle driver.
- (4) Revenues received by the shared vehicle owner.

(b) To facilitate a claim coverage investigation,  
settlement, negotiation, or litigation, the peer-to-peer car  
sharing program, upon request, shall provide the records  
collected under subsection (a) to the shared vehicle owner,  
the shared vehicle owner's insurer, or the shared vehicle  
driver's insurer.

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

Section 7. A peer-to-peer car sharing program and a  
shared vehicle owner shall be exempt from vicarious liability,  
consistent with 49 U.S.C. § 30106, under any state or local  
law that imposes liability solely based on vehicle ownership.

Section 8. A motor vehicle insurer that defends or  
indemnifies a claim against a shared vehicle that is excluded  
under the terms of its policy shall have the right to seek  
contribution from the motor vehicle insurer of the  
peer-to-peer car sharing program if the claim is both of the  
following:

- (1) Made against the shared vehicle owner or the shared  
vehicle driver for loss or injury that occurs during the car  
sharing period.



(2) Excluded under the terms of its policy.

Section 9. (a) Notwithstanding any law to the contrary, a peer-to-peer car sharing program shall have an insurable interest in a shared vehicle during the car sharing period.

(b) Nothing in this section shall create liability on a peer-to-peer car sharing program to maintain the coverage mandated by Section 3.

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

(1) Liabilities assumed by the peer-to-peer car sharing program under a peer-to-peer car sharing program agreement.

(2) Any liability of the shared vehicle owner.

(3) Damage or loss to the shared motor vehicle.

(4) Any liability of the shared vehicle driver.

Section 10. Each peer-to-peer car sharing program agreement made in this state shall disclose to the shared vehicle owner and the shared vehicle driver all of the following:

(1) Any right of the peer-to-peer car sharing program to seek indemnification from the shared vehicle owner or the 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 peer-to-peer car sharing program agreement.

(2) That a motor vehicle liability insurance policy issued to the shared vehicle owner for the shared vehicle or



to the shared vehicle driver does not provide a defense or indemnification for any claim asserted by the peer-to-peer car sharing program.

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

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

(5) That the shared vehicle owner's motor vehicle liability insurance may not provide coverage for a shared vehicle.

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

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

(8) The tire requirements for motor vehicles operated on the highways of the state under Section 32-5-210, Code of Alabama 1975.

Section 11. (a) A peer-to-peer car sharing program may not enter into a peer-to-peer car sharing program agreement



with an individual who will operate a shared vehicle unless the individual meets any of the following requirements:

(1) Is 18 years of age or older and holds a driver license issued under Section 32-6-1, Code of Alabama 1975, which authorizes him or her to operate vehicles of the class of the shared vehicle.

(2) Is a nonresident who meets both of the following requirements:

a. Has a driver license issued by the state or country of his or her residence which authorizes him or her to drive vehicles of the class of the shared vehicle.

b. Is 18 years of age or older.

(3) Is 18 years of age or older and is specifically authorized by Section 32-6-2, Code of Alabama 1975, to drive vehicles of the class of the shared vehicle.

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

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

(2) A copy of the driver license of the shared vehicle driver and each other person, if any, who will operate the shared vehicle.

(3) The place of issuance of the driver license.

Section 12. (a) A peer-to-peer car sharing program shall have sole responsibility for any equipment, including a Global Positioning System or other special equipment, that is placed in or on the shared vehicle to monitor or facilitate the car sharing transaction.

(b) A peer-to-peer car sharing program shall indemnify



and hold harmless the shared vehicle owner for any damage to or theft of such equipment during the car sharing period not caused by the shared vehicle owner.

(c) A peer-to-peer car sharing program may seek indemnity from the shared vehicle driver for any loss or damage to such equipment that occurs during the car sharing period.

Section 13. (a) When a vehicle owner registers as a shared vehicle owner on a peer-to-peer car sharing program, and before a shared vehicle owner makes a shared vehicle available for peer-to-peer car sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing program shall do both of the following:

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

(2) Notify the shared vehicle owner of the requirements under subsection (b).

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

(2) If a shared vehicle owner receives an actual notice of a safety recall on a shared vehicle while the shared vehicle is made available on the peer-to-peer car sharing program, the shared vehicle owner shall change the status of the vehicle to unavailable as soon as practicably possible.



393 The shared vehicle may not be listed as available until the  
394 safety recall repair has been made.

395 (3) If a shared vehicle owner receives an actual notice  
396 of a safety recall on a shared vehicle while the shared  
397 vehicle is in the possession of a shared vehicle driver and  
398 engaged in peer-to-peer car sharing during a car sharing  
399 period, the shared vehicle owner shall notify the peer-to-peer  
400 car sharing program about the safety recall as soon as  
401 practicably possible after receiving the notice of the safety  
402 recall. The shared vehicle may not be listed as available  
403 until the safety recall repair has been made.

404 Section 14. (a) Nothing in Sections 1 through 14 of  
405 this act shall expand or restrict in any manner the respective  
406 rights, obligations, or limitations of motor vehicle  
407 manufacturers and licensed new motor vehicle dealers as set  
408 forth in Chapter 20 of Title 8, Code of Alabama 1975.

409 (b) Nothing in Sections 1 through 14 of this act limits  
410 the right of an airport authority to regulate and impose fees  
411 on peer-to-peer car sharing programs that enable peer-to-peer  
412 car sharing at an airport.

413 Section 15. Section 40-12-222, Code of Alabama 1975, is  
414 amended to read as follows:

415 "§40-12-222

416 (a) (1) In addition to all other taxes now imposed by  
417 law, there is hereby levied and shall be collected a privilege  
418 or license tax on each person engaging or continuing within  
419 this state in the business of leasing or renting tangible  
420 personal property at the rate of four percent of the gross



proceeds derived by the lessor from the lease or rental of tangible personal property.

(2) ~~The~~ a. Except as provided in paragraph b., the privilege or license tax on each person engaging or continuing within this state in the business of leasing or renting any automotive vehicle or truck trailer, semitrailer, or house trailer shall be at the rate of one and one-half percent of the gross proceeds derived by the lessor from the lease or rental of such automotive vehicle or truck trailer, semitrailer, or house trailer.

b.1. For purposes of paragraph a. only, the business of leasing or renting an automotive vehicle includes peer-to-peer car sharing as defined in Section 2 of the act amending this section. The gross proceeds collected by a peer-to-peer car sharing program as the leasing facilitator under Sections 1 through 14 of the act amending this section shall be subject to the tax set forth in paragraph a. only for those transactions where the shared vehicle was not subject to the applicable sales and use taxes upon purchase in the jurisdiction in which the shared vehicle owner purchased the vehicle or if sales and use taxes were not paid at the time of initial titling and registration in this state.

2. The peer-to-peer car sharing program shall require a shared vehicle owner to certify if the shared vehicle owner paid the applicable sales and use taxes upon purchase or at the time of initial titling and registration in this state. The peer-to-peer car sharing program shall retain records regarding a shared vehicle owner's certification that the





shared vehicle meets the sales and use tax exception qualifications of this paragraph.

c. Notwithstanding paragraph b., any local rental tax levied pursuant to Section 45-37-244.01 shall be collected and remitted by any peer-to-peer car sharing program.

(3) The tax levied in this article shall not apply to any leasing or rental, as lessor, by the state, or any municipality or county in the state, or any public corporation organized under the laws of the state, including, without limiting the generality of the foregoing, any corporation organized under ~~the provisions of Sections 11-54-80 through 11-54-101~~ Division 1 of Article 4 of Chapter 54 of Title 11.

(4) The privilege or license tax on each person ~~or firm~~ engaging or continuing within this state in the business of the leasing and rental of linens and garments shall be at the rate of two percent of the gross proceeds derived by the lessor from the lease or rental of the linens and garments.

(b) Notwithstanding subsection (a), nothing shall prohibit a lessor subject to a state or local privilege or license tax from passing the amounts on to a lessee by adding the taxes to the leasing price or otherwise; provided, however, that all amounts passed on to the lessee shall be includable in the gross proceeds derived from the lease of tangible personal property which shall be subject to the privilege or license tax owed by the lessor.

(c) The state and applicable local privilege or license taxes applicable to a lease or rental transaction to which a lessor is subject shall be determined as follows:



(1) Except for automotive vehicles as provided in subdivision (2), the following shall apply:

a. When tangible personal property is delivered to the lessee by the lessor or his or her agent, the privilege or license tax levy shall be determined based on where the property is delivered.

b. When tangible personal property is picked up at the lessor's rental location by the lessee or his or her agent, the privilege or license tax levy shall be determined based on the rental location.

(2) For automotive vehicles required to be registered pursuant to Section 32-6-61, each lease payment is considered a separate lease transaction and occurs in the location as provided below and the following rules shall apply:

a. The privilege or license tax levy on any nonrecurring gross proceeds due at the inception of the lease to a new motor vehicle dealer or a used motor vehicle dealer licensed pursuant to Section 40-12-391, including any capitalized cost reduction or other fee that is retained by the dealer in connection with its initiation of the lease, shall be determined based on the location of the dealer where the lease was initiated.

b. The privilege or license tax levy on gross proceeds other than those described in paragraph a., including the initial lease or rental payment and all subsequent lease or rental payments, shall be determined based on the garage address of the lessee as provided to the county licensing official. The lessor is considered to be engaging or



505 continuing within this state in the business of leasing or  
506 renting tangible personal property when its lessee has a  
507 garage address within this state."

508           Section 16. This act shall become effective on October  
509 1, 2025.