

**SENATE, No. 2979**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED SEPTEMBER 22, 2022

**Sponsored by:**

**Senator JOSEPH P. CRYAN**

**District 20 (Union)**

**Senator GORDON M. JOHNSON**

**District 37 (Bergen)**

**Co-Sponsored by:**

**Senator Singer**

**SYNOPSIS**

“Peer-to-Peer Car Sharing Act.”

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/3/2022)**

1 AN ACT concerning peer-to-peer car sharing and supplementing  
2 Title 39 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. This act shall be known and may be cited as the “Peer-to-  
8 Peer Car Sharing Act.”

9

10 2. As used in this act:

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

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

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

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

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

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

34 (2) when the shared vehicle is returned to a location as  
35 alternatively agreed upon by the shared vehicle owner and shared  
36 vehicle driver as communicated through a peer-to-peer car sharing  
37 program, which alternatively agreed upon location shall be  
38 incorporated into the car sharing program agreement; or

39 (3) when the shared vehicle owner or the shared vehicle owner’s  
40 authorized designee, takes possession and control of the shared  
41 vehicle.

42 “Peer-to-peer car sharing” means the authorized use of a vehicle  
43 by an individual other than the vehicle’s owner through a peer-to-  
44 peer car sharing program. “Peer-to-peer car sharing” shall not mean  
45 rental vehicle or rental company as defined pursuant to section 2 of  
46 P.L.1963, c.44 (C.54:39A-2).

47 “Peer-to-peer car sharing program” means a business platform  
48 that connects vehicle owners with drivers to enable the sharing of

1 vehicles for financial consideration. "Peer-to-peer car sharing  
2 program" shall not include a rental company as defined pursuant to  
3 section 2 of P.L.1963, c.44 (C.54:39A-2).

4 "Shared vehicle" means a motor vehicle and an all-terrain  
5 vehicle, dirt bike, or snowmobile, co-defined pursuant to section 1  
6 of P.L.1951, C.25 (C.39:1-1) and as defined pursuant to section 1 of  
7 P.L.1973, c.307 (C.39:3C-1) respectively, that is available for  
8 sharing through a peer-to-peer car sharing program.

9 (1) A shared vehicle shall not be considered an autocab or taxi  
10 as defined in R.S.48:16-1, a limousine as defined in R.S.48:16-13 or  
11 section 2 of P.L.1997, c.356 (C.48:16-13.1), an autobus or jitney as  
12 defined in R.S.48:16-23, a motor bus as defined in section 1 of  
13 P.L.1991, c.154 (C.17:28-1.5), or any other for-hire vehicle.

14 (2) A shared vehicle shall not be considered an automobile as  
15 defined in subsection a. of section 2 of P.L.1972, c.70 (C.39:6A-2)  
16 during a car sharing period.

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

20 "Shared vehicle owner" means the registered owner, or a person  
21 or entity designated by the registered owner, of a vehicle made  
22 available for sharing to shared vehicle drivers through a peer-to-  
23 peer car sharing program.

24  
25 3. a. A peer-to-peer car sharing program shall assume liability,  
26 except as provided in subsection b. of this section, of a shared  
27 vehicle owner for bodily injury or property damage to third parties  
28 or uninsured and underinsured motorist or personal injury  
29 protection losses during the car sharing period in an amount stated  
30 in the car sharing program agreement which amount shall not be  
31 less than those set forth in section 20 of P.L. 1973, c.307 (C.39:3C-  
32 20), section 2 of P.L.1968, c.385 (C.17:28-1.1), and section 4 of  
33 P.L.1972, c.70 (C. 39:6A-4).

34 b. Notwithstanding the definition of "car sharing termination  
35 time" pursuant to section 1 of P.L. , c. (C. ) (pending before  
36 the Legislature as this bill), the assumption of liability under  
37 subsection a. of this section shall not apply to any shared vehicle  
38 owner when the shared vehicle owner:

39 (1) makes an intentional or fraudulent material  
40 misrepresentation or omission to the peer-to-peer car sharing  
41 program before the car sharing period in which the loss occurred; or

42 (2) acts in concert with a shared vehicle driver who fails to  
43 return the shared vehicle pursuant to the terms of car sharing  
44 program agreement.

45 c. Notwithstanding the definition of "car sharing termination  
46 time" pursuant to section 1 of P.L. , c. (C. ) (pending before  
47 the Legislature as this bill), the assumption of liability under  
48 subsection a. of this section shall apply to bodily injury, property

1 damage, uninsured and underinsured motorist and personal injury  
2 protection losses by damaged third parties required by section 20 of  
3 P.L. 1973, c.307 (C.39:3C-20), section 2 of P.L.1968, c.385  
4 (C.17:28-1.1), and section 4 of P.L.1972, c.70 (C. 39:6A-4).

5 d. A peer-to-peer car sharing program shall ensure that, during  
6 each car sharing period, the shared vehicle owner and the shared  
7 vehicle driver are insured under a motor vehicle liability insurance  
8 policy that provides insurance coverage in amounts no less than the  
9 minimum amounts set forth in section 1 of P.L.1972, c.197  
10 (C.39:6B-1) and:

11 (1) recognizes that the shared vehicle insured under the policy is  
12 made available and used through a peer-to-peer car sharing  
13 program; or

14 (2) does not exclude use of a shared vehicle by a shared vehicle  
15 driver.

16 e. To satisfy the requirements of subsection d. of this section,  
17 motor vehicle liability insurance shall be maintained by:

18 (1) a shared vehicle owner;

19 (2) a shared vehicle driver;

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

21 (4) a shared vehicle owner, a shared vehicle driver, and a peer-  
22 to-peer car sharing program.

23 f. The insurance described in subsection e. of this section shall  
24 be primary during each car sharing period. In the event that a claim  
25 occurs in another state with minimum financial responsibility limits  
26 higher than in section 1 of P.L.1972, c.197 (C.39:6B-1), during the  
27 car sharing period, the coverage maintained under subsection e. of  
28 this section shall satisfy the difference in minimum coverage  
29 amounts, up to the applicable policy limits.

30 g. The insurer, insurers, or peer-to-peer car sharing program  
31 providing coverage under subsection e. of this section shall assume  
32 primary liability for a claim when:

33 (1) a dispute exists as to who was in control of the shared motor  
34 vehicle at the time of the loss and the peer-to-peer car sharing  
35 program does not have available, did not retain, or fails to provide  
36 the information required by section 6 of P.L. , c. (C. )  
37 (pending before the Legislature as this bill); or

38 (2) a dispute exists as to whether the shared vehicle was  
39 returned to the alternatively agreed upon location as allowed under  
40 section 2 of P.L., c. (C. ) (pending before the Legislature as  
41 this bill).

42 h. If insurance maintained by a shared vehicle owner or shared  
43 vehicle driver in accordance with subsection e. of this section has  
44 lapsed or does not provide the required coverage, insurance  
45 maintained by a peer-to-peer car sharing program shall provide the  
46 coverage required by subsection d. of this section, beginning with  
47 the first dollar of a claim, and shall have the duty to defend such

1 claim except under circumstances set forth pursuant to subsection b.  
2 of this section.

3 i. Coverage under an automobile insurance policy maintained  
4 by a peer-to-peer car sharing program shall not be dependent on  
5 another automobile insurer first denying a claim.

6 j. Nothing in P.L. , c. (C. ) (pending before the  
7 Legislature as this bill) shall:

8 (1) limit the liability of the peer-to-peer car sharing program for  
9 any act or omission of the peer-to-peer car sharing program itself  
10 that results in injury to any person as a result of the use of a shared  
11 vehicle through a peer-to-peer car sharing program; or

12 (2) limit the ability of the peer-to-peer car sharing program to,  
13 by contract, seek indemnification from the shared vehicle owner or  
14 the shared vehicle driver for economic loss sustained by the peer-to-  
15 peer car sharing program resulting from a breach of the terms and  
16 conditions of the car sharing program agreement.

17

18 4. At the time when a vehicle owner registers as a shared  
19 vehicle owner on a peer-to-peer car sharing program and prior to  
20 the time when the shared vehicle owner makes a shared vehicle  
21 available for car sharing on the peer-to-peer car sharing program,  
22 the peer-to-peer car sharing program shall notify the shared vehicle  
23 owner that, if the shared vehicle has a lien against it, the use of the  
24 shared vehicle through a peer-to-peer car sharing program,  
25 including use without physical damage coverage, may violate the  
26 terms of the contract with the lienholder.

27

28 5. a. An authorized insurer that writes motor vehicle liability  
29 insurance in the State may exclude any and all coverage and the  
30 duty to defend or indemnify for any claim afforded under a shared  
31 vehicle owner's motor vehicle liability insurance policy, including  
32 but not limited to:

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

34 (2) personal injury protection coverage as defined in section 4 of  
35 P.L.1972, c.70 (C. 39:6A-4);

36 (3) uninsured and underinsured motorist coverage;

37 (4) medical payments coverage;

38 (5) comprehensive physical damage coverage; and

39 (6) collision physical damage coverage.

40 b. Nothing in this section invalidates or limits an exclusion  
41 contained in a motor vehicle liability insurance policy, including  
42 any insurance policy in use or approved for use that excludes  
43 coverage for motor vehicles made available for rent, sharing, or hire  
44 or for any business use.

45 c. Nothing in this section invalidates, limits or restricts an  
46 insurer's ability under existing law to underwrite any insurance  
47 policy. Nothing in this section invalidates, limits or restricts an

1 insurer's ability under existing law to cancel and non-renew  
2 policies.

3  
4 6. A peer-to-peer car sharing program shall collect and verify  
5 records pertaining to the use of a shared vehicle, including, but not  
6 limited to, times used, car sharing period pick up and drop off  
7 locations, fees paid by the shared vehicle driver, and revenues  
8 received by the shared vehicle owner and provide that information  
9 upon request to the shared vehicle owner, the shared vehicle  
10 owner's insurer, or the shared vehicle driver's insurer to facilitate a  
11 claim coverage investigation, settlement, negotiation, or litigation.  
12 The peer-to-peer car sharing program shall retain the records for a  
13 time period not less than the applicable personal injury statute of  
14 limitations.

15  
16 7. A peer-to-peer car sharing program and a shared vehicle  
17 owner shall be exempt from vicarious liability in accordance with  
18 49 U.S.C. s.30106 and under any State law that imposes liability  
19 solely based on vehicle ownership.

20  
21 8. A motor vehicle insurer that defends or indemnifies a claim  
22 against a shared vehicle that is excluded under the terms of its  
23 policy shall have the right to seek recovery against the motor  
24 vehicle insurer of the peer-to-peer car sharing program if the claim  
25 is:

26 a. made against the shared vehicle owner or the shared vehicle  
27 driver for loss or injury that occurs during the car sharing period;  
28 and

29 b. excluded under the terms of its policy.

30  
31 9. a. Notwithstanding any other law, rule or regulation to the  
32 contrary, a peer-to-peer car sharing program shall have an insurable  
33 interest in a shared vehicle during the car sharing period.

34 b. Nothing in this section creates liability on a peer-to-peer car  
35 sharing program to maintain the coverage mandated pursuant to  
36 section 3 of P.L. , c. (C. ) (pending before the Legislature  
37 as this bill).

38 c. A peer-to-peer car sharing program may own and maintain  
39 as the named insured one or more policies of motor vehicle liability  
40 insurance that provides coverage for:

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

43 (2) any liability of the shared vehicle owner; or

44 (3) damage or loss to the shared motor vehicle or any liability of  
45 the shared vehicle driver.

1       10. Each peer-to-peer car sharing program agreement made in  
2 the State shall disclose to the shared vehicle owner and the shared  
3 vehicle driver:

4       a. any right of the peer-to-peer car sharing program to seek  
5 indemnification from the shared vehicle owner or the shared vehicle  
6 driver for economic loss sustained by the peer-to-peer car sharing  
7 program resulting from a breach of the terms and conditions of the  
8 peer-to-peer car sharing program agreement;

9       b. that a motor vehicle liability insurance policy issued to the  
10 shared vehicle owner for the shared vehicle or to the shared vehicle  
11 driver does not provide a defense or indemnification for any claim  
12 asserted by the peer-to-peer car sharing program;

13       c. that the peer-to-peer car sharing program's insurance  
14 coverage on the shared vehicle owner and the shared vehicle driver  
15 is in effect only during each car sharing period and that, for any use  
16 of the shared vehicle by the shared vehicle driver after the car  
17 sharing termination time, the shared vehicle driver and the shared  
18 vehicle owner shall not have insurance coverage;

19       d. the daily rate, fees, and if applicable, any insurance or  
20 protection package costs that are charged to the shared vehicle  
21 owner or the shared vehicle driver;

22       e. that the shared vehicle owner's motor vehicle liability  
23 insurance may not provide coverage for a shared vehicle;

24       f. an emergency telephone number to personnel capable of  
25 fielding roadside assistance and other customer service inquiries;  
26 and

27       g. the conditions, if any, under which a shared vehicle driver  
28 shall maintain a personal automobile insurance policy with certain  
29 applicable coverage limits on a primary basis in order to book a  
30 shared motor vehicle.

31

32       11. a. A peer-to-peer car sharing program shall not enter into a  
33 peer-to-peer car sharing program agreement with a shared driver  
34 unless the individual who will operate the shared vehicle:

35       (1) holds a driver's license issued under the New Jersey Motor  
36 Vehicle Commission that authorizes the driver to operate vehicles  
37 of the class of the shared vehicle;

38       (2) is a nonresident who:

39       (a) has a driver's license issued by the state or country of the  
40 driver's residence that authorizes the driver in that state or country  
41 to drive vehicles of the class of the shared vehicle; and

42       (b) is at least the same age as that required of a resident of the  
43 State to drive; or

44       (3) otherwise is specifically authorized by the New Jersey Motor  
45 Vehicle Commission to drive vehicles of the class of the shared  
46 vehicle.

47       b. A peer-to-peer car sharing program shall keep a record of:

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

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

4 (3) the place of issuance of the driver's license.  
5

6 12. A peer-to-peer car sharing program shall have sole  
7 responsibility for any equipment, such as a GPS system or other  
8 special equipment that is put in or on the vehicle to monitor or  
9 facilitate the car sharing transaction and shall agree to indemnify  
10 and hold harmless the vehicle owner for any damage to or theft of  
11 such equipment during the car sharing period not caused by the  
12 shared vehicle owner. The peer-to-peer vehicle sharing program has  
13 the right to seek indemnity from the shared vehicle driver for any  
14 loss or damage to such equipment that occurs during the car sharing  
15 period.  
16

17 13. a. At the time when a vehicle owner registers as a shared  
18 vehicle owner on a peer-to-peer car sharing program and prior to  
19 the time when the shared vehicle owner makes a shared vehicle  
20 available for car sharing on the peer-to-peer car sharing program,  
21 the peer-to-peer car sharing program shall:

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

24 (2) notify the shared vehicle owner of the requirements under  
25 subsection b. of this section.

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

30 (2) If a shared vehicle owner receives an actual notice of a  
31 safety recall on a shared vehicle while the shared vehicle is made  
32 available on the peer-to-peer car sharing program, the shared  
33 vehicle owner shall remove the shared vehicle as available on the  
34 peer-to-peer car sharing program, as soon as practicably possible  
35 after receiving the notice of the safety recall and until the safety  
36 recall repair has been made.

37 (3) If a shared vehicle owner receives an actual notice of a  
38 safety recall while the shared vehicle is being used in the possession  
39 of a shared vehicle driver, as soon as practicably possible after  
40 receiving the notice of the safety recall, the shared vehicle owner  
41 shall notify the peer-to-peer car sharing program about the safety  
42 recall so that the shared vehicle owner may address the safety recall  
43 repair.  
44

45 14. The Commissioner of Banking and Insurance may adopt  
46 rules and regulations pursuant to the "Administrative Procedure  
47 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the  
48 purposes of this act.



1       15. This act shall take effect on the first day of the tenth month  
2 next following enactment. The commissioner may take anticipatory  
3 administrative action in advance thereof as shall be necessary for  
4 the implementation of this act.

5

6

7

STATEMENT

8

9       This bill establishes the “Peer-to-Peer Car Sharing Act.”

10       Under the bill, a peer-to-peer car sharing program will assume  
11 the liability for bodily injury or property damage to third parties or  
12 uninsured and underinsured motorist or personal injury protection  
13 losses during the private vehicle sharing period in an amount that is  
14 no less than the minimum coverage amount for private passenger  
15 vehicles. The bill will also require a peer-to-peer car sharing  
16 program to assume primary liability if there is a dispute as to who  
17 was in control of the shared vehicle at the time of the loss.

18       The bill additionally provides for exclusions in motor vehicle  
19 liability insurance policies that will exclude any and all coverage  
20 and the duty to defend or indemnify for any claim afforded under a  
21 shared vehicle owner’s motor vehicle insurance policy.

22       The bill further provides recordkeeping requirements for peer-to-  
23 peer car sharing programs pertaining to the use of a vehicle and  
24 contains consumer protection disclosure requirements for peer-to-  
25 peer car sharing programs such as daily rates, fees, and if  
26 applicable, any insurance or protection package costs that are  
27 charged to the shared vehicle owner or the shared vehicle driver.  
28 The bill also provides that a peer-to-peer car sharing program notify  
29 the shared vehicle owner if the shared vehicle has a lien against it,  
30 among other provisions.