

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-3919/1	Introduction Number AB-0395
Description requirements for and insurance related to peer-to-peer motor vehicle sharing programs	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>	
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By OCI/ Jeff Grothman (608) 264-6239	Authorized Signature Sarah Smith (608) 267-9460
Date 9/7/2023	

Fiscal Estimate Narratives

OCI 9/7/2023

LRB Number	23-3919/1	Introduction Number	AB-0395	Estimate Type	Original
Description requirements for and insurance related to peer-to-peer motor vehicle sharing programs					

Assumptions Used in Arriving at Fiscal Estimate

This bill is based on national model legislation that provides distinct and simple regulations for the peer-to-peer car sharing industry.

The bill requires the sharing program to assume liability for the shared vehicle owner for bodily injury or property damage to third parties, or for uninsured and underinsured motorist or personal injury protection losses, in amounts stated in the sharing agreement, which cannot be less than the minimum coverage required under Wisconsin law. However, the sharing program is not required to assume liability if the vehicle owner makes an intentional or fraudulent material misrepresentation or omission or is acting in concert with a driver who fails to return the motor vehicle in accordance with the sharing agreement.

The bill also requires the sharing program to ensure that each shared vehicle owner and driver are insured under a policy that provides coverage in amounts no less than the minimum required under Wisconsin law. That required coverage may be provided under primary insurance maintained by the shared vehicle owner, the shared vehicle driver, the sharing program, or any combination of those. The bill requires that the insurer, insurers, or sharing program providing coverage must provide primary coverage if there is a dispute about who controlled the vehicle at the time of the loss and the program does not retain information required under the bill or if there is a dispute about whether the vehicle was dropped off at a location specified in the sharing agreement. Under the bill, the sharing program's insurance must cover the loss beginning with the first dollar and has the duty to defend if the driver's or owner's insurance has lapsed or does not provide the required coverage. The bill gives the sharing program an insurable interest in the motor vehicle during the period it is being shared and allows the sharing program to own and maintain coverage specified under the bill.

The bill allows insurers writing motor vehicle insurance to exclude coverage, including liability for bodily injury and property damage and uninsured and underinsured motorists coverage, and to refuse to defend or indemnify for any claim under a shared vehicle owner's policy.

The bill exempts sharing programs and shared vehicle owners from liability in accordance with a federal law that exempts a vehicle owner who rents or leases the vehicle from liability for harm to persons or property that results from or arises out of the use, operation, or possession of the vehicle during the rental or lease if the owner is engaged in the business of renting or leasing motor vehicles and there is no negligence or criminal wrongdoing on the part of the owner. The bill also exempts sharing programs and shared vehicle owners from state laws regarding financial responsibility for rented vehicles and damage waivers and liability in the context of vehicle rental agreements.

The bill requires the sharing program to verify that the shared vehicle is not the subject of a safety recall at the time the vehicle is registered with the program. A shared vehicle owner that receives a safety recall notice must remove the vehicle from the program and refrain from sharing it until the repairs are made and, if the vehicle is in the possession of a shared vehicle driver, notify the sharing program of the recall.

The bill requires the sharing program to disclose certain information to shared vehicle owners and drivers, including information related to insurance coverage and the daily rates and fees, and to retain information about the sharing transactions. Additionally, at the time a vehicle owner registers with a sharing program, the sharing program must inform the owner of the responsibilities relating to safety recalls and that sharing the vehicle may violate an agreement with a lienholder.

Under the bill, the sharing program has responsibility for any equipment that is put in or on the vehicle to monitor or facilitate the sharing transaction. The sharing program must agree to indemnify and hold harmless the owner for any damage or theft to that equipment not caused by the owner, but has the right to seek indemnity from the driver for such loss or damage.

The fiscal effect of this proposed legislation is indeterminate.

Long-Range Fiscal Implications

None.