
A BILL FOR AN ACT

RELATING TO PEER-TO-PEER MOTOR VEHICLE 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 MOTOR VEHICLE INDUSTRY**

6 **§ -1 Short title.** This chapter may be cited as the
7 "peer-to-peer industry act".

8 **§ -2 Scope.** This chapter shall apply to all persons in
9 the business of peer-to-peer motor vehicle sharing in this
10 State.

11 **§ -3 Definitions.** As used in this chapter:

12 "Peer-to-peer agreement" means the terms and conditions
13 applicable to a peer-to-peer owner and a peer-to-peer driver
14 that govern the use of a vehicle through a peer-to-peer program.

15 "Peer-to-peer sharing" means the authorized use of a shared
16 vehicle by persons other than the peer-to-peer owner,
17 facilitated by a peer-to-peer program, and does not include a



1 transportation network company as defined in section
2 431:10C-701.

3 "Peer-to-peer motor vehicle" or "vehicle" means a motor
4 vehicle as defined in section 286-2 that is:

- 5 (1) Available for rent through a peer-to-peer program;
- 6 (2) Used non-exclusively for peer-to-peer sharing; and
- 7 (3) Used by the peer-to-peer owner for personal use
8 outside of peer-to-peer sharing.

9 "Delivery period" means the period of time during which a
10 vehicle is being delivered to the location of the start time, if
11 applicable, as documented by the peer-to-peer agreement.

12 "Peer-to-peer driver" means an individual who has been
13 authorized to drive a vehicle by the peer-to-peer owner under a
14 peer-to-peer agreement.

15 "Peer-to-peer owner" means the registered owner of a
16 vehicle made available to peer-to-peer drivers through a peer-
17 to-peer program.

18 "Peer-to-peer program" means any person in the business of
19 operating a business platform that connects peer-to-peer owners
20 with peer-to-peer drivers to enable the peer-to-peer sharing of
21 vehicles for financial consideration.



1 "Peer-to-peer period" means the period of time that
2 commences with the delivery period or, if there is no delivery
3 period, that commences with the start time, and ends at the
4 termination time.

5 "Start time" means the time when the vehicle becomes
6 subject to the control of the peer-to-peer driver at or after
7 the time the reservation of a peer-to-peer agreement is
8 scheduled to begin as documented in the records of a peer-to-
9 peer program.

10 "Termination time" means the earliest of the following
11 events:

- 12 (1) The expiration of the agreed upon period of time
13 established for the use of a vehicle according to the
14 terms of the peer-to-peer agreement, if the vehicle is
15 delivered to the location agreed upon in the peer-to-
16 peer agreement;
- 17 (2) When the vehicle is returned to a location as
18 alternatively agreed upon by the peer-to-peer owner
19 and peer-to-peer driver as communicated through a
20 peer-to-peer program; or



1 (3) When the peer-to-peer owner, or authorized designee,
2 takes possession and control of the vehicle.

3 **§ -4 Disclosures.** (a) Each peer-to-peer agreement made
4 in this State shall disclose to the peer-to-peer owner and peer-
5 to-peer driver:

6 (1) Any right of the peer-to-peer program to seek
7 indemnification from the peer-to-peer owner or peer-
8 to-peer driver for economic loss sustained by peer-to-
9 peer program resulting from a breach of the terms and
10 conditions of the peer-to-peer agreement;

11 (2) That a motor vehicle insurance policy issued to a
12 peer-to-peer owner for a vehicle, or to a peer-to-peer
13 driver does not provide a defense or indemnification
14 for any claim asserted by a peer-to-peer program;

15 (3) That a peer-to-peer program's financial responsibility
16 afforded to the peer-to-peer owner and peer-to-peer
17 driver is available only during the peer-to-peer
18 period;

19 (4) That, for any use of vehicle by the peer-to-peer
20 driver after the termination time, the peer-to-peer
21 driver and peer-to-peer owner may not have coverage;



1 (5) The daily rate, fees, costs, and, if applicable, any
2 insurance or protection package costs that are charged
3 to peer-to-peer owners or peer-to-peer drivers; and

4 (6) That the peer-to-peer owner's motor vehicle insurance
5 policy may not provide coverage for the vehicle.

6 (b) Each peer-to-peer agreement made in this State shall
7 disclose to a peer-to-peer driver:

8 (1) An emergency telephone number to personnel capable of
9 fielding roadside assistance and other customer
10 service inquiries; and

11 (2) Any conditions under which a peer-to-peer driver shall
12 maintain a motor vehicle insurance policy, and any
13 required coverage limits, on a primary basis in order
14 to rent a vehicle.

15 **§ -5 Driver license verification and retention.** (a) A
16 peer-to-peer program may not enter into a peer-to-peer agreement
17 with a peer-to-peer driver unless the peer-to-peer driver, and
18 any additional authorized operator, of the vehicle:

19 (1) Holds a valid driver license authorizing the peer-to-
20 peer driver to operate the same class of vehicle; or

21 (2) Is a nonresident who:



1 (A) Has a driver license issued by the state or
2 country of the peer-to-peer driver's residence
3 that authorizes the peer-to-peer driver in that
4 state or country to operate the same or
5 comparable class of vehicle; and

6 (B) Is at least the same age as that required of a
7 resident to drive in this State.

8 (b) The peer-to-peer program shall keep a record of:

9 (1) The name and address of the peer-to-peer driver; and

10 (2) The driver license number and place of issuance of the
11 peer-to-peer driver and every other person, if any,
12 who will operate vehicle.

13 **§ -6 Responsibility for equipment.** A peer-to-peer
14 program shall have sole responsibility for any equipment,
15 including a global positioning system or other special
16 equipment, that is put in or on a vehicle to monitor or
17 facilitate peer-to-peer sharing. A peer-to-peer program shall
18 agree to indemnify and hold harmless the peer-to-peer owner for
19 any damage to or theft of the equipment during the peer-to-peer
20 period not caused by the peer-to-peer owner. A peer-to-peer
21 program has the right to seek indemnity from the peer-to-peer



1 driver for any loss or damage to the equipment that occurs
2 during the peer-to-peer period.

3 **§ -7 Automobile safety recalls.** (a) At the time a
4 peer-to-peer owner registers their vehicle for use by a peer-to-
5 peer program, and prior to the time the peer-to-peer owner makes
6 the vehicle available for use in the peer-to-peer program, the
7 peer-to-peer program shall:

8 (1) Verify that the vehicle does not have any safety
9 recalls for which repairs have not been made;

10 (2) Notify the peer-to-peer owner of the requirements
11 under subsection (b); and

12 (3) Verify every seventy-two hours that any vehicle
13 available for use through a peer-to-peer program is
14 not subject to an open safety recall for which repairs
15 have not been made.

16 (b) A peer-to-peer owner shall:

17 (1) Not make a vehicle available for use through a peer-
18 to-peer program if the peer-to-peer owner has received
19 notice of a safety recall on the vehicle, until the
20 safety recall repair has been made;



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

6 (3) Notify the peer-to-peer program of a safety recall
7 within forty-eight hours of receipt of a safety recall
8 when the vehicle is in the possession of a peer-to-
9 peer driver so that the peer-to-peer program may
10 notify the peer-to-peer driver and the vehicle can be
11 removed from use until the peer-to-peer owner effects
12 the necessary safety recall repair.

13 § -8 **Operating at an airport.** A peer-to-peer program
14 shall enter into a contract or other agreement with the
15 department of transportation airports division in accordance
16 with section 261-7(a) prior to operating at an airport in this
17 State.

18 § -9 **Additional mandatory charges prohibited.** The daily
19 and periodic cost to the peer-to-peer driver shall include the
20 amount of each charge that is required as a condition to the
21 peer-to-peer agreement. The peer-to-peer program shall disclose



1 as part of any quotations of price, including all quotations
2 contained in advertising or through online quotations and all
3 payments that a peer-to-peer driver is required to make as part
4 of the peer-to-peer agreement.

5 **§ -10 Unfair trade practices.** Each peer-to-peer
6 program, and each officer, employee, agent, and other
7 representative thereof, shall be prohibited from engaging in any
8 practice constituting a violation of chapter 480. The following
9 shall be per se violations of section 480-2:

- 10 (1) The making of any material statement that has the
11 tendency or capacity to mislead or deceive, either
12 orally or in writing, in connection with peer-to-peer
13 sharing, offer for peer-to-peer sharing, or
14 advertisement for peer-to-peer sharing;
- 15 (2) The omission of any material statement that has the
16 tendency to mislead or deceive, in connection with
17 peer-to-peer sharing, offer for peer-to-peer sharing,
18 or advertisement for peer-to-peer sharing;
- 19 (3) The making of any statement by the peer-to-peer owner
20 to the effect that the peer-to-peer driver is or will
21 be confined to remain within boundaries specified by



1 the peer-to-peer owner unless payment or an agreement
 2 relating to the payment of damages has been made by
 3 the peer-to-peer driver;

4 (4) The charging of a peer-to-peer driver more than a
 5 reasonable estimate of the actual income lost for loss
 6 of use of a vehicle; and

7 (5) A violation of section -9.

8 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
 9 amended by adding a new part to article 10C to be appropriately
 10 designated and to read as follows:

11 "PART . PEER-TO-PEER MOTOR VEHICLE INDUSTRY

12 §431:10C-A Definitions. As used in this part:

13 "Peer-to-peer agreement" means the terms and conditions
 14 applicable to a peer-to-peer owner and a peer-to-peer driver
 15 that govern the use of a vehicle through a peer-to-peer program.

16 "Peer-to-peer sharing" means the authorized use of a shared
 17 vehicle by persons other than the peer-to-peer owner,
 18 facilitated by a peer-to-peer program, and does not include a
 19 transportation network company as defined in section
 20 431:10C-701.



1 "Peer-to-peer motor vehicle" or "vehicle" means a motor
2 vehicle as defined in section 286-2 that is:

- 3 (1) Available for rent through a peer-to-peer program;
- 4 (2) Used non-exclusively for peer-to-peer sharing; and
- 5 (3) Used by the peer-to-peer owner for personal use
6 outside of peer-to-peer sharing.

7 "Delivery period" means the period of time during which a
8 vehicle is being delivered to the location of the start time, if
9 applicable, as documented by the peer-to-peer agreement. "Peer-
10 to-peer driver" means an individual who has been authorized to
11 drive a vehicle by the peer-to-peer owner under a peer-to-peer
12 agreement.

13 "Peer-to-peer owner" means the registered owner of a
14 vehicle made available to peer-to-peer drivers through a peer-
15 to-peer program.

16 "Peer-to-peer program" means any person in the business of
17 operating a business platform that connects peer-to-peer owners
18 with peer-to-peer drivers to enable the peer-to-peer sharing of
19 vehicles for financial consideration.

20 "Peer-to-peer period" means the period of time that
21 commences with the delivery period or, if there is no delivery



1 period, that commences with the start time, and ends at the
2 termination time.

3 "Start time" means the time when the vehicle becomes
4 subject to the control of the peer-to-peer driver at or after
5 the time the reservation of a peer-to-peer agreement is
6 scheduled to begin as documented in the records of a peer-to-
7 peer program.

8 "Termination time" means the earliest of the following
9 events:

- 10 (1) The expiration of the agreed upon period of time
11 established for the use of a vehicle according to the
12 terms of the peer-to-peer agreement, if the vehicle is
13 delivered to the location agreed upon in the peer-to-
14 peer agreement;
- 15 (2) When the vehicle is returned to a location as
16 alternatively agreed upon by the peer-to-peer owner
17 and peer-to-peer driver as communicated through a
18 peer-to-peer program; or
- 19 (3) When the peer-to-peer owner, or authorized designee,
20 takes possession and control of the vehicle.



1 **§431:10C-B Liability during peer-to-peer period.** (a)

2 Notwithstanding any other law to the contrary, or any provision
3 in a motor vehicle insurance policy, in the event of a loss or
4 injury that occurs during peer-to-peer period, a peer-to-peer
5 program shall:

6 (1) Be liable for any bodily injury or property damage to
7 third parties, uninsured and underinsured motorist
8 benefits, and personal injury protection losses during
9 the peer-to-peer period in an amount stated in a peer-
10 to-peer agreement, and which amount may not be less
11 than those set forth in section 431:10C-301; and

12 (2) Retain the liability irrespective of a lapse in, or
13 otherwise absence of, any coverage under which a peer-
14 to-peer program is insured.

15 (b) Notwithstanding the definition of "termination time"
16 as set forth in section 431:10C-A, a peer-to-peer program shall
17 not be liable when a peer-to-peer owner:

18 (1) Makes a material, intentional, or fraudulent
19 misrepresentation or omission to a peer-to-peer
20 program before the peer-to-peer period in which the
21 loss occurred; or



1 (2) Acts in concert with a peer-to-peer driver who fails
2 to return the vehicle pursuant to the terms of a peer-
3 to-peer agreement.

4 **§431:10C-C Insurance coverage during peer-to-peer period.**

5 (a) A peer-to-peer program shall ensure that, during each peer-
6 to-peer period, financial responsibility for the vehicle is
7 provided in amounts no less than the minimum amounts set forth
8 in section 431:10C-301, that:

9 (1) Recognizes that the vehicle is made available and used
10 through a peer-to-peer program; or

11 (2) Does not exclude use of the vehicle by a peer-to-peer
12 driver through a peer-to-peer program.

13 (b) The financial responsibility required under subsection
14 (a) may be satisfied by motor vehicle insurance policy, or other
15 acceptable means of demonstrating financial responsibility in
16 this State, voluntarily maintained by:

17 (1) Peer-to-peer owner;

18 (2) Peer-to-peer driver;

19 (3) Peer-to-peer program; or

20 (4) Any combination of peer-to-peer owner, peer-to-peer
21 driver, and a peer-to-peer program.



1 (c) The financial responsibility required in subsection
2 (a), satisfied pursuant to subsection (b), shall be primary for
3 losses during peer-to-peer period.

4 (d) A peer-to-peer program shall:

5 (1) Assume primary liability for a claim when it is in
6 whole or in part providing the financial
7 responsibility required under section 431:10C-B if:

8 (A) A dispute exists as to who was in control of the
9 vehicle at the time of the loss; and

10 (B) The peer-to-peer program does not have available,
11 did not retain, or fails to provide the
12 information required by section 431:10C-F; and

13 (2) Be indemnified by the peer-to-peer owner's motor
14 vehicle insurance policy to the extent of the policy's
15 obligation, if any, if it is determined that the peer-
16 to-peer owner was in control of a vehicle at the time
17 of the loss.

18 (e) If insurance maintained by the peer-to-peer owner or
19 peer-to-peer driver in accordance with subsection (b) has lapsed
20 or does not provide the required financial responsibility, the
21 peer-to-peer program, or its insurer, shall provide the coverage



1 required by subsection (a) beginning with the first dollar of a
2 claim and have the duty to defend the claim except under
3 circumstances as set forth in section 431:10C-B(b).

4 (f) Financial responsibility maintained by the peer-to-
5 peer program shall not be dependent upon another insurer first
6 denying a claim nor shall another motor vehicle insurance policy
7 be required to first deny a claim.

8 (g) Nothing in this chapter:

9 (1) Limits the liability of the peer-to-peer program for
10 any act or omission of the peer-to-peer program itself
11 that results in injury to any person as a result of
12 the use of a vehicle through a peer-to-peer program;
13 or

14 (2) Limits the ability of the peer-to-peer program to, by
15 contract, seek indemnification from a peer-to-peer
16 owner or a peer-to-peer driver for economic loss
17 sustained by the peer-to-peer program resulting from a
18 breach of the terms and conditions of the peer-to-peer
19 agreement.

20 **§431:10C-D Notification of implications of lien.** At the
21 time a peer-to-peer owner registers a vehicle for use through a



1 peer-to-peer program and prior to the time a peer-to-peer owner
2 makes a vehicle available for use through a peer-to-peer
3 program, the peer-to-peer program shall notify the peer-to-peer
4 owner that, if the vehicle has a lien against it, the use of the
5 vehicle through the peer-to-peer program, including use without
6 physical damage coverage, may violate the terms of the contract
7 with the lienholder.

8 **§431:10C-E Exclusions in motor vehicle insurance policies.**

9 (a) An insurer may exclude any and all coverage and the duty to
10 defend or indemnify for any claim afforded under the peer-to-
11 peer owner's motor vehicle insurance policy, including:

- 12 (1) Liability coverage for bodily injury and property
13 damage as defined in section 431:10C-301(b);
- 14 (2) Personal injury protection coverage as defined in
15 section 431:10C-103.5;
- 16 (3) Uninsured and underinsured motorist coverage;
- 17 (4) Medical payments coverage;
- 18 (5) Comprehensive physical damage coverage; and
- 19 (6) Collision physical damage coverage.

20 (b) Nothing in this part shall invalidate or limit an
21 exclusion contained in a motor vehicle insurance policy,



1 including any insurance policy in use or approved for use that
2 excludes coverage for vehicles made available for rent, hire, or
3 any business use, including peer-to-peer vehicles.

4 **§431:10C-F Recordkeeping.** (a) A peer-to-peer program
5 shall collect and verify records pertaining to the use of a
6 vehicle, including times used, fees paid by peer-to-peer
7 drivers, and revenues received by peer-to-peer owners.

8 (b) Pursuant to all applicable federal and state privacy
9 obligations, and after receiving the informed consent of a peer-
10 to-peer owner and a peer-to-peer driver, a peer-to-peer program
11 shall provide the information collected pursuant to subsection
12 (a), upon request, to the peer-to-peer owner, peer-to-peer
13 owner's insurer, and peer-to-peer driver's insurer to facilitate
14 a claim coverage investigation.

15 (c) The peer-to-peer program shall retain the records
16 required for a time period not less than six years.

17 **§431:10C-G Contribution against indemnification.** An
18 insurer that defends or indemnifies a claim arising from the
19 operation of a vehicle that is excluded under the terms of its
20 policy shall have the right to seek contribution against a peer-
21 to-peer program if the claim is made against a peer-to-peer



1 owner or peer-to-peer driver for loss or injury that occurs
2 during a peer-to-peer period.

3 **§431:10C-H Insurable interest.** (a) Notwithstanding any
4 other statute or rule to the contrary, a peer-to-peer program
5 shall have an insurable interest in a vehicle during the peer-
6 to-peer period.

7 (b) Nothing in this section shall impose liability upon a
8 peer-to-peer program to maintain the coverage mandated by
9 section 431:10C-B.

10 (c) A peer-to-peer program may own and maintain as the
11 named insured one or more motor vehicle insurance policies that
12 provides coverage for:

- 13 (1) Liabilities assumed by the peer-to-peer program under
14 the peer-to-peer agreement;
- 15 (2) Liability of the peer-to-peer owner;
- 16 (3) Damage or loss to the vehicle; or
- 17 (4) Liability of the peer-to-peer driver."

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



1 "§251- Peer-to-peer motor vehicle sharing surcharge
2 tax. (a) There is levied, assessed, and collected each month a
3 peer-to-peer motor vehicle sharing surcharge tax of \$ a
4 day, or any portion of a day that a peer-to-peer vehicle is
5 shared.

6 (b) The peer-to-peer program shall be responsible for
7 collection and remittance of the surcharge tax to the
8 department."

9 SECTION 4. Chapter 251, Hawaii Revised Statutes, is
10 amended by amending its title to read as follows:

11 "CHAPTER 251

12 RENTAL MOTOR VEHICLE, TOUR MOTOR VEHICLE, [AND] CAR-SHARING
13 VEHICLE, AND PEER-TO-PEER MOTOR VEHICLE SURCHARGE TAX"

14 SECTION 5. Section 251-1, Hawaii Revised Statutes, is
15 amended by adding three new definitions to be appropriately
16 inserted and to read as follows:

17 "Peer-to-peer sharing" means the authorized use of a
18 shared vehicle by persons other than the peer-to-peer owner,
19 facilitated by a peer-to-peer program, and does not include a
20 transportation network company as defined in section
21 431:10C-701.



1 "Peer-to-peer motor vehicle" or "vehicle" means a motor
2 vehicle as defined in section 286-2 that is:

- 3 (1) Available for rent through a peer-to-peer program;
- 4 (2) Used non-exclusively for peer-to-peer sharing; and
- 5 (3) Used by the peer-to-peer owner for personal use
6 outside of peer-to-peer sharing.

7 "Peer-to-peer program" means any person in the business of
8 operating a business platform that connects peer-to-peer owners
9 with peer-to-peer drivers to enable the peer-to-peer sharing of
10 vehicles for financial consideration."

11 SECTION 6. Section 251-3, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) Each person, as a condition precedent to engaging or
14 continuing in ~~[the]~~;

- 15 (1) The business of providing rental motor vehicles to the
16 public[~~, engaging or continuing in the]~~;
- 17 (2) The tour vehicle operator business[~~, or engaging or~~
18 continuing in a];
- 19 (3) A car-sharing organization business; or
- 20 (4) A peer-to-peer program,



1 shall register with the director. A person required to so
2 register shall make a one-time payment of \$20, upon receipt of
3 which the director shall issue a certificate of registration in
4 [~~such~~] a form as the director determines, attesting that the
5 registration has been made. The registration shall not be
6 transferable and shall be valid only for the person in whose
7 name it is issued and for the transaction of business at the
8 place designated therein. The registration, or in lieu thereof
9 a notice stating where the registration may be inspected and
10 examined, shall at all times be conspicuously displayed at the
11 place for which it is issued."

12 SECTION 7. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on January 1, 2021.

15

INTRODUCED BY: 
JAN 16 2020



H.B. NO. 1834

Report Title:

Motor Vehicles; Sharing; Peer-to-Peer

Description:

Authorizes peer-to-peer motor vehicle sharing programs to connect owners and drivers for financial consideration.

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

