

**ASSEMBLY, No. 1742**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**SYNOPSIS**

Establishes personal vehicle sharing program.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing a personal vehicle sharing program and  
2 supplementing Title 39 of the Revised Statutes.

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

6

7 1. As used in P.L. , c. (C. ) (pending before the  
8 Legislature as this bill):

9 “Owner’s insurance policy” means an automobile liability  
10 insurance policy maintained by the private passenger automobile  
11 owner pursuant to the provisions of P.L.1972, c.70 (C.39:6A-1 et  
12 seq.).

13 “Personal vehicle sharing program” or “program” means a legal  
14 entity qualified to do business in this State engaged in the business  
15 of facilitating the sharing of a private passenger automobile for  
16 noncommercial use by an individual within this State.

17 “Private passenger automobile” or “automobile” means a four-  
18 wheel passenger motor vehicle insured under an automobile liability  
19 insurance policy covering the named insured or individuals residing  
20 in the same household as the named insured.

21 “Program insurance policy” means an automobile liability  
22 insurance policy that is obtained by the personal vehicle sharing  
23 program and shall include all coverages needed to comply with  
24 P.L.1972, c.70 (C.39:6A-1 et seq.), and the following optional  
25 coverages: comprehensive property damage coverage for the  
26 automobile; or collision property damage coverage for the  
27 automobile.

28

29 2. For each use of a private passenger automobile that a  
30 personal vehicle sharing program facilitates through the personal  
31 vehicle sharing program, the program shall:

32 a. provide a program insurance policy with coverage for the  
33 automobile and all persons who, with the consent of the program,  
34 control the automobile pursuant to the program. The limits for any  
35 coverage included in the program insurance policy shall not provide  
36 liability coverage that is less than three times the minimum  
37 insurance requirements for private passenger automobiles and shall  
38 not provide collision or comprehensive coverage that is less than  
39 the actual cash value of the vehicle;

40 b. provide the automobile’s registered owner with proof of  
41 compliance with the insurance requirements of P.L. , c. (C. )  
42 (pending before the Legislature as this bill);

43 c. collect, maintain, and make available to the automobile’s  
44 registered owner, the owner’s primary automobile liability insurer,  
45 and to any government agency as required by law, at the cost of the  
46 personal vehicle sharing program, verifiable electronic records that  
47 identify the date, time, initial, and final locations of the automobile,  
48 miles driven when the automobile is under the control of a person

1 other than the automobile's registered owner pursuant to a personal  
2 vehicle sharing program, and any information concerning damages  
3 or injuries arising out of a personal vehicle sharing program;

4 d. not knowingly permit the automobile to be operated as a  
5 commercial vehicle, as defined pursuant to section 3 of P.L.1990,  
6 c.103 (C.39:3-10.11), by a personal vehicle sharing program  
7 participant while engaged in personal vehicle sharing;

8 e. ensure that the vehicle is a private passenger automobile;  
9 and

10 f. facilitate the installation, operation, and maintenance of  
11 signage and computer hardware and software necessary for the  
12 automobile to be used in the program, including payment of the cost  
13 of damage or theft of that equipment and any damage caused to the  
14 automobile by the installation, operation, and maintenance of that  
15 equipment.

16  
17 3. a. Notwithstanding any law, rule, or regulation, or any  
18 provision in an owner's insurance policy to the contrary, in the  
19 event of a loss or injury that occurs during any time period when  
20 the automobile is under the operation and control of a person, other  
21 than the automobile's owner, pursuant to a personal vehicle sharing  
22 program, or otherwise under the control of a personal vehicle  
23 sharing program, the personal vehicle sharing program shall assume  
24 all liability and shall be considered the owner of the automobile for  
25 all purposes. Nothing in this section shall limit the liability of the  
26 personal vehicle sharing program for its acts or omissions that result  
27 in injury to any person as a result of the use or operation of a  
28 personal vehicle sharing program.

29 b. A personal vehicle sharing program shall continue to be held  
30 liable pursuant to this section until both of the following occur:

31 (1) the private passenger automobile is returned to a location  
32 designated by the personal vehicle sharing program; and

33 (2) the earliest of one of the following occurs:

34 (a) the expiration of the time period established for the  
35 particular use of the automobile;

36 (b) the intent to terminate the personal vehicle sharing use is  
37 verifiably communicated to the personal vehicle sharing program;  
38 or

39 (c) the automobile's owner takes possession and control of the  
40 automobile.

41 c. The personal vehicle sharing program shall assume liability  
42 for a claim in which a dispute exists as to who was in control of the  
43 automobile when the loss occurred giving rise to the claim, and the  
44 owner's insurance policy shall indemnify the personal vehicle  
45 sharing program to the extent of its obligation under the applicable  
46 insurance policy, if it is determined that the automobile's owner  
47 was in control of the vehicle at the time of the loss.

1       d. If an automobile's registered owner is named as a defendant  
2 in a civil action for any loss or injury that occurs at any time when  
3 the automobile is under the operation and control of a person, other  
4 than the automobile's registered owner, pursuant to a personal  
5 vehicle sharing program, or is otherwise under the control of a  
6 personal vehicle sharing program, the program shall have the duty  
7 to defend and indemnify the automobile's registered owner.

8  
9       4. a. Notwithstanding any provision in the owner's insurance  
10 policy to the contrary, while the automobile is under the operation  
11 and control of a person, other than the automobile's registered  
12 owner, pursuant to a personal vehicle sharing program, or is  
13 otherwise under the control of a personal vehicle sharing program:

14       (1) the insurer of the automobile may exclude any and all  
15 coverage afforded under the owner's insurance policy; and

16       (2) a primary or excess insurer of the owners, operators, or  
17 maintainers of the automobile may notify an insured that the insurer  
18 has no duty to defend or indemnify any person or organization for  
19 liability for any loss that occurs during the use of the automobile  
20 pursuant to a personal vehicle sharing program.

21       b. An owner's insurance policy may not be cancelled, voided,  
22 terminated, rescinded, or nonrenewed solely on the basis that the  
23 automobile has been made available for personal vehicle sharing  
24 pursuant to a personal vehicle sharing program that is in compliance  
25 with P.L. , c. (C. ) (pending before the Legislature as this  
26 bill).

27  
28       5. A private passenger automobile insured by the vehicle's  
29 registered owner under the owner's insurance policy shall not be  
30 classified as a commercial motor vehicle, for-hire motor vehicle,  
31 permissive use motor vehicle, or autocab, limousine, or livery  
32 vehicle solely because the automobile's registered owner allows the  
33 automobile to be used for personal vehicle sharing if:

34       a. the personal vehicle sharing is conducted under a personal  
35 vehicle sharing program; and

36       b. the annual revenue received by the automobile's registered  
37 owner that was generated by the personal vehicle sharing does not  
38 exceed the annual expenses of owning and operating the vehicle,  
39 including depreciation, interest, lease payments, motor vehicle loan  
40 payments, insurance, maintenance, parking, fuel, cleaning,  
41 automobile repair, and costs associated with personal vehicle  
42 sharing, including but not limited to the installation, operation, and  
43 maintenance of computer hardware and software, signage  
44 identifying the automobile as a personal vehicle sharing vehicle,  
45 and any fees charged by a personal vehicle sharing program.

1       6. This act shall take effect immediately.

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STATEMENT

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6       This bill establishes a personal vehicle sharing program in this  
7 State. For each use of a private passenger automobile that a  
8 personal vehicle sharing program facilitates through the personal  
9 vehicle sharing program, the program is to:

10       1) provide a program insurance policy with coverage for the  
11 automobile and all persons who, with the consent of the program,  
12 control the automobile pursuant to the program. The limits for any  
13 coverage included in the program insurance policy is to not provide  
14 liability coverage that is less than three times the minimum  
15 insurance requirements for private passenger automobiles and is to  
16 not provide collision or comprehensive coverage that is less than  
17 the actual cash value of the vehicle;

18       2) provide the automobile's registered owner with proof of  
19 compliance with the insurance requirements of this bill;

20       3) collect, maintain, and make available to the automobile's  
21 registered owner, the owner's primary automobile liability insurer,  
22 and to any government agency as required by law, at the cost of the  
23 personal vehicle sharing program, verifiable electronic records that  
24 identify the date, time, initial, and final locations of the automobile,  
25 miles driven when the automobile is under the control of a person  
26 other than the automobile's registered owner pursuant to a personal  
27 vehicle sharing program, and any information concerning damages  
28 or injuries arising out of a personal vehicle sharing program;

29       4) not knowingly permit the automobile to be operated as a  
30 commercial vehicle, as defined pursuant to law, by a personal  
31 vehicle sharing program participant while engaged in personal  
32 vehicle sharing;

33       5) ensure that the vehicle is a private passenger automobile;  
34 and

35       6) facilitate the installation, operation, and maintenance of  
36 signage and computer hardware and software necessary for the  
37 automobile to be used in the program, including payment of the cost  
38 of damage or theft of that equipment and any damage caused to the  
39 automobile by the installation, operation, and maintenance of that  
40 equipment.

41       This bill provides that, notwithstanding any law, rule, or  
42 regulation to the contrary, or any provision in an owner's insurance  
43 policy, in the event of a loss or injury that occurs during any time  
44 period when the automobile is under the operation and control of a  
45 person, other than the automobile's owner, pursuant to a personal  
46 vehicle sharing program, or otherwise under the control of a  
47 personal vehicle sharing program, the personal vehicle sharing  
48 program is to assume all liability of the owner and is to be

1 considered the owner of the automobile for all purposes. Nothing in  
2 this bill shall limit the liability of the personal vehicle sharing  
3 program for its acts or omissions that result in injury to any person  
4 as a result of the use or operation of a personal vehicle sharing  
5 program.

6 This bill further provides that a personal vehicle sharing program  
7 is to continue to be liable until the private passenger automobile is  
8 returned to a location designated by the personal vehicle sharing  
9 program and the earliest of one of the following occurs:

- 10 1) the expiration of the time period established for the  
11 particular use of the automobile;
- 12 2) the intent to terminate the personal vehicle sharing use is  
13 verifiably communicated to the personal vehicle sharing program;  
14 or
- 15 3) the automobile's owner takes possession and control of the  
16 automobile.

17 The personal vehicle sharing program is to assume liability for a  
18 claim in which a dispute exists as to who was in control of the  
19 automobile when the loss occurred giving rise to the claim, and the  
20 owner's insurance policy is to indemnify the personal vehicle  
21 sharing program to the extent of its obligation under the applicable  
22 insurance policy, if it is determined that the automobile's owner  
23 was in control of the vehicle at the time of the loss.

24 The bill states that if an automobile's registered owner is named  
25 as a defendant in a civil action for any loss or injury that occurs at  
26 any time when the automobile is under the operation and control of  
27 a person, other than the automobile's registered owner, pursuant to  
28 a personal vehicle sharing program, or is otherwise under the  
29 control of a personal vehicle sharing program, the program is to  
30 have the duty to defend and indemnify the automobile's registered  
31 owner.

32 Notwithstanding any provision in the owner's insurance policy,  
33 while the automobile is under the operation and control of a person,  
34 other than the automobile's registered owner, pursuant to a personal  
35 vehicle sharing program, or is otherwise under the control of a  
36 personal vehicle sharing program the insurer of the automobile may  
37 exclude any and all coverage afforded under the owner's insurance  
38 policy; and a primary or excess insurer of the owners, operators, or  
39 maintainers of the automobile may notify an insured that the insurer  
40 has no duty to defend or indemnify any person or organization for  
41 liability for any loss that occurs during the use of the automobile  
42 pursuant to a personal vehicle sharing program.

43 The bill provides that an owner's insurance policy may not be  
44 cancelled, voided, terminated, rescinded, or nonrenewed solely on  
45 the basis that the automobile has been made available for personal  
46 vehicle sharing pursuant to a personal vehicle sharing program that  
47 is in compliance with the provisions of this bill.

1       Lastly, this bill provides that a private passenger automobile  
2       insured by the vehicle's registered owner under the owner's  
3       insurance policy shall not be classified as a commercial motor  
4       vehicle, for-hire motor vehicle, permissive use motor vehicle, or  
5       autocab, limousine, or livery vehicle solely because the  
6       automobile's registered owner allows the automobile to be used for  
7       personal vehicle sharing if the personal vehicle sharing is conducted  
8       under a personal vehicle sharing program and the annual revenue  
9       received by the automobile's registered owner that was generated  
10      by the personal vehicle sharing does not exceed the annual expenses  
11      of owning and operating the vehicle, including depreciation,  
12      interest, lease payments, motor vehicle loan payments, insurance,  
13      maintenance, parking, fuel, cleaning, automobile repair, and costs  
14      associated with personal vehicle sharing, including but not limited  
15      to the installation, operation, and maintenance of computer  
16      hardware and software, signage identifying the automobile as a  
17      personal vehicle sharing vehicle and any fees charged by a personal  
18      vehicle sharing program.