

CHAPTER 153**(SB 124)**

AN ACT relating to transportation and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 281A.160 is amended to read as follows:

- (1) (a) Except as provided in subsection (4) of this section, the State Police shall be responsible for administering both the knowledge and skills test required by KRS 281A.130.
- (b) Applicants who fail the written knowledge test shall be permitted to retake the written test on the next day the tests are administered. Applicants who fail the written test six (6) times shall be required to wait three (3) days before taking the knowledge test again. Applicants who subsequently fail the written test three (3) additional times shall be required to wait three (3) days prior to retaking the test.
- (2) (a) Except as provided for in subsection (3) of this section, at the time a CDL permit is issued:
 1. An applicant who has held a Kentucky operator's license for thirty (30) days or longer shall pay a skills-testing fee of fifty dollars (\$50); and
 2. An applicant who has held a Kentucky operator's license for less than thirty (30) days shall pay a skills-testing fee of one hundred fifty dollars (\$150).
- (b) There is created within the State Treasury a trust fund to be known as the State Police CDL skills-testing fund. The fund shall be administered by the State Police and shall receive all skills-testing and retesting fees collected under subsections (2)(a) and (6)(e) of this section, in addition to any grants, gifts, or appropriations of state or federal moneys and any interest earned on moneys in the fund. Moneys in the fund shall not lapse and shall be carried forward to the next succeeding fiscal year. The State Police CDL skills-testing fund shall be used by the State Police to contract with and train civilian CDL skills examiners and to improve the logistics of the CDL skills-testing process.
- (c) The State Police, upon request of an applicant who has passed both the vision and knowledge tests, may schedule the applicant for the skills test at the first available test date at a test site designated by the State Police but not less than fourteen (14) days after the applicant has filed the application and been issued a CDL permit. Except in extenuating circumstances, a retest for a failed portion of the skills test shall be given within three (3) days of a request of a retest.
- (d) An applicant shall provide a class representative commercial vehicle, for the class of CDL for which the applicant is testing, in which to take the skills test. Unless the State Police grant an exemption at the time the application for testing is made, the vehicle supplied under this paragraph shall be unloaded. Upon arrival for the skills test, the applicant shall have in his or her possession a valid Kentucky operator's license and a valid CDL permit. A CDL-licensed driver who is at least twenty-one (21) years old shall accompany the applicant at all times the applicant is in operation of a commercial vehicle.
- (3) A testing fee shall not be charged to:
 - (a) An individual applying for a CDL with an "S" endorsement as defined in KRS 281A.170; or
 - (b) Military personnel applying for a CDL under KRS 281A.165.
- (4) The State Police may authorize a third party to administer the skills test specified by this section if:
 - (a) The test is the same that would otherwise be administered by the state; and
 - (b) The third party has entered into an agreement with this Commonwealth which complies with requirements of Title 49, Code of Federal Regulations, Part 383.75, as adopted by the Transportation Cabinet.
- (5) The State Police shall promulgate administrative regulations under KRS Chapter 13A that establish procedures that ensure an arm's-length relationship is maintained between a third-party tester and any owner, officer, or employee of any program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A.

- (6) (a) Applicants shall be permitted to take the skills test for a particular class vehicle an unlimited number of times; however, an applicant shall not retest more than one (1) time in any twenty-four (24) hour period.
- (b) The skills test shall consist of three (3) separate portions: pre-trip inspection, basic maneuvering, and road skills. An applicant must achieve a score of at least eighty percent (80%) on each portion of the skills test before a CDL may be issued to the applicant. An applicant who passes one (1) or more portions of the skills test but does not pass all portions of the skills test shall retest only on those portions of the skills test the applicant failed.
- (c) An applicant who fails any portion of the skills test four (4) times shall be notified by the State Police that the applicant is required to wait one (1) week before retaking a portion of this skills test again.
- (d) Failure of an applicant to notify the State Police at least forty-eight (48) hours prior to missing an appointment for a skills test, or provide a written medical excuse from a licensed physician, advanced registered nurse practitioner, or physician's assistant, shall be considered a failure, on all parts of the skills test scheduled to be given, for the purposes of determining number of failures, waiting periods, and retesting fees under paragraphs (c) and (e) of this subsection for individual applicants. The fees for a missed appointment failure shall be forfeited and retained in the State Police CDL skills-testing fund established under this section. If the forty-eight (48) hour notice or medical excuse is given, the fee shall be applied to the rescheduled test. A missed appointment failure under this paragraph shall not be reported as a failure to the board.
- (e) Except as provided for in paragraph (d) of this subsection, at the time of application for a retest under this subsection, the applicant shall pay a retesting fee of fifty dollars (\$50).
- (7) (a) An applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of less than one (1) year shall pay the reinstatement fee as prescribed by KRS 281A.150(7) and shall receive his or her commercial driver's license with all endorsement and restrictions that were in effect at the time of suspension. An applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of one (1) year or more shall submit to the skills, knowledge, and vision tests.
- (b) *Subject to paragraphs (c) and (d) of this subsection, a person who possessed a Kentucky commercial driver's license that has expired for a period of less than five (5) years and was not subject to suspension, withdrawal, revocation, or disqualification for any reason at the time of expiration may have that license reinstated, with all endorsements, without submitting to the skills and knowledge tests by applying to the cabinet for renewal. Upon submission of medical certification, driver self-certifications required under KRS 281A.140(1)(f), successful completion of any necessary criminal background check, and review of the person's driving history record, the cabinet shall issue a renewal CDL, with all endorsements, to an applicant under this paragraph.*
- (c) *A person who otherwise meets the requirements of paragraph (b) of this subsection whose CDL was subject to suspension or revocation solely for failure to provide medical certification may apply for renewal of a CDL under paragraph (b) of this subsection.*
- (d) *If the CDL held by a person who otherwise meets the requirements of paragraph (b) of this subsection carried a hazardous materials endorsement, and the applicant wishes to retain that endorsement, he or she shall complete any examinations required for a hazardous materials endorsement renewal in KRS 281A.180(2) prior to renewing the CDL under paragraph (b) of this subsection.*
- (8) (a) The commissioner of the Department of Kentucky State Police shall promulgate administrative regulations pursuant to the provisions of KRS Chapter 13A to implement the provisions of this section.
- (b) The State Police shall promulgate administrative regulations under KRS Chapter 13A to set forth the qualifications for contract examiners retained under subsection (2)(b) of this section.

➔Section 2. KRS 186.635 is amended to read as follows:

- (1) The following persons shall be required to successfully complete the examinations required under KRS 186.480 prior to being issued a Kentucky operator's license:
- (a)~~(1)~~ A person who has been issued a Kentucky instruction permit or intermediate license;
- (b)~~(2)~~ A person who has applied for a Kentucky operator's license under KRS 186.412 or 186.4121;
- and

~~(c)(3)~~ Other persons as identified in an administrative regulation promulgated by the Department of Kentucky State Police or the Transportation Cabinet under KRS Chapter 13A.

- (2) *A person who possessed a Kentucky operator's license that has expired for a period of less than five (5) years and was not subject to suspension, withdrawal, revocation, or disqualification at the time of expiration may have that license reinstated without submitting to the examinations required under KRS 186.480 by applying to the cabinet for renewal. Upon submission of any vision testing required under KRS 186.577 and review of the person's driving history record, the cabinet shall issue a renewal operator's license to an applicant under this paragraph.*

➔Section 3. KRS 165A.310 is amended to read as follows:

As used in this chapter:

- (1) "Agent" means any person employed by a proprietary school to act as agent, solicitor, broker, or independent contractor to procure students for the school by solicitation of enrollment in any form made at any place other than the main office or principal place of business of the school;
- (2) "CDL" means a commercial driver's license as defined in KRS 281A.010;
- (3) "CDL driver training" means a course of study that complies with the provisions of KRS 332.095 governing the instruction of persons in the operation of commercial motor vehicles;
- (4) "CDL driver training school" means any person, firm, partnership, association, educational institution, establishment, agency, organization, or corporation, ***with the exception of an entry level driver training provider***, that offers CDL driver training to persons desiring to obtain a Kentucky CDL in order to operate a commercial motor vehicle and for which a fee or tuition is charged;
- (5) "Commercial motor vehicle" has the same meaning as in KRS 281A.010;
- (6) "Commission" means the Kentucky Commission on Proprietary Education;
- (7) ***"Entry level driver training" means a federally mandated course of instruction for new CDL applicants as outlined in 49 C.F.R. secs. 380.600 to 380.609;***
- (8) ***"Entry level driver training provider" means an entity that is certified by the Federal Motor Carrier Safety Administration as a training provider under 49 C.F.R. secs. 380.700 to 380.725 that is limited solely to providing entry level driver training;***
- (9) "Formal complaint" means a written statement filed on a form specified by the commission in which the complainant alleges that a school has violated a Kentucky statute or administrative regulation and has negatively impacted the complainant, and resolution is requested by the commission;
- ~~(10)(8)~~ "License" means authorization issued by the commission to operate or to contract to operate a proprietary school in Kentucky as described in this chapter and does not reflect accreditation, supervision, endorsement, or recommendation by the commission;
- ~~(11)(9)~~ "Person" means an individual, corporation, business trust, estate, partnership, unincorporated association, two (2) or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity;
- ~~(12)(10)~~ "Proprietary school" or "school" means a privately owned educational institution, establishment, agency, organization, or person maintained on either a for-profit or not-for-profit basis, offering or administering a plan, course, or program of instruction in business, trade, technical, industrial, or related areas for which a fee or tuition is charged whether conducted in person, by mail, or by any other method, and does not include:
 - (a) A school or educational institution supported entirely or partly by taxation from either a local or state source;
 - (b) A parochial, denominational, or eleemosynary school or institution;
 - (c) A training program which offers instruction for payment by participants primarily in pursuit of a hobby, recreation, or entertainment, and does not result in the granting of postsecondary credits nor lead to an industry-recognized credential, academic certificate, or degree;

- (d) A course or courses of instruction or study sponsored by an employer for the training and preparation of its own employees for the benefit of the employer and without charge to the employee; or
 - (e) A school or educational institution licensed or approved by or a course or courses of study or instruction sponsored by the Kentucky Board of Barbering established by KRS 317.430, the Kentucky Board of Cosmetology established by KRS 317A.030, the Kentucky Board of Nursing established by KRS 314.121, the Kentucky Board of Embalmers and Funeral Directors established by KRS 316.170, or the Kentucky Council on Postsecondary Education established by KRS 164.011;
- (13)~~(11)~~ "Resident" means any person who has established Kentucky as his or her state of domicile. Proof of residency shall include but not be limited to a deed or property tax bill, utility agreement or utility bill, or rental housing agreement;
- (14)~~(12)~~ "School year" is beginning the first day of July and ending the thirtieth day of June next following, except when approval shall be suspended or canceled pursuant to KRS 165A.350; and
- (15)~~(13)~~ "Statement of quality assurance" means a statement required by the commission from a non-degree granting institution, in a form and manner determined by the commission, that attests to the institution meeting the minimum standards required for receiving and maintaining a license.

➔Section 4. KRS 165A.460 is amended to read as follows:

- (1) ***Except as provided in subsection (2) of this section,*** all proprietary schools located or doing business in this state that offer CDL driver training shall be governed by the provisions of this chapter, except for matters governing:
- (a)~~(1)~~ The curriculum, which shall be established by the commission in consultation with the Department of Kentucky State Police and the Kentucky Community and Technical College System; and
 - (b)~~(2)~~ The inspection of CDL driver training school facilities, which shall be under the authority of the Department of Kentucky State Police pursuant to KRS 165A.475 and 332.095.
- (2) ***Entry level driver training providers are exempt from the provisions of this chapter and shall instead comply with the requirements set forth in 49 C.F.R. secs. 380.600 to 380.609 and 380.700 to 380.725.***

➔Section 5. KRS 189.2226 is amended to read as follows:

- (1) As used in this section:
- (a) "Bill of lading" means a document evidencing the purchase of, or delivery order for, building materials issued by a person engaged in a business that sold or leased the building materials;
 - (b) "Building materials" means equipment or materials associated with new home construction, home remodeling, or home maintenance, including but not limited to:
 1. Agriculture products;
 2. Asphalt;
 3. Concrete;
 4. Crushed stone;
 5. Excavation equipment;
 6. Fill dirt and rock;
 7. Glass;
 8. Landscaping materials;
 9. Lumber or other wood products;
 10. Minerals;
 11. Roofing materials; and
 12. Steel products;
 - (c) "Home" means:

1. A site where a single or multi-family housing unit is being initially constructed *for which a building permit for construction has been issued by the authorized local government in the city or county in which construction will take place*; and
 2. A site where construction of a single or multi-family housing unit is complete and persons inhabit the housing unit; and
- (d) "State road" means a state or federal highway but does not mean an interstate or county road.
- (2) Other statutes to the contrary in this chapter notwithstanding, any vehicle hauling building materials to a home shall be allowed, subject to the provisions of this section, to travel on any state road without a permit and without being subject to a fine, if the weight of the vehicle is within the limits of the registration issued to the vehicle and within the axle limits for the vehicle, even if the vehicle's gross weight or length, including vehicle and load, exceed the limits prescribed by this chapter or in other aspects fail to comply with this chapter.
 - (3) A vehicle hauling building materials under this section shall be allowed to travel the most direct route, in the opinion of the operator, to the vehicle's point of destination, provided any road traveled as the most direct route shall not be further than fifteen (15) miles from a state road that is classified to carry the registered weight of the vehicle. If a vehicle is traveling a road classified by the cabinet as a single "A" highway, the vehicle or its load cannot exceed ninety-six (96) inches in width. If a vehicle or its load exceed ninety-six (96) inches in width, the operator shall be required to obtain the appropriate overdimensional permit required by this chapter to travel the proposed route. The operator of a vehicle hauling building materials under this section shall have in his or her possession a bill of lading.
 - (4) All vehicles hauling building materials under this section shall be prohibited from exceeding the established width and posted bridge weight limits for any route the vehicle travels. A vehicle that exceeds the width or bridge limits for its posted routes shall be required to obtain the appropriate overdimensional or overweight permit required by this chapter.

➔Section 6. KRS 189.280 is amended to read as follows:

- (1) KRS 189.221 to 189.230 and 189.280 shall not apply to motor trucks, semitrailer trucks, or trailers owned by the United States, the Commonwealth of Kentucky, or any agency of them, any county or city.
- (2) If any motor truck, semitrailer truck, or trailer is lawfully licensed by a city pursuant to KRS 186.270, then KRS 189.221 and subsection (1) of 189.222 shall not apply thereto, within the limits of the city issuing the license, or within fifteen (15) miles of the limits of the city, ~~if it is a city with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census, or within five (5) miles of its limits if it is a city with a population of less than three thousand (3,000) based upon the most recent federal decennial census,~~ except on such state-maintained highways or portions thereof, including connecting-link streets, as may be designated by the commissioner of highways, and on such county highways as may be designated by the county judge/executive; provided, however, that in no case shall any vehicle exceed the weight and size limitations established by the city ordinance when those limitations are less stringent than those provided in the aforementioned sections of the statutes. For the purposes of this subsection vehicles exempt from the imposition of a city license tax by reason of subsection (2) of KRS 281.830 shall be entitled to the same exemptions as those so licensed.
- (3) Cities may, by ordinance, provide maximum limits with respect to the weight, height, width and length of motor trucks, semitrailer trucks, and trailers *on city-owned and maintained streets and roads* ~~within their respective boundaries, not less, however, than the maximum limits prescribed in KRS 189.221 and subsection (1) of 189.222, and may authorize the operation of trailers.~~

➔SECTION 7. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in Sections 7 to 11 of this Act, unless the context requires otherwise:*
 - (a) *"Car sharing delivery period" means 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 car sharing program agreement;*
 - (b) *"Car sharing period" means the period of time that commences with the following and ends at the car sharing termination time:*
 1. *The car sharing delivery period; or*

2. *If there is no car sharing delivery period, the car sharing start time;*
- (c) *"Car sharing program agreement":*
1. *Means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer car sharing program; and*
 2. *Does not include rental or lease agreements entered with persons operating under a U-Drive-It certificate as defined in KRS 281.010;*
- (d) *"Car sharing start time" means 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;*
- (e) *"Car sharing termination time" means the earliest of the following:*
1. *The expiration of the agreed-upon period of time established for use of a shared vehicle according to the terms of a car sharing program agreement if the shared vehicle is delivered to the location agreed upon in the car sharing program agreement;*
 2. *When the shared vehicle is returned to a location as alternatively agreed upon by the shared vehicle owner and shared vehicle driver as communicated through a peer-to-peer car sharing program, which alternatively agreed upon location shall be incorporated into the car sharing program agreement; or*
 3. *When the shared vehicle owner takes possession and control of the shared vehicle;*
- (f) *"Peer-to-peer car sharing":*
1. *Means the authorized use of a motor vehicle by an individual other than the vehicle's owner through a peer-to-peer car sharing program; and*
 2. *Does not:*
 - a. *Include the operation of a U-Drive-It as defined in KRS 281.010; or*
 - b. *Involve the sale or provision of rental vehicle insurance as defined in KRS 304.9-020;*
- (g) *"Peer-to-peer car sharing program":*
1. *Means a business platform that connects shared vehicle owners with shared vehicle drivers to enable the sharing of motor vehicles for financial consideration; and*
 2. *Does not include a:*
 - a. *U-Drive-It as defined in KRS 281.010;*
 - b. *Motor vehicle renting company as defined in KRS 281.687;*
 - c. *Rental vehicle agent as defined in KRS 304.9-020; or*
 - d. *Service provider that is solely providing hardware or software as a service to a person or entity that is not effectuating payment of financial consideration for use of a shared vehicle;*
- (h) *"Shared vehicle":*
1. *Means a motor vehicle that is available for car sharing through a peer-to-peer car sharing program; and*
 2. *Does not include a motor vehicle leased or rented by a person operating under a U-Drive-It certificate as defined in KRS 281.010;*
- (i) *"Shared vehicle driver" means an individual who has been authorized to drive the shared vehicle by the shared vehicle owner under a car sharing program agreement; and*
- (j) *"Shared vehicle owner":*
1. *Means the registered owner, or a person or entity designated by the registered owner, of a motor vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program; and*

2. *Does not include a:*
 - a. *Person operating a U-Drive-It as defined in KRS 281.010;*
 - b. *Motor vehicle renting company as defined in KRS 281.687; or*
 - c. *Rental vehicle agent as defined in KRS 304.9-020.*
- (2) *A peer-to-peer car sharing program doing business in this state shall comply with Sections 8 and 9 of this Act.*

➔SECTION 8. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

- (1) (a) *A peer-to-peer car sharing program shall assume the liability, except as provided in paragraph (b)1. of this subsection, of a shared vehicle owner for bodily injury and property damage to third parties and basic reparation benefits losses during the car sharing period in an amount stated in the car sharing program agreement, which amount shall not be less than:*
 1. *For bodily injury and property damage to third parties, the amounts set forth in KRS 304.39-110; and*
 2. *For basic reparation benefits, the amount set forth in KRS 304.39-020(2).*
- (b) *Notwithstanding the definition of "car sharing termination time" set forth in Section 7 of this Act, the assumption of liability required under paragraph (a) of this subsection:*
 1. *Shall not apply when a shared vehicle owner:*
 - a. *Makes an intentional or fraudulent material misrepresentation or omission to the peer-to-peer car sharing program before the car sharing period in which the accident occurs; or*
 - b. *Acts in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the terms of the car sharing program agreement; and*
 2. *Shall apply to bodily injury, property damage, and basic reparation benefits losses by damaged third parties required under KRS 304.39-080.*
- (2) (a) 1. *A peer-to-peer car sharing program shall ensure that, during each car sharing period, the shared vehicle owner and the shared vehicle driver are covered under a motor vehicle liability insurance policy that:*
 - a. *Provides coverage in amounts not less than the minimum amounts set forth in KRS 304.39-110; and*
 - b. *Either:*
 - i. *Recognizes that the motor vehicle insured under the policy is made available and used as a shared vehicle through a peer-to-peer car sharing program; or*
 - ii. *Does not exclude use of the motor vehicle as a shared vehicle by a shared vehicle driver.*
 2. *For purposes of this paragraph, "recognizes" means acceptance and recognition of coverage.*
- (b) 1. *The requirements of paragraph (a) of this subsection may be satisfied by motor vehicle liability insurance maintained by:*
 - a. *The shared vehicle owner;*
 - b. *The shared vehicle driver;*
 - c. *The peer-to-peer car sharing program; or*
 - d. *Any combination of the persons described in this subparagraph.*
2. *In the event a claim occurs in another state with minimum coverage limits higher than the amounts set forth in KRS 304.39-110 during the car sharing period, the coverage maintained under this paragraph shall satisfy the difference in minimum coverage amounts, up to the applicable policy limits.*

- (c) *Except as otherwise provided in this section:*
1. *The insurance described in paragraph (b) of this subsection that is satisfying the insurance requirement of paragraph (a) of this subsection shall be primary during each car sharing period;*
 2. *In the event a bodily injury or liability claim occurs and there is more than one (1) motor vehicle liability insurance policy as permitted under paragraph (b)1.d. of this subsection, the order of priority of coverage shall be as follows, unless one (1) policy contains a provision affirmatively stating that the policy's coverage is primary and thereby is primary during the car sharing period:*
 - a. *A policy maintained by the shared vehicle driver is first in priority;*
 - b. *A policy maintained by the peer-to-peer car sharing program is next in priority; and*
 - c. *A policy maintained by the shared vehicle owner is last in priority; and*
 3. *If coverage is applicable through more than one (1) motor vehicle liability insurance policy as permitted under paragraph (b)1.d. of this subsection and more than one (1) of those policies contain a provision affirmatively stating that the policy's coverage is primary, the order of priority of coverage shall be as described in subparagraph 2.a. to c. of this paragraph.*
- (d) *The insurer, insurers, or peer-to-peer car sharing program providing coverage under paragraph (a) or (b) of this subsection shall assume primary liability for a claim if a dispute exists as to:*
1. *Who was in control of the shared vehicle at the time of the accident and the peer-to-peer car sharing program does not have available, did not retain, or fails to provide the information required under subsection (2) of Section 9 of this Act; or*
 2. *Whether the shared vehicle was returned to the alternatively agreed upon location as required under subsection (1)(e)2. of Section 7 of this Act.*
- (e) *If insurance maintained by a shared vehicle owner or shared vehicle driver in accordance with paragraph (b) of this subsection 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 paragraph (a) of this subsection beginning with the first dollar of a claim and have the duty to defend such claim except under circumstances set forth in subsection (1)(b)1. of this section.*
- (3) *Coverage under a motor vehicle insurance policy maintained by a peer-to-peer car sharing program shall not be dependent upon another motor vehicle insurer first denying a claim nor shall another motor vehicle insurance policy be required to first deny a claim.*
- (4) *Nothing in this section shall be construed to:*
- (a) *Limit the liability of a peer-to-peer car sharing program for any act or omission of the peer-to-peer car sharing program itself that results in injury to any person as a result of the use of a shared vehicle through a peer-to-peer car sharing program;*
 - (b) *Limit the ability of a peer-to-peer car sharing program to, by contract, 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 car sharing program agreement;*
 - (c) *Invalidate or limit an exclusion contained in a motor vehicle liability insurance policy, including any policy in use or approved for use that excludes coverage for motor vehicles made available for rent, sharing, or hire, or for any business use; or*
 - (d) *Invalidate, limit, or restrict an insurer's ability under existing law to:*
 1. *Underwrite any insurance policy; or*
 2. *Cancel and non-renew policies.*

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

- (1) *At the time when a motor vehicle owner registers as a shared vehicle owner on a peer-to-peer car sharing program and prior to the time when the shared vehicle owner makes a shared vehicle available for sharing on the peer-to-peer car sharing program, the peer-to-peer car sharing program shall:*

- (a) *Notify the shared vehicle owner that, if the shared vehicle has a lien against it, the use of the motor vehicle as a shared vehicle through a peer-to-peer car sharing program, including use without physical damage coverage, may violate the terms of the contract with the lienholder;*
 - (b) *Verify that the shared vehicle does not have any safety recalls for which the repairs have not been made; and*
 - (c) *Notify the shared vehicle owner of the requirements under Section 10 of this Act.*
- (2) (a) *A peer-to-peer car sharing program shall collect and verify records pertaining to the use of a shared vehicle, including but not limited to:*
- 1. *Times used;*
 - 2. *Car sharing period pickup and drop-off locations;*
 - 3. *Fees paid by the shared vehicle driver; and*
 - 4. *Revenues received by the shared vehicle owner.*
- (b) *The peer-to-peer car sharing program shall provide the information collected under paragraph (a) of this subsection, upon request, to the following to facilitate a claim coverage investigation, settlement, negotiation, or litigation:*
- 1. *The shared vehicle owner;*
 - 2. *The shared vehicle owner's insurer; and*
 - 3. *The shared vehicle driver's insurer.*
- (c) *The peer-to-peer car sharing program shall retain the records collected for a time period not less than the applicable personal injury statute of limitations.*
- (3) *Each car sharing program agreement made in this state shall disclose to the shared vehicle owner and the shared vehicle driver:*
- (a) *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 car sharing program agreement;*
 - (b) *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;*
 - (c) *That the peer-to-peer car sharing program's insurance coverage on the shared vehicle owner and the shared vehicle driver shall be 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;*
 - (d) *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;*
 - (e) *That the shared vehicle owner's motor vehicle liability insurance may not provide coverage for a shared vehicle;*
 - (f) *An emergency telephone number to personnel capable of fielding roadside assistance and other customer service inquiries; and*
 - (g) *Whether there are conditions under which a shared vehicle driver must maintain a personal motor vehicle insurance policy with certain applicable coverage limits on a primary basis in order to book a shared vehicle.*
- (4) (a) *A peer-to-peer car sharing program shall not enter into a car sharing program agreement with a potential shared vehicle driver unless the driver:*
- 1. *Holds a driver's license issued under the laws of this state that authorizes the driver to operate vehicles of the class of the shared vehicle;*
 - 2. *Is a nonresident who:*

- a. *Has a driver's license issued by the state or country of the driver's residence that authorizes the driver in that state or country to drive vehicles of the class of the shared vehicle; and*
- b. *Is at least the same age as that required of a resident to drive in this state; or*
- 3. *Is otherwise authorized under the laws of this state to drive vehicles of the class of the shared vehicle.*
- (b) *A peer-to-peer car sharing program shall keep a record of:*
 - 1. *The name and address of each shared vehicle driver;*
 - 2. *The driver's license number of each shared vehicle driver; and*
 - 3. *The place of issuance of the driver's license of each shared vehicle driver.*
- (5) (a) *A peer-to-peer car sharing program shall:*
 - 1. *Have sole responsibility for any equipment, such as a global positioning system (GPS) or other special equipment, that is put in or on the shared vehicle to monitor or facilitate the peer-to-peer car sharing; and*
 - 2. *Agree to indemnify and hold harmless the shared vehicle owner for any damage to or theft of the equipment during the car sharing period not caused by the shared vehicle owner.*
- (b) *A peer-to-peer car sharing program may seek indemnification from the shared vehicle driver for any loss or damage to the equipment that occurs during the car sharing period.*

➔SECTION 10. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

- (1) *If a shared vehicle owner receives an actual notice of a safety recall on a shared vehicle, the shared vehicle owner shall:*
 - (a) *Remove the shared vehicle as available on the peer-to-peer car sharing program as soon as practicably possible after receiving the notice; and*
 - (b) *Not make the shared vehicle available on the 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 while the shared vehicle is in the possession of a shared vehicle driver, the shared vehicle owner shall notify the peer-to-peer car sharing program as soon as practicably possible after receiving the notice so that the shared vehicle owner may address the safety recall repair.*

➔SECTION 11. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

A peer-to-peer car sharing program and a shared vehicle owner shall be exempt from vicarious liability:

- (1) *Consistent with 49 U.S.C. sec. 30106; and*
- (2) *Except as provided in KRS 304.39-080, under any state or local law that imposes liability solely based on vehicle ownership.*

➔SECTION 12. A NEW SECTION OF SUBTITLE 39 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, the following have the same meaning as in Section 7 of this Act:*
 - (a) *"Car sharing period";*
 - (b) *"Peer-to-peer car sharing program";*
 - (c) *"Shared vehicle";*
 - (d) *"Shared vehicle driver"; and*
 - (e) *"Shared vehicle owner."*
- (2) *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 policy*

for accidents involving the shared vehicle that occur during a car sharing period, including but not limited to:

- (a) *Security for payment of tort liabilities under KRS 304.39-110;*
 - (b) *Uninsured motorist coverage under KRS 304.20-020;*
 - (c) *Underinsured motorist coverage under KRS 304.39-320;*
 - (d) *Basic reparation benefits as defined in KRS 304.39-020;*
 - (e) *Medical payments coverage;*
 - (f) *Comprehensive property damage coverage; and*
 - (g) *Collision property damage coverage.*
- (3) *An insurer that defends or indemnifies a claim against a shared vehicle shall have the right to seek recovery against the insurer that issued a motor vehicle liability insurance policy under subsection (2) of Section 8 of this Act to the peer-to-peer car sharing program if:*
- (a) *The claim is made against the shared vehicle owner or shared vehicle driver for damages that result from an accident occurring during the car sharing period; and*
 - (b) *Coverage for the claim is excluded under the terms of the insurer's policy.*

➔SECTION 13. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, the following have the same meaning as in Section 7 of this Act:*
- (a) *"Car sharing period";*
 - (b) *"Car sharing program agreement";*
 - (c) *"Peer-to-peer car sharing program";*
 - (d) *"Shared vehicle";*
 - (e) *"Shared vehicle driver"; and*
 - (f) *"Shared vehicle owner."*
- (2) *Notwithstanding any other provision of this subtitle, a peer-to-peer car sharing program shall have an insurable interest in a shared vehicle during the car sharing period, which shall include owning and maintaining, as the named insured, one (1) or more policies of motor vehicle liability insurance that provides coverage for:*
- (a) *Liabilities assumed by the peer-to-peer car sharing program under a car sharing program agreement;*
 - (b) *Any liability of the shared vehicle owner or shared vehicle driver; and*
 - (c) *Damage or loss to the shared vehicle.*
- (3) *Nothing in this section creates liability on a peer-to-peer car sharing program to maintain the coverage required under Section 8 of this Act.*

➔Section 14. KRS 138.462 is amended to read as follows:

As used in KRS 138.463 and 138.4631, unless the context requires otherwise:

- (1) "Cabinet" means the Transportation Cabinet;
- (2) "Rent" and "rental" means a contract, *other than a car sharing program agreement as defined in Section 7 of this Act*, supported by a consideration, for the use of a motor vehicle for a period of less than three hundred sixty-five (365) days;
- (3) "Lease" and "leasing" means a contract, *other than a car sharing program agreement as defined in Section 7 of this Act*, supported by a consideration, for the use of a motor vehicle for a period of three hundred sixty-five (365) days or more; and

(4) "Gross rental charge" means the amount paid by a customer for time and mileage only.

➔Section 15. KRS 186.630 is amended to read as follows:

- (1) No person shall rent a motor vehicle to any other person if the latter is not licensed, unless he is a nonresident whose home state or country does not require that an operator be licensed.
- (2) No person shall rent a motor vehicle to another until he has inspected the operator's license of the person to whom the vehicle is to be rented and compared and verified the signature on the license with the signature of that person written in his presence.
- (3) Every person renting a motor vehicle to another shall keep a record of the registration number of the motor vehicle rented, the name and address of the person to whom the vehicle is rented, the number of his license and the date and place of issuance of his license. That record shall be open to inspection by any police officer or employee of the cabinet.

(4) ***This section shall not apply to peer-to-peer car sharing as defined in Section 7 of this Act.***

➔Section 16. Whereas facilitating the renewal of recently expired CDLs in good standing will help increase the number of commercial truck drivers on the highway during an unprecedented backlog in our nation's supply chain, and recently enacted federal requirements for entry-level driver training have exacerbated already existing shortages of qualified commercial vehicle operators, an emergency is declared to exist, and Sections 1 to 4 of this Act shall take effect upon their passage and approval by the Governor or upon their otherwise becoming a law.

➔Section 17. Sections 7 to 15 of this Act take effect on January 1, 2023.

Signed by Governor April 8, 2022.