Local Government Mandate Statement Kentucky Legislative Research Commission 2022 Regular Session

Part I: Measure Information

Bill Request #: 1490			
Bill #: HB 309 HCS 1			
Document ID #: 5958			
Bill Subject/Title: AN ACT relating to peer-to-peer car sharing.			
Sponsor: Representative Bart Rowland			
Unit of Government: X City X County X Urban-County Unified Local			
X Charter County X Consolidated Local X Government			
Office(s) Impacted: Local Government			
Requirement: X Mandatory Optional			
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing			

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

The proposed measure allows the creation of peer-to-peer car sharing programs beginning January 1, 2023. New sections of KRS Chapter 365 establish requirements for insurance, disclosures, recordkeeping, equipment liability, program operation, and obligations for peer-to-peer car sharing programs.

HCS 1 establishes an order of priority where a bodily injury or liability claim occurs and there is more than one motor vehicle liability insurance policy as permitted by this bill. The order of priority coverage shall be as follows, unless one policy contains a provision affirmatively stating that the policy's coverage is primary thereby is primary during the car sharing period:

- A policy maintained by the shared vehicle driver is first priority;
- A policy maintained by the P2P car sharing program is next priority; and
- A policy maintained by the shared vehicle owner is last priority.

New sections to Subtitle 39 and Subtitle 14 of KRS 304 are also created establishing certain rights of insurers relating to accidents involving shared vehicles and certain requirements for insurers that issue policies covering shared vehicles. Peer-to-peer car sharing programs are provided with an insurable interest in shared vehicles during the car sharing period.

The fiscal impact of this legislation is indeterminable but is expected to be minimal.

Section 5 exempts a peer-to-peer car sharing program and a shared vehicle owner from vicarious liability, except under any state or local law that imposes liability solely based on vehicle ownership. Vicarious liability is when an entity is held financially responsible for the actions of another person or party.

Under Section 5, local government may have to repeal laws or not enforce laws that are contrary to this legislation. Ordinances must be repealed in the same manner in which they were created, thus, local governments must enact a repealing ordinance. In doing so, costs incurred will be associated with drafting, publication, indexing and recording of adopted ordinances.

According to Kentucky League of Cities, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting an ordinance is influenced by its complexity and the amount of research that is necessary. As of FY 2020, the average hourly rate was \$107. Rates for legal notices vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, pertains to the bill as amended by HCS 1. The fiscal impact of HCS 1 remains unchanged from the original impact.

HCS 1 establishes an order of priority where a bodily injury or liability claim occurs and there is more than one motor vehicle liability insurance policy as permitted by this bill.

Data Source(s):	Kentucky Municipal Statutory Law, Informational Bulletin No. 145,	
	Revised September 2021, Kentucky League of Cities, LRC Staff	
Preparer: MJO/	KLS Reviewer: CHM Date: 2/24/2	2