



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 Ordinances must be repealed in the same manner in which they were created, thus, local governments must enact a repealing ordinance.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:** 2/24/22