



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 19-090

**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 4, 2019)

Drafting Number: LLS 19-0683
Prime Sponsors: Sen. Scott
Rep. Gray

Date: March 1, 2019
Bill Status: House Trans. & Local Govt.
Fiscal Analyst: Chris Creighton | 303-866-5834
Chris.Creighton@state.co.us

Bill Topic: PEER-TO-PEER MOTOR VEHICLE SHARING PROGRAM

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<input checked="" type="checkbox"/> TABOR Refund (<i>minimal</i>)
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input checked="" type="checkbox"/> Local Government (<i>minimal</i>)
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill establishes regulations for peer-to-peer car sharing programs. The bill minimally increase state and local revenues and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note has been revised to reflect the reengrossed bill.

Summary of Legislation

This bill establishes regulations for peer-to-peer car sharing programs which connect car owners to prospective drivers that pay a fee for the use of the car through an online platform.

Record keeping. A car sharing program must collect and verify records concerning the use of the vehicle including the times used, fees paid by the driver, and fees received by the car owner. These records must be provided upon request and must be retained for at least the duration of the applicable personal injury statute of limitations.

Disclosures and notices. For each car registered and participating in the shared car program, this bill requires the program to provide the car share owner and driver with the terms and conditions of the car sharing agreement, provide an emergency number for roadside assistance, and requires certain disclosures as specified in the bill.

Drivers license verification. A car sharing program may not enter into a car sharing agreement unless the driver holds a valid drivers license or is a nonresident exempt from license requirements. The program must keep records related to the driver and their drivers license.

Safety recalls. A car sharing program must verify that a vehicle being registered for the shared car program does not have any open safety recalls. Additionally, an active shared car cannot be made available for the shared car program until after the safety recall notice repair has been made and must be removed from the program within 72-hours of receiving a recall notice to make the repairs.

Insurance coverage and liability. A car sharing program must ensure that the vehicle being shared is insured under a automobile liability policy that recognizes that the car is a shared car and provides at least a minimum amount of coverage.

Lien notification. When a car owner registers as a shared car owner, the shared car program must notify the car owner that, if the share car has a lien against it, the use of the shared car through the program may violate the terms of the contract with the lien holder.

Personal liability insurance exclusion. An authorized insurer may exclude coverage and the duty to defend or indemnify for any claim under a shared car owner's personal liability insurance.

Coverage cancellation. With some exceptions, an auto insurer is prohibited from refusing to issue, renew, deny, cancel, void, terminate, or rescind a policy of auto liability insurance of a shared car owner solely on the basis that the car covered is a shared car. However, the insurer may refuse to issue or renew a personal private auto liability insurance policy if the applicant fails to provide complete and accurate information about the use of the shared car. An auto insurer may limit the number of shared cars it will insure.

Airport operation. Upon request, a car share program and shared car owner offering three or more shared cars for rental must enter into an airport concession agreement. An injunction prohibiting car sharing, compensatory damages, or punitive damages are authorized to be awarded by the court for any airport concession agreement violations.

State Revenue

Beginning in FY 2019-20, this bill increases Judicial Department cash fund revenue from civil filing fees. By creating car-sharing regulations, revenue will increase if civil actions are filed for breach of contract, insurance, airport concession agreement, or other car-sharing program related claims. Any revenue impacts are assumed to be minimal. For informational purposes, the civil filing fee for county court ranges from \$85 to \$135 depending on the amount of damages sought and the filing fee for district court is \$235. Civil cases seeking damages of less than \$25,000 may be filed in county or district court, while cases seeking damages over \$25,000 must be filed in district court. Civil filing fees are subject to TABOR.

State Expenditures

Beginning in FY 2019-20, this bill increases workload by a minimal amount as described below. No additional appropriations are required.

Judicial Department. Trial court workload will increase if additional car sharing or airport concession agreement civil claims are filed.

Department of Regulatory Agencies. This bill will increase workload in the Division of Insurance in the Department of Regulatory Agencies to investigate and respond to car sharing program or car share owner or driver insurance complaints.

TABOR refunds. The bill is expected to minimally increase state General Fund obligations for TABOR refunds in FY 2019-20. Under current law and the December 2018 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

Local Government

Similar to the state, beginning in the FY 2019-20, this bill increases revenue and workload for Denver County Court for any civil actions seeking damages under \$25,000 commenced within the City and County of Denver. This impact is expected to be minimal.

If a car sharing program or car owner enters into an airport concession agreement, revenue from taxes and fees will increase for the local government operating the airport and costs and workload will minimally increase to administer and enforce the agreement.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed. It applies to car sharing that occurs on or after the effective date.

State and Local Government Contacts

Information Technology
Regulatory Agencies

Judicial
Revenue

Law