

ASSEMBLY, No. 6097

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 6, 2020

Sponsored by:
Assemblyman JAMEL C. HOLLEY
District 20 (Union)

SYNOPSIS

“Private Vehicle Rental Modernization Act.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning vehicle rental transactions, and amending
2 P.L.1953, c.173 and supplementing Title 39 of the Revised
3 Statutes.

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

7
8 1. This act shall be known and may be cited as the “Private
9 Vehicle Rental Modernization Act.”

10
11 2. As used in P.L. , c. (C.) (pending before the
12 Legislature as this bill):

13 "Group policy" means an insurance policy issued pursuant to
14 section 5 of P.L. , c. (C.) (pending before the Legislature as
15 this bill).

16 “Motor vehicle rental company” means any corporation, sole
17 proprietorship or other entity or person, including a franchisee,
18 engaged in the business of facilitating vehicle rental transactions
19 which occur in this State. “Motor vehicle rental company” excludes
20 a private rental vehicle owner, who makes no more than three
21 vehicles available for rent through any private vehicle rental
22 program, or through any combination of private vehicle rental
23 programs, during a twelve-month period.

24 “Program rental period” or “rental period” means the period of
25 time when a renter takes possession and control of a vehicle
26 available for private vehicle rental, includes the time when that
27 vehicle is under the control of the program provider, and continues
28 until the following conditions are met:

29 (1) the vehicle is:

30 (a) retrieved by the owner or owner’s designee;

31 (b) returned to a location agreed upon by the owner and the
32 renter; or

33 (c) returned to a location designated by the program provider;
34 and

35 (2) one of the following occurs:

36 (a) the time period established through the program expires;

37 (b) the renter verifiably communicates to the program provider
38 or owner that they deem the rental period terminated; or

39 (c) the owner or the program provider takes possession and
40 control of the vehicle.

41 "Private rental vehicle" or “vehicle” means a motor vehicle
42 owned and registered to an individual that is used in a private
43 vehicle rental program and which is insured, or subject to being
44 insured, under a private passenger automobile insurance policy by
45 the registered owner.

46 (1) A private rental vehicle shall not be considered an autocab
47 or taxi as defined in R.S.48:16-1, a limousine as defined in

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 R.S.48:16-13 or section 2 of P.L.1997, c.356 (C.48:16-13.1), an
2 autobus or jitney as defined in R.S.48:16-23, a motor bus as defined
3 in section 1 of P.L.1991, c.154 (C.17:28-1.5), or any other for-hire
4 vehicle.

5 (2) A private rental vehicle shall not be considered an
6 automobile as defined in subsection a. of section 2 of P.L.1972,
7 c.70 (C.39:6A-2) during a program rental period.

8 "Private rental vehicle owner" or "owner" means the registered
9 owner of a private rental vehicle available for rent through a private
10 vehicle rental program.

11 "Private vehicle rental" means the use of a private rental vehicle
12 by persons other than the vehicle's registered owner, in connection
13 with a private vehicle rental program.

14 "Private vehicle rental program" or "program" means any means,
15 digital or otherwise, by which a private vehicle rental is facilitated
16 by a private vehicle rental program provider.

17 "Private vehicle rental program provider" or "program provider"
18 means the corporation, sole proprietorship or other entity or person
19 that is responsible for operating, facilitating or administering
20 vehicle rental transactions through a private vehicle rental program.

21 "Private vehicle renter" or "renter" means a person, other than
22 the private rental vehicle owner, who rents the owner's vehicle
23 through a private vehicle rental program.

24 "Vehicle rental transaction" means the transfer of possession of a
25 private rental vehicle from the owner to a renter, for a
26 consideration, without the transfer of ownership of that motor
27 vehicle.

28

29 3. a. A vehicle rental transaction facilitated by a private
30 vehicle rental program provider shall be subject to all statutory and
31 regulatory obligations for motor vehicle rental vehicles,
32 transactions, and companies including, but not limited to
33 compliance with following:

34 (1) municipal taxes and fees, including, but not limited to
35 section 20 of P.L. 2009, c.90 (C.40:48H-2);

36 (2) motor vehicle safety requirements including but not limited
37 to child passenger safety restraint systems as provided in section 1
38 of P.L.1983, c.128 (C.39:3-76.2a) and the provision of an
39 appropriate child restraint as provided in section 2 of P.L.1985,
40 c.202 (C.45:21-14);

41 (3) any sales and use taxes as provided in P.L.1966, c.30
42 (C.54:32B-1 et seq.);

43 (4) plain language in consumer contracts as provided in
44 P.L.1980, c.125 (C.56:12-1 et seq.);

45 (5) the prohibition on the transportation of passengers for hire
46 by a lessee or bailee of a motor vehicle as provided by R.S. 45:21-
47 9;

1 (6) the "New Jersey Business Corporation Act," N.J.S. 14A:1-1
2 et seq.; and

3 (7) the rental motor vehicle surcharge imposed by section 54 of
4 P.L. 2002, c.34 (C. App.A:9-78).

5 b. Any notice or disclosure required to be provided, delivered,
6 posted, or otherwise made available pursuant to any motor vehicle
7 rental company shall also be deemed timely and effectively made
8 when that notice or disclosure is provided or delivered
9 electronically at or before the time required or included in a
10 member or master agreement in effect at the time of rental. For the
11 purposes of P.L. , c. (C.) (pending before the Legislature as
12 this bill), a master or member agreement shall include, but not be
13 limited to, any service:

14 (1) offered by a company that permits customers to bypass a
15 retail service location and obtain a product or service directly;

16 (2) for which the rental company does not require the renter to
17 execute a rental agreement at the time of rental; or

18 (3) for which the renter does not receive the rental terms and
19 conditions at the time of rental.

20 c. Electronic or written acceptance by a renter shall be a valid
21 form of acceptance of any notice or disclosure, and acceptance shall
22 remain effective until that acceptance is affirmatively withdrawn by
23 the renter.

24 d. Notices and disclosures made pursuant to P.L. , c.
25 (C.) (pending before the Legislature as this bill), shall be
26 exempt from any placement or stylistic display requirements,
27 including but not limited to location, font size, typeset, or other
28 specifically-stated description; so long as those disclosures are
29 generally consistent in appearance with the entirety of the
30 communication in which it is contained.

31 e. If a motor vehicle rental company facilitates rentals via
32 digital, electronic, or other means that allow customers to obtain
33 possession of a vehicle without in person contact with an agent or
34 employee of the provider, or where the renter does not execute a
35 rental contract at the time of rental, the motor vehicle rental
36 company shall be deemed to have met all obligations to physically
37 inspect and compare a renter's driver license pursuant to P.L.1949,
38 c.206 (C.45:21-12) if that provider:

39 (1) at the time a renter enrolls, or any time thereafter, in a
40 membership program, master agreement, or other means of
41 establishing use of the provider's services, requires verification that
42 the renter is a licensed driver; or

43 (2) prior to the renter taking possession of the rental vehicle, the
44 provider requires documentation that verifies the renter's identity.

45

46 4. a. No private passenger automobile insured, or subject to
47 being insured, by its registered owner pursuant to P.L.1972, c. 197
48 (C.39:6B-1) shall be classified as a commercial vehicle, for-hire

1 vehicle, permissive use vehicle, taxicab or livery solely because its
2 registered owner allows it to be used for private vehicle rental, as
3 long as all of the following circumstances apply:

4 (1) the private vehicle rental is compliant with a personal
5 vehicle rental program as provided for in P.L. , c. (C.)
6 (pending before the Legislature as this bill);

7 (2) the owner, or program provider, does not knowingly place
8 the vehicle, or allow the vehicle to be placed, into use as a
9 commercial vehicle, or as a vehicle for hire by a private vehicle
10 renter, while the vehicle is utilized for private vehicle rental; and

11 (3) the number of private passenger automobiles a single
12 individual, or multiple individuals residing in the same household,
13 has enrolled in any private vehicle rental program, or combination
14 of private vehicle rental programs, does not exceed four.

15 b. A private passenger automobile insurer may cancel or refuse
16 coverage to an owner solely due to the number of vehicles enrolled
17 in private vehicle rental, if the number of vehicles enrolled in any
18 private rental program, or combination of programs, either by the
19 insured, or in combination with other household residents, exceeds
20 four.

21 c. A program provider for each vehicle for which it facilitates
22 the rental, shall:

23 (1) procure group insurance coverage for each vehicle engaged
24 in private vehicle rental and each authorized driver of that vehicle
25 during the rental period. That insurance shall, at a minimum,
26 provide for each vehicle:

27 (a) liability coverage at least equal to the minimum financial
28 responsibility requirements for personal passenger motor vehicles
29 of the state in which the vehicle is registered; and

30 (b) property and casualty coverage including comprehensive and
31 collision protection, in accordance with subsection d. and e. of
32 section 5 of P.L. , c. (C.) (pending before the Legislature as
33 this bill);

34 (2) provide the registered owner of the vehicle engaged in
35 private vehicle rental with suitable proof of compliance with the
36 insurance requirements of this section and the requirements of
37 P.L.1985, c.520 (C.17:28-1.4), a copy of which shall be maintained
38 in the vehicle by the owner whenever the vehicle is operated by a
39 renter, or person other than the owner, pursuant to a private vehicle
40 rental program;

41 (3) not permit the vehicle to be operated for commercial use or
42 as a vehicle for hire by a renter while engaged in private vehicle
43 rental;

44 (4) provide each renter, for each rental transaction under the
45 program, at the time of each rental:

46 (a) access to an insurance identification card approved for use
47 by the state in which the vehicle is registered, or other
48 documentation, able to be carried in the vehicle at all times during

- 1 the rental period, that proves the insurance coverage referred to in
2 paragraph (1) of this subsection is in full force and effect; and
- 3 (b) the means, via a toll-free number, email address or other
4 form of communication with a law enforcement police officer, a
5 representative of the motor vehicle commission or other officer of
6 the state in which the vehicle is registered or any political
7 subdivision thereof, to confirm in real time that insurance coverage
8 provided for in paragraph (1) of this subsection is in effect;
- 9 (5) require that every vehicle made available for private vehicle
10 rental complies with the minimum financial responsibility
11 requirements of the state in which the vehicle is registered;
- 12 (6) require that every vehicle used in a program is a private
13 rental vehicle;
- 14 (7) facilitate the installation, operation, and maintenance of its
15 own signage and computer hardware and software to the extent
16 necessary for the vehicle to be used in the program;
- 17 (8) indemnify and hold harmless the owner for the cost of
18 damage or theft of equipment installed by the program provider
19 under paragraph (7) of this subsection for any damage caused to the
20 vehicle by the installation, operation, or maintenance of that
21 equipment;
- 22 (9) collect, maintain and make available, to any government
23 agency as required by law, at the cost of the program, the owner's
24 primary motor vehicle liability insurer, the renter's primary
25 automobile, excess, or umbrella insurer; and the following
26 information pertaining to incidents that occurred during any rental
27 period:
- 28 (a) verifiable records of the rental period for each vehicle, and
29 to the extent electronic equipment for monitoring the following
30 information is installed in the vehicle, verifiable electronic records
31 of the time, initial and final locations of the vehicle, and to the
32 extent mileage is collected miles driven; and
- 33 (b) in instances in which an insurance claim has been filed with
34 a group insurer, any and all information relevant to the claim,
35 including payments by the program provider concerning accidents,
36 damages and injuries; and
- 37 (10) ensure that the owner and renter are given notice prior to the
38 first use or operation of a private rental vehicle pursuant to
39 enrollment in a private vehicle rental program, that:
- 40 (a) during the rental period, the owner's insurer may exclude
41 any and all coverage afforded to its policy and the owner's insurer
42 shall have the right to notify an insured that it shall have no duty to
43 defend or indemnify any person or organization for liability for any
44 loss that occurs during the rental period; and
- 45 (b) the group policy and physical damage coverage contract may
46 not provide coverage outside of the rental period.

1 5. a. Notwithstanding any other provision of law or any
2 provision in a private passenger automobile insurance policy, in the
3 event of a loss or injury that occurs during the rental period or while
4 the private rental vehicle is otherwise under the control of a private
5 vehicle rental program provider, the program provider shall be
6 deemed the owner of the vehicle. The program provider shall retain
7 this liability irrespective of a lapse in the group policy or any
8 insurance policy under which the program is insured, or whether
9 liability is covered under the group policy or any insurance policy
10 under which the program is insured.

11 b. A program provider's group policy shall provide coverage
12 during the rental period for an owner's private passenger
13 automobile in use as a private rental vehicle.

14 c. The insurer or insurers providing group liability insurance to
15 the private vehicle rental program pursuant to subsection a. of
16 section 6 of P.L. , c. (C.) (pending before the Legislature as
17 this bill) and group physical damage insurance to the private vehicle
18 rental program pursuant to subsection d. of section 6 of P.L. , c.
19 (C.) (pending before the Legislature as this bill) shall assume
20 liability for a claim in which a dispute exists as to who was in
21 control of the vehicle when the loss occurred giving rise to the
22 claim, and the owner's private passenger automobile insurer shall
23 indemnify the private vehicle rental program's group insurer or
24 insurers, to the extent of its obligation under the applicable
25 insurance policy, if it is determined that the vehicle's owner was in
26 control of the vehicle at the time of the loss. The program shall
27 notify the owner's insurer of any such dispute within 10 business
28 days of becoming aware that such a dispute exists.

29 d. If the owner of the vehicle or its insurer is named as a
30 defendant in a civil action for a loss or injury that occurs during any
31 time within the rental period, or otherwise under the control of a
32 private vehicle rental program provider, the program's group
33 liability insurance insurer under subsection a. of section 6 of
34 P.L. , c. (C.) (pending before the Legislature as this bill)
35 shall have the duty to defend and indemnify the vehicle's owner and
36 the owner's insurer, subject to the provisions of subsection c. of this
37 section.

38 e. Notwithstanding any other provision of law to the contrary,
39 while a private rental vehicle is used by a person other than its
40 owner, pursuant to a private vehicle rental facilitated through a
41 private vehicle rental program, all of the following shall apply:

42 (1) the insurer of that vehicle may exclude any and all coverage
43 for liability, uninsured, underinsured, collision physical damage and
44 comprehensive physical damage benefits and first-party benefits
45 that may otherwise be afforded pursuant to its policy; and

46 (2) the primary and excess insurer or insurers of the owner of
47 the private rental vehicle used in a private vehicle rental program
48 shall have the right to notify the insured that it has no duty to

1 defend or indemnify any person or organization for liability for any
2 loss that occurs during the rental period of the vehicle in a private
3 vehicle rental program.

4 f. No owner's policy of insurance shall be cancelled, voided,
5 terminated, rescinded, or non-renewed, solely on the basis that the
6 private rental vehicle has been made available for private vehicle
7 rental pursuant to a private vehicle rental program that is in
8 compliance with the provisions of this section, provided that:

9 (1) the provisions of this subsection shall not pertain to
10 cancellations in accordance with the provisions of P.L.1968, c.158
11 (C.17:29C-6 et seq.);

12 (2) an insurer may refuse to enroll a vehicle in a usage-based
13 insurance program, where that usage-based insurance program
14 continually monitors usage electronically to determine acceleration,
15 braking, miles driven if other indicia of driving behavior, if that
16 vehicle is used in a private vehicle rental program under P.L. , c.
17 (C.) (pending before the Legislature as this bill); and

18 (3) an insurer may cancel or non-renew a policy that insures a
19 vehicle used in the private vehicle rental program if that vehicle is
20 enrolled in such a usage-based insurance program. The insurer
21 must immediately offer the insured a new policy with the same
22 coverages and pre-existing rates, but without enrollment in the
23 usage-based insurance program.

24
25 6. An insurer authorized or eligible to do business in this State
26 may issue, or issue for delivery in this State, a group policy of
27 liability and property and casualty insurance to a private vehicle
28 rental program provider to insure the private vehicle rental program,
29 and the renters, authorized drivers and occupants of the private
30 rental vehicle, as well as the program provider, its agents,
31 employees, directors, officers and assigns.

32 a. A policy issued pursuant to this section shall:

33 (1) provide first party coverage, liability, property,
34 comprehensive, collision, and uninsured/underinsured motorist
35 coverage for the private rental vehicle and its authorized operators
36 and occupants for claims and damages resulting from the use or
37 operation of that vehicle during the rental period;

38 (2) provide that the policy shall be primary with respect to any
39 other insurance available to the owner of the private rental vehicle
40 and the policy shall be secondary with respect to any other
41 insurance available to the renter, authorized or permissive operator
42 and occupants of the private rental vehicle; and

43 (3) provide that the insurer shall comply with the provisions of
44 P.L.1952, c.173 (C.39:6-23 et seq.); and

45 (4) provide that for the purposes of group insurance written
46 under this section only, the rates charged by the insurer for group
47 liability insurance as provided for in this section shall be filed with
48 the Department of Banking and Insurance on a file and use basis.

1 b. An insurer which issues an insurance policy described in
2 subsection a. of this section shall issue that policy identifying the
3 private vehicle rental program and program provider as the named
4 insureds. The policy shall include a provision that provides
5 coverage, without prior notice to the insurer, for all private rental
6 vehicles during the rental period and shall further include a
7 provision that the vehicles' renters, authorized or permissive
8 operators and occupants are included as insureds under the policy to
9 the same extent that they would be insureds under a motor vehicle
10 policy issued pursuant to P.L.1968, c.385 (C.17:28-1.1).

11 c. A program provider may contractually assume the risk of
12 physical damage loss to private rental vehicles during the time that
13 the vehicles are in the custody of the private vehicle renter or
14 private vehicle rental program provider and any assumption of risk
15 of physical damage loss to the vehicle shall not be deemed to be
16 physical damage insurance.

17 d. An insurer which is authorized or eligible to do business in
18 the State may issue a group policy of physical damage insurance to
19 a private vehicle rental program and to the owners of vehicles
20 participating in that program to insure against physical damage loss
21 to vehicles while the vehicles are in the custody of the private
22 vehicle rental program or private vehicle renter. Such group policy
23 shall provide primary coverage for physical damage loss either by
24 collision, comprehensive, or both, to the vehicle while it is in the
25 custody of the private vehicle rental program or a private vehicle
26 renter.

27 e. If the group coverage provided for in subsection d. of this
28 section is placed with an eligible surplus lines insurer, compliance
29 with the surplus lines statutes and regulations of this State shall be
30 performed with respect to the group as a whole and not with respect
31 to individual group members.

32 f. An insurer which issues a group insurance policy described
33 in subsection d. of this section shall issue such policy identifying
34 the private vehicle rental program as the named insured, and that
35 policy shall include a provision that provides primary coverage,
36 without prior notice to the insurer, for all private rental vehicles
37 during the rental period, and shall further include a provision that
38 claims will be adjusted pursuant to P.L.1947, c.379 (C.17:29B-1 et
39 seq.), and it shall further include physical damage coverage for
40 damage or loss to the owner's vehicle incurred during the rental
41 period at a level no less than that of third party physical damage
42 coverage.

43
44 7. Section 3 of P.L.1952, c.173 (C.39:6-25) is amended to read
45 as follows:

46 3. (a) If 20 days after the receipt of a report of a motor
47 vehicle accident within this State which has resulted in bodily
48 injury or death, or damage to the property of any one person in

1 excess of \$500.00, the director does not have on file evidence
2 satisfactory to him that the person who would otherwise be required
3 to file security under subsection b. of this section has been released
4 from liability, or has been finally adjudicated not to be liable, or has
5 executed a duly acknowledged written agreement providing for the
6 payment of an agreed amount in installments with respect to all
7 claims for injuries or damages resulting from the accident, and in
8 the event of an accident involving an automobile, required to have
9 coverage for personal injury protection benefits pursuant to
10 P.L.1972, c.70 (C.39:6A-1 et seq.), has also reimbursed or has
11 executed a duly acknowledged written agreement to pay an agreed
12 amount in installments to reimburse the Unsatisfied Claim and
13 Judgment Fund for the payment of all personal injury protection
14 benefits the fund has made or shall make pursuant to section 7 or
15 section 10 of P.L.1972, c.198 (C.39:6-86.1 and C.39:6-86.4) by
16 reason of the failure of such person to have the requisite insurance
17 coverage in effect, the director shall determine the amount of
18 security which may be necessary in his judgment to satisfy any
19 reimbursement, judgment or judgments for damages resulting from
20 such accident as may be recovered against each operator or owner
21 in view of the total insurance protection available to the injured
22 party. The Director of the Division of Motor Vehicles shall
23 promulgate such rules as may be necessary to set forth those
24 instances where deposit of security is necessary.

25 (b) The director may, within 90 days after the receipt of such
26 report of a motor vehicle accident, suspend the license of each
27 operator and all registrations of each owner of a motor vehicle in
28 any manner involved in such accident, and if such operator is a
29 nonresident the privilege of operating a motor vehicle within this
30 State, and if such owner is a nonresident the privilege of the use
31 within this State of any motor vehicle owned by him, unless such
32 operator or owner or both shall deposit security in the sum so
33 determined by the director; provided, notice of such suspension
34 shall be sent by the director to such operator and owner not less
35 than 10 days prior to the effective date of such suspension and shall
36 state the amount required as security. Where erroneous information
37 is given the director with respect to the matters set forth in
38 paragraph (1), (2) or (3) of subsection c. of this section, he may take
39 appropriate action as hereinbefore provided, within 90 days after
40 receipt by him of correct information with respect to said matters.

41 (c) This section shall not apply under the conditions stated in
42 section 4 of this act nor:

43 (1) To such operator or owner, if such owner had in effect, at
44 the time of such accident, a motor vehicle liability policy with
45 respect to the motor vehicle involved in such accident;

46 (2) To such operator, if not the owner of such motor vehicle, if
47 there was in effect at the time of such accident a motor vehicle

1 liability policy or bond with respect to his operation of motor
2 vehicles not owned by him;

3 (3) To such operator or owner if the liability of such operator or
4 owner for damages resulting from such accident is, in the judgment
5 of the director, covered by any other form of liability insurance
6 policy or bond; nor

7 (4) To any person qualifying as a self-insurer under section 30
8 of this act, or to any person operating a motor vehicle for such self-
9 insurer.

10 No such policy or bond shall be effective under this section
11 unless issued by an insurance company or surety company
12 authorized to do business in this State, except that if such motor
13 vehicle was not registered in this State, or was a motor vehicle
14 which was registered elsewhere than in this State at the effective
15 date of the policy or bond, or the most recent renewal thereof, such
16 policy or bond shall not be effective under this section unless the
17 insurance company or surety company if not authorized to do
18 business in this State shall execute a power of attorney authorizing
19 the director to accept service on its behalf of notice or process in
20 any action upon such policy or bond arising out of such accident;
21 provided, however, every such policy or bond is subject, if the
22 accident has resulted in bodily injury or death, to a limit, exclusive
23 of interest and costs, of not less than \$15,000.00 because of bodily
24 injury to or death of one person in any one accident and, subject to
25 said limit for one person, to a limit of not less than \$30,000.00
26 because of bodily injury to or death of two or more persons in any
27 one accident, and, if the accident has resulted in injury to or
28 destruction of property, to a limit of not less than \$5,000.00 because
29 of injury to or destruction of property of others in any one accident
30 and if policy or bond is applicable to an automobile required to
31 have coverage for personal injury protection benefits pursuant to
32 P.L. 1972, c. 70 (C. 39:6A-1 et seq.), it shall include an amount to
33 cover personal injury protection benefits as required by that act.

34 (d) In the case of a private rental vehicle that is used in
35 connection with a private vehicle rental program, as those terms are
36 defined in section 1 of P.L. , c. (C.) (pending before the
37 Legislature as this bill), the insurance requirements set forth in
38 subsection (a) of this section shall be met by a group insurance
39 policy, as specified in section 6 of P.L. , c. (C.) (pending
40 before the Legislature as this bill), issued to a program provider and
41 to the private vehicle renters and authorized or permissive drivers of
42 that program for any time that the private rental vehicle is being
43 used in connection with the private vehicle rental program.

44 (e) In the case of financial security procured by a program
45 provider of a private vehicle rental program pursuant to section 5 of
46 P.L. , c. (C.) (pending before the Legislature as this bill), the
47 program provider shall provide the Chief Administrator of the
48 Motor Vehicle Commission with proof of financial security in the

1 form of a group insurance policy covering itself and the owners of
2 all private rental vehicles registered in this State that participate in
3 the program as insured group members, covering those vehicles
4 while they are being used in conjunction with that program. Such
5 proof shall not be used in connection with the registration of the
6 vehicles and no such vehicle shall be registered unless the owner of
7 the vehicle separately complies with P.L.1972, c.197 (C.39:6B-1).
8 (cf: P.L.1988, c.119, s.12)

9
10 8. This act shall take effect immediately.

11
12
13 STATEMENT

14
15 This bill, to be known and cited as the “Private Vehicle Rental
16 Modernization Act,” regulates certain aspects of the emerging
17 business of “peer-to-peer” private motor vehicle rental transactions,
18 also sometimes referred to as personal vehicle sharing programs.

19 The bill requires private vehicle rental program providers and
20 vehicle rental transactions, that are facilitated by private vehicle
21 rental program providers, to comply with all statutory and
22 regulatory obligations for private passenger motor vehicle rental
23 transactions, and companies, including, but not limited to,
24 compliance with following:

25 (1) municipal taxes and fees;

26 (2) motor vehicle safety requirements, including but not limited
27 to child passenger safety restraint systems as provided in section 1
28 of P.L.1983, c.128 (C.39:3-76.2a) and the provision of an
29 appropriate child restraint as provided in section 2 of P.L.1985, c.20
30 (C.45:21-14);

31 (3) any sales and use taxes;

32 (4) plain language in consumer contracts as provided in
33 P.L.1980, c.125 (C.56:12-1 et seq.);

34 (5) the prohibition on the transportation of passengers for hire
35 by a lessee or bailee of a motor vehicle as provided by R.S. 45:21-
36 9;

37 (6) the "New Jersey Business Corporation Act;" and

38 (7) the rental motor vehicle surcharge imposed by section 54 of
39 P.L. 2002, c.34 (C. App.A:9-78).

40 This bill defines a “vehicle rental transaction” as the transfer of
41 possession of a motor vehicle, for a consideration, without the
42 transfer of ownership of that motor vehicle. The bill defines a
43 “private vehicle rental program provider” as the corporation, sole
44 proprietorship or other entity, or person that is responsible for
45 operating, facilitating, or administering vehicle rental transactions
46 through a private vehicle rental program. Lastly, the bill defines
47 “private vehicle rental program” as any means, digital, or otherwise,

1 which facilitate a private vehicle rental by a private vehicle rental
2 program provider.

3 This bill allows for any notices or disclosures, that must be made
4 by motor vehicle rental companies, to be made electronically. The
5 bill also exempts all notices and disclosures made pursuant to the
6 bill from any stylistic display requirements.

7 The bill requires private vehicle rental program providers to
8 procure group insurance coverage for each vehicle and authorized
9 driver of any such vehicle during the rental period. That insurance
10 shall, at a minimum, provide for each vehicle, the minimum
11 financial responsibility requirements for personal passenger motor
12 vehicles of the state in which the vehicle is registered, and property
13 and casualty coverage including comprehensive and collision
14 protection. For each rental transaction, the private vehicle rental
15 program provider must provide each renter access to an insurance
16 identification card and the means to confirm that coverage.

17 The bill mandates that, in the event of a loss or injury during the
18 rental period or while the motor vehicle is under the control of a
19 private vehicle rental program provider, the private vehicle rental
20 program provider is deemed the owner of the vehicle.

21 The bill allows an insurer to issue liability, and property and
22 casualty insurance to a private vehicle rental program provider to
23 insure the private vehicle rental program, and the renters,
24 authorized drivers, and occupants of the private rental vehicle, as
25 well as the private vehicle rental program provider. The bill also
26 allows an insurer to issue a group policy of physical damage
27 insurance to a private vehicle rental program and to the owners of
28 vehicles participating in that program to insure against physical
29 damage loss to vehicles while the vehicles are in the custody of the
30 private vehicle rental program or private vehicle renter.

31 This bill modifies the Motor Vehicle Security-Responsibility
32 Law so that group insurance policies, as specified in the bill, meet
33 the insurance requirements of that law. The bill also establishes that
34 private vehicle rental program providers can procure financial
35 security in the form of a group insurance policy and report such
36 security to the Chief Administrator of the Motor Vehicle
37 Commission.