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SENATE BILL NO. 749

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 3, 2020)

(Patron Prior to Substitute—Senator Cosgrove)

A BILL to amend and reenact §§ 38.2-1800, 38.2-2204, 58.1-1735, 58.1-1736, 58.1-1738, 58.1-2402, as it is currently effective and as it may become effective, 59.1-207.29, 59.1-207.31, and 59.1-207.32 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 20 of Title 46.2 an article numbered 16, consisting of sections numbered 46.2-2099.54 through 46.2-2099.64, relating to peer-to-peer vehicle sharing platforms; regulation; insurance; taxation.

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-1800, 38.2-2204, 58.1-1735, 58.1-1736, 58.1-1738, 58.1-2402, as it is currently effective and as it may become effective, 59.1-207.29, 59.1-207.31, and 59.1-207.32 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 20 of Title 46.2 an article numbered 16, consisting of sections numbered 46.2-2099.54 through 46.2-2099.64, as follows:

§ 38.2-1800. Definitions.

As used in this chapter, *unless the context requires a different meaning*:

"Agent," "insurance agent," "producer," or "insurance producer," when used without qualification, means an individual or business entity that sells, solicits, or negotiates contracts of insurance or annuity in the Commonwealth.

"Appointed agent," "appointed insurance agent," "appointed producer," or "appointed insurance producer," when used without qualification, means an individual or business entity licensed in the Commonwealth to sell, solicit, or negotiate contracts of insurance or annuity of the classes authorized within the scope of such license and who is appointed by a company licensed in the Commonwealth to sell, solicit, or negotiate on its behalf contracts of insurance of the classes authorized within the scope of such license and, if authorized by the company, may collect premiums on those contracts.

"Business entity" means a partnership, limited partnership, limited liability company, corporation, or other legal entity other than a sole proprietorship.

"Dental plan organization authority" means the authority in the Commonwealth to sell, solicit, or negotiate dental benefit contracts on behalf of dental plan organizations licensed under Chapter 61 (§ 38.2-6100 et seq.).

"Dental services authority" means the authority in the Commonwealth to sell, solicit, or negotiate dental services plan contracts on behalf of dental services plans licensed under Chapter 45 (§ 38.2-4500 et seq.).

"Filed" means received by the Commission.

"Health agent" means an agent licensed in the Commonwealth to sell, solicit, or negotiate insurance as defined in §§ 38.2-108 and 38.2-109, and including contracts issued by insurers, health services plans, health maintenance organizations, dental services plans, optometric services plans, and dental plan organizations licensed in the Commonwealth.

"Home protection insurance authority" means the authority in the Commonwealth to sell, solicit, or negotiate home protection insurance as defined in § 38.2-129 on behalf of insurers licensed in the Commonwealth.

"Home state" means the District of Columbia and any state or territory of the United States, except Virginia, or any province of Canada, in which an insurance producer maintains such person's principal place of residence or principal place of business and is licensed by that jurisdiction to act as a resident insurance producer.

"Legal services insurance authority" means the authority in the Commonwealth to sell, solicit, or negotiate legal services insurance as defined in § 38.2-127 on behalf of insurers licensed in the Commonwealth.

"License" means a document issued by the Commission authorizing an individual or business entity to act as an insurance producer for the lines of authority specified in the document. Except as provided in § 38.2-1833, the license itself does not create any authority, actual, apparent or inherent, in the licensee to represent, commit, or bind an insurer.

"Licensed agent," "licensed insurance agent," "licensed producer," or "licensed insurance producer," when used without qualification, means an individual or business entity licensed in the Commonwealth to sell, solicit, or negotiate contracts of insurance or annuity of the classes authorized within the scope of such license.

"Life and annuities insurance agent" means an agent licensed in the Commonwealth to sell, solicit, or

60 negotiate life insurance and annuity contracts as defined in §§ 38.2-102, 38.2-103, 38.2-104, 38.2-105.1,
61 38.2-106, and 38.2-107.1, respectively, on behalf of insurers licensed in the Commonwealth.

62 "Limited burial insurance authority" means the authority in the Commonwealth to sell, solicit, or
63 negotiate burial insurance society membership where the certificates of membership are used solely to
64 fund preneed funeral contracts on any individual, on behalf of insurers licensed under Chapter 40
65 (§ 38.2-4000 et seq.); or to represent an association referred to in § 38.2-3318.1, limited to soliciting
66 members of that association for association group life insurance certificates where the funds are used
67 solely to fund preneed funeral contracts.

68 "Limited lines credit insurance agent" means an agent licensed in the Commonwealth whose
69 authority is restricted to selling, soliciting, or negotiating, on behalf of insurers licensed in the
70 Commonwealth, one or more of the following coverages to individuals through a master, corporate,
71 group or individual policy: (i) credit life insurance and credit accident and sickness insurance, but only
72 to the extent authorized in Chapter 37.1 (§ 38.2-3717 et seq.); (ii) credit involuntary unemployment
73 insurance as defined in § 38.2-122.1; (iii) credit property insurance, as defined in § 38.2-122.2; (iv)
74 mortgage accident and sickness insurance; (v) mortgage redemption insurance; (vi) mortgage guaranty
75 insurance; and (vii) any other form of insurance offered in connection with an extension of credit that is
76 limited to partially or wholly extinguishing that credit obligation and that the Commission specifically
77 determines may be sold, solicited, or negotiated by those holding a limited lines credit insurance agent
78 license. Each insurer that sells, solicits or negotiates any of the coverages set forth in this definition
79 shall provide to each individual whose duties will include selling, soliciting or negotiating such
80 coverages a program of instruction that may, at the discretion of the Commission, be submitted for
81 approval by the Commission or reviewed by the Commission subsequent to its implementation.

82 "Limited lines life and health agent" means an individual or business entity authorized by the
83 Commission whose license authority to sell, solicit, or negotiate is limited to the following, or any other
84 type of authority that the Commission may deem it necessary to recognize for the purposes of
85 complying with § 38.2-1836 : dental services authority; limited burial insurance authority; mutual
86 assessment life and health insurance authority; optometric services authority; and dental plan
87 organization authority. Limited lines life and health insurance shall not include life insurance, health
88 insurance, property insurance, casualty insurance, and title insurance.

89 "Limited lines property and casualty agent" means an individual or business entity authorized by the
90 Commission whose license authority to sell, solicit, or negotiate is limited to the following, or any other
91 type of authority that the Commission may deem it necessary to recognize for the purposes of
92 complying with § 38.2-1836: home protection insurance authority; legal services insurance authority;
93 mutual assessment property and casualty insurance authority; ocean marine insurance authority; pet
94 accident, sickness and hospitalization insurance authority; portable electronics insurance authority; self
95 storage insurance authority; and travel insurance. Unless otherwise defined, "limited lines property and
96 casualty insurance" shall not include life insurance, health insurance, property insurance, casualty
97 insurance, and title insurance.

98 "Mortgage accident and sickness insurance authority" means the authority in the Commonwealth to
99 sell, solicit, or negotiate mortgage accident and sickness insurance on behalf of insurers licensed in the
100 Commonwealth.

101 "Mortgage guaranty insurance authority" means the authority in the Commonwealth to sell, solicit, or
102 negotiate mortgage guaranty insurance on behalf of insurers licensed in the Commonwealth.

103 "Mortgage redemption insurance authority" means the authority in the Commonwealth to sell, solicit,
104 or negotiate mortgage redemption insurance on behalf of insurers licensed in the Commonwealth. As
105 used in this chapter, "mortgage redemption insurance" means a nonrenewable, nonconvertible, decreasing
106 term life insurance policy written in connection with a mortgage transaction for a period of time
107 coinciding with the term of the mortgage. The initial sum shall not exceed the amount of the
108 indebtedness outstanding at the time the insurance becomes effective, rounded up to the next \$1,000.

109 "Motor vehicle rental contract enroller" means an unlicensed hourly or salaried employee of a motor
110 vehicle rental company *or peer-to-peer vehicle sharing platform as defined in § 46.2-2099.54* that is in
111 the business of providing primarily private motor vehicles to the public under a rental agreement for a
112 period of less than six months, and receives no direct or indirect commission from the insurer, the renter
113 or the vehicle rental company.

114 "Motor vehicle rental contract insurance agent" means a person who (i) is a selling agent of a motor
115 vehicle rental company *or peer-to-peer vehicle sharing platform as defined in § 46.2-2099.54* that is in
116 the business of providing primarily private passenger motor vehicles to the public under a rental
117 agreement for a period of less than six months and (ii) whose license in the Commonwealth is restricted
118 to selling, soliciting, or negotiating only the following insurance coverages, and solely in connection
119 with and incidental to the rental contract:

120 1. Personal accident insurance that provides benefits in the event of accidental death or injury
121 occurring during the rental period;

2. Liability coverage sold to the renter in excess of the rental company's obligations under § 38.2-2204, 38.2-2205, or Title 46.2, as applicable;

3. Personal effects insurance that provides coverages for the loss of or damage to the personal effects of the renter and other vehicle occupants while such personal effects are in or upon the rental vehicle during the rental period;

4. Roadside assistance and emergency sickness protection programs; and

5. Other travel-related or vehicle-related insurance coverage that a motor vehicle rental company offers in connection with and incidental to the rental of vehicles.

The term "motor vehicle rental contract insurance agent" does not include motor vehicle rental contract enrollers.

"Mutual assessment life and health insurance authority" means the authority in the Commonwealth to sell, solicit, or negotiate mutual assessment life and accident and sickness insurance on behalf of insurers licensed under Chapter 39 (§ 38.2-3900 et seq.), but only to the extent permitted under § 38.2-3919.

"Mutual assessment property and casualty insurance authority" means the authority in the Commonwealth to sell, solicit, or negotiate mutual assessment property and casualty insurance on behalf of insurers licensed under Chapter 25 (§ 38.2-2500 et seq.), but only to the extent permitted under § 38.2-2525.

"NAIC" means the National Association of Insurance Commissioners.

"Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

"Ocean marine insurance authority" means the authority in the Commonwealth to sell, solicit, or negotiate those classes of insurance classified in § 38.2-126, except those classes specifically classified as inland marine insurance, on behalf of insurers licensed in the Commonwealth.

"Optometric services authority" means the authority in the Commonwealth to sell, solicit, or negotiate optometric services plan contracts on behalf of optometric services plans licensed under Chapter 45 (§ 38.2-4500 et seq.).

"Personal lines agent" means an agent licensed in the Commonwealth to sell, solicit, or negotiate insurance as defined in §§ 38.2-110 through 38.2-114, 38.2-116, 38.2-117, 38.2-118, 38.2-124, 38.2-125, 38.2-126, 38.2-129, 38.2-130, and 38.2-131 for transactions involving insurance primarily for personal, family, or household needs rather than for business or professional needs.

"Pet accident, sickness and hospitalization insurance authority" means the authority in the Commonwealth to sell, solicit, or negotiate pet accident, sickness and hospitalization insurance on behalf of insurers licensed in the Commonwealth.

"Property and casualty insurance agent" means an agent licensed in the Commonwealth to sell, solicit, or negotiate both personal and commercial lines of insurance as defined in §§ 38.2-110 through 38.2-122.2, and §§ 38.2-124 through 38.2-134 on behalf of insurers licensed in the Commonwealth.

"Resident" means (i) an individual residing in Virginia; (ii) an individual residing outside of Virginia whose principal place of business is in Virginia, who is able to demonstrate to the satisfaction of the Commission that the laws of his home state prevent him from obtaining a resident agent license in that state, and who affirmatively chooses to qualify as and be treated as a resident of Virginia for purposes of licensing and continuing education, both in Virginia and in the state in which the individual resides, if applicable; (iii) a partnership duly formed and recorded in Virginia; (iv) a corporation incorporated and existing under the laws of Virginia; (v) a limited liability company organized and existing under the laws of Virginia; or (vi) a foreign business entity that is not licensed as a resident agent in any other jurisdiction, and that demonstrates to the satisfaction of the Commission that its principal place of business is within the Commonwealth of Virginia.

"Restricted nonresident health agent" means a nonresident agent whose license authority in his home state does not include all of the authority granted under a health agent license in Virginia. The license issued to such agent shall authorize the agent to sell, solicit, or negotiate in Virginia, on behalf of insurers licensed in Virginia, only those kinds or classes of insurance for which the agent is authorized in his home state.

"Restricted nonresident life and annuities agent" means a nonresident agent whose license authority in his home state does not include all of the authority granted under a life and annuities agent license in Virginia. The license issued to such agent shall authorize the agent to sell, solicit, or negotiate in Virginia, on behalf of insurers licensed in Virginia, only those kinds or classes of insurance for which the agent is authorized in his home state.

"Restricted nonresident personal lines agent" means a nonresident agent whose license authority in his home state does not include all of the authority granted under a personal lines agent license in Virginia. The license issued to such agent shall authorize the agent to sell, solicit, or negotiate in

183 Virginia, on behalf of insurers licensed in Virginia, only those kinds or classes of insurance for which
184 the agent is authorized in his home state.

185 "Restricted nonresident property and casualty agent" means a nonresident agent whose license
186 authority in his home state does not include all of the authority granted under a property and casualty
187 agent license in Virginia. The license issued to such agent shall authorize the agent to sell, solicit, or
188 negotiate in Virginia, on behalf of insurers licensed in Virginia, only those kinds or classes of insurance
189 for which the agent is authorized in his home state.

190 "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on
191 behalf of an insurer.

192 "Settlement agent" means a person licensed as a title insurance agent and registered with the Virginia
193 State Bar pursuant to Chapter 10 (§ 55.1-1000 et seq.) of Title 55.1.

194 "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular
195 class of insurance from one or more insurers.

196 "Surety bail bondsman" means a person licensed as a surety bail bondsman pursuant to Article 11
197 (§ 9.1-185 et seq.) of Chapter 1 of Title 9.1.

198 "Surplus lines broker" means a person licensed pursuant to Article 5.1 (§ 38.2-1857.1 et seq.) of this
199 chapter, and who is thereby authorized to engage in the activities set forth in Chapter 48 (§ 38.2-4800 et
200 seq.).

201 "Terminate" means the cancellation of the relationship between an insurance producer and the
202 insurer, or the termination of an insurance producer's authority to transact insurance.

203 "Title insurance agent" means an agent licensed in the Commonwealth to sell, solicit, or negotiate
204 title insurance, and performing all of the services set forth in § 38.2-4601.1, on behalf of title insurance
205 companies licensed under Chapter 46 (§ 38.2-4600 et seq.).

206 "Uniform Application" means the current version of the NAIC Uniform Application for resident and
207 nonresident producer licensing.

208 "Uniform Business Entity Application" means the current version of the NAIC Uniform Business
209 Entity Application for resident and nonresident business entities.

210 "Variable contract agent" means an agent licensed in the Commonwealth to sell, solicit, or negotiate
211 variable life insurance and variable annuity contracts on behalf of insurers licensed in the
212 Commonwealth.

213 "Viatical settlement broker" means a person licensed pursuant to Chapter 60 (§ 38.2-6000 et seq.), in
214 accordance with Article 6.1 (§ 38.2-1865.1 et seq.) of this chapter, and who is thereby authorized to
215 engage in the activities set forth in Chapter 60 (§ 38.2-6000 et seq.).

216 **§ 38.2-2204. Liability insurance on motor vehicles, aircraft and watercraft; standard provisions;**
217 **"omnibus clause."**

218 A. No policy or contract of bodily injury or property damage liability insurance, covering liability
219 arising from the ownership, maintenance, or use of any motor vehicle, aircraft, or private pleasure
220 watercraft, shall be issued or delivered in this Commonwealth to the owner of such vehicle, aircraft or
221 watercraft, or shall be issued or delivered by any insurer licensed in this Commonwealth upon any
222 motor vehicle, aircraft, or private pleasure watercraft that is principally garaged, docked, or used in this
223 Commonwealth, unless the policy contains a provision insuring the named insured, and any other person
224 using or responsible for the use of the motor vehicle, aircraft, or private pleasure watercraft with the
225 expressed or implied consent of the named insured, against liability for death or injury sustained, or loss
226 or damage incurred within the coverage of the policy or contract as a result of negligence in the
227 operation or use of such vehicle, aircraft, or watercraft by the named insured or by any such person;
228 however, nothing contained in this section shall be deemed to prohibit an insurer from limiting its
229 liability under any one policy for bodily injury or property damage resulting from any one accident or
230 occurrence to the liability limits for such coverage set forth in the policy for any such accident or
231 occurrence or for any one person, regardless of the number of insureds under that policy. Provided that,
232 when one accident or occurrence involves more than one defendant who is covered by the policy, the
233 plaintiff may recover the per person limit of the policy against each such defendant, subject to the per
234 accident or occurrence limit of the policy. Each such policy or contract of liability insurance, or
235 endorsement to the policy or contract, insuring private passenger automobiles, aircraft, or private
236 pleasure watercraft principally garaged, docked, or used in this Commonwealth, that has as the named
237 insured an individual or husband and wife and that includes, with respect to any liability insurance
238 provided by the policy, contract or endorsement for use of a nonowned automobile, aircraft or private
239 pleasure watercraft, any provision requiring permission or consent of the owner of such automobile,
240 aircraft, or private pleasure watercraft for the insurance to apply, shall be construed to include
241 permission or consent of the custodian in the provision requiring permission or consent of the owner.

242 B. Notwithstanding any requirements in this section to the contrary, an insurer may exclude any
243 person from coverage under a personal umbrella or excess policy, if the exclusion is requested in writing
244 by the first named insured and is acknowledged in writing by the excluded driver.

C. For aircraft liability insurance, such policy or contract may contain the exclusions listed in § 38.2-2227. Notwithstanding the provisions of this section or any other provisions of law, no policy or contract shall require pilot experience greater than that prescribed by the Federal Aviation Administration, except for pilots operating air taxis, or pilots operating aircraft applying chemicals, seed, or fertilizer.

D. No policy or contract of bodily injury or property damage liability insurance relating to the ownership, maintenance, or use of a motor vehicle shall be issued or delivered in this Commonwealth to the owner of such vehicle or shall be issued or delivered by an insurer licensed in this Commonwealth upon any motor vehicle principally garaged or used in this Commonwealth without an endorsement or provision insuring the named insured, and any other person using or responsible for the use of the motor vehicle with the expressed or implied consent of the named insured, against liability for death or injury sustained, or loss or damage incurred within the coverage of the policy or contract as a result of negligence in the operation or use of the motor vehicle by the named insured or by any other such person; however, nothing contained in this section shall be deemed to prohibit an insurer from limiting its liability under any one policy for bodily injury or property damage resulting from any one accident or occurrence to the liability limits for such coverage set forth in the policy for any such accident or occurrence or for any one person regardless of the number of insureds under that policy. Provided that, when one accident or occurrence involves more than one defendant who is covered by the policy, the plaintiff may recover the per person limit of the policy against each such defendant, subject to the per accident or occurrence limit of the policy. This provision shall apply notwithstanding the failure or refusal of the named insured or such other person to cooperate with the insurer under the terms of the policy. If the failure or refusal to cooperate prejudices the insurer in the defense of an action for damages arising from the operation or use of such insured motor vehicle, then the endorsement or provision shall be void. If an insurer has actual notice of a motion for judgment or complaint having been served on an insured, the mere failure of the insured to turn the motion or complaint over to the insurer shall not be a defense to the insurer, nor void the endorsement or provision, nor in any way relieve the insurer of its obligations to the insured, provided the insured otherwise cooperates and in no way prejudices the insurer.

Where the insurer has elected to provide a defense to its insured under such circumstances and files responsive pleadings in the name of its insured, the insured shall not be subject to sanctions for failure to comply with discovery pursuant to Part Four of the Rules of the Supreme Court of Virginia unless it can be shown that the suit papers actually reached the insured, and that the insurer has failed after exercising due diligence to locate its insured, and as long as the insurer provides such information in response to discovery as it can without the assistance of the insured.

E. Any endorsement, provision or rider attached to or included in any such policy of insurance which purports or seeks to limit or reduce the coverage afforded by the provisions required by this section shall be void, except an insurer may exclude such coverage as is afforded by this section, where such coverage would inure to the benefit of the United States Government or any agency or subdivision thereof under the provisions of the Federal Tort Claims Act, the Federal Drivers Act and Public Law 86-654 District of Columbia Employee Non-Liability Act, or to the benefit of the Commonwealth under the provisions of the Virginia Tort Claims Act (§ 8.01-195.1 et seq.) and the self-insurance plan established by the Department of General Services pursuant to § 2.2-1837 for any state employee who, in the regular course of his employment, transports patients in his own personal vehicle.

F. An insurer writing a policy of bodily injury or property damage liability motor vehicle insurance, or an endorsement to such policy, may exclude coverage under a motor vehicle policy issued to the owner of a shared vehicle for use of such vehicle on a peer-to-peer vehicle sharing platform during the vehicle sharing period for (i) liability coverage for bodily injury and property damage, (ii) uninsured and underinsured motorist coverage, (iii) medical expense and loss of income benefits coverage, and (iv) collision and other than collision physical damage coverage. Nothing in this article invalidates or limits an exclusion contained in a motor vehicle liability insurance policy, including any insurance policy in use or approved for use, that excludes coverage for motor vehicles used as a public or livery conveyance. For purposes of this subsection, "peer-to-peer vehicle sharing platform," "shared vehicle," and "vehicle sharing period" have the same meanings ascribed to those terms in § 46.2-2099.54.

Article 16.

Peer-to-Peer Vehicle Sharing Platforms.

§ 46.2-2099.54. Definitions.

As used in this article, unless the context requires a different meaning:

"Peer-to-peer vehicle sharing" means the authorized use of a shared vehicle by a shared vehicle driver through a peer-to-peer vehicle sharing platform.

"Peer-to-peer vehicle sharing platform" means any online-enabled application, software, website, or system that connects vehicle owners with drivers to enable the sharing of a shared vehicle for financial

306 consideration. "Peer-to-peer vehicle sharing platform" does not include any transportation network
307 company as defined in § 46.2-2000.

308 "Shared vehicle" means a motor vehicle that (i) has been made available for sharing through a
309 peer-to-peer vehicle sharing platform for a period of no more than 30 days and (ii) is registered as a
310 private passenger vehicle under the laws of the Commonwealth or another state.

311 "Shared vehicle driver" means an individual who has been authorized to operate the shared vehicle
312 by the shared vehicle owner under a vehicle sharing platform agreement.

313 "Shared vehicle owner" means the registered owner of a shared vehicle made available to shared
314 vehicle drivers through a peer-to-peer vehicle sharing platform.

315 "Vehicle sharing delivery period" means the period of time beginning when the designee of the
316 peer-to-peer vehicle sharing platform takes custody of the shared vehicle and ending when the shared
317 vehicle arrives at the location of the start of the vehicle sharing period as documented by the governing
318 vehicle sharing platform agreement.

319 "Vehicle sharing period" means the period of time beginning when the vehicle sharing delivery period
320 begins or, if there is no vehicle sharing delivery period, when the vehicle sharing start time occurs and
321 ending at the vehicle sharing termination time.

322 "Vehicle sharing platform agreement" means the contract terms and conditions applicable to a
323 shared vehicle owner, peer-to-peer vehicle sharing platform, and shared vehicle driver that govern the
324 use of a shared vehicle through a peer-to-peer vehicle sharing platform.

325 "Vehicle sharing start time" means the time when the shared vehicle becomes subject to the control
326 of the shared vehicle driver at or after the time the reservation of a shared vehicle is scheduled to begin
327 in the vehicle sharing platform agreement.

328 "Vehicle sharing termination time" means the earliest of the following events:

329 1. The expiration of the agreed-upon period of time established for the use of a shared vehicle
330 according to the terms of the vehicle sharing platform agreement, if the shared vehicle is delivered to
331 the location agreed upon in the vehicle sharing platform agreement;

332 2. When the shared vehicle is returned to a location alternatively agreed upon by the shared vehicle
333 owner and the shared vehicle driver within the agreed-upon period of time as communicated through
334 the peer-to-peer vehicle sharing platform used to enable the sharing of such vehicle; or

335 3. When the shared vehicle owner, the designee of the shared vehicle owner, or the designee of the
336 peer-to-peer vehicle sharing platform takes possession and control of the shared vehicle.

337 **§ 46.2-2099.55. Peer-to-peer insurance coverage.**

338 A. A peer-to-peer vehicle sharing platform shall ensure that at all times during each vehicle sharing
339 period, the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle
340 liability insurance policy that provides uninsured motorist coverage and bodily injury and property
341 damage liability coverage, that provides the primary insurance coverage in an amount not less than the
342 applicable financial responsibility limits set forth in this title and § 38.2-2206, and that:

343 1. Recognizes that the shared vehicle insured under the policy is made available and used through a
344 peer-to-peer vehicle sharing platform; or

345 2. Does not exclude use of a shared vehicle by a shared vehicle driver.

346 B. A peer-to-peer vehicle sharing platform shall assume the liability, except as provided in subsection
347 C, of a shared vehicle owner for bodily injury and property damage to third parties and uninsured
348 motorist losses during the vehicle sharing period in an amount stated in the vehicle sharing platform
349 agreement, which amount may not be less than the applicable financial responsibility limits set forth in
350 this title and § 38.2-2206.

351 C. The assumption of liability in subsection B does not apply to any shared vehicle owner when:

352 1. A shared vehicle owner performs an act, practice, or omission that constitutes fraud, or the
353 shared vehicle owner makes an intentional misrepresentation of material fact to the peer-to-peer vehicle
354 sharing platform before the vehicle sharing period in which the loss occurred; or

355 2. A shared vehicle owner acts in concert with a shared vehicle driver to fail to return the shared
356 vehicle pursuant to the terms of the vehicle sharing platform agreement.

357 D. The insurance coverage described under subsection A may be satisfied by motor vehicle liability
358 insurance maintained by:

359 1. A shared vehicle owner;

360 2. A shared vehicle driver;

361 3. A peer-to-peer vehicle sharing platform; or

362 4. Any combination of a shared vehicle owner, a shared vehicle driver, and a peer-to-peer vehicle
363 sharing platform.

364 E. The peer-to-peer vehicle sharing platform shall assume primary liability for a claim when it is, in
365 whole or in part, providing the insurance required pursuant to this section and:

366 1. A dispute exists as to who was in control of the shared vehicle at the time of the loss; and

367 2. The peer-to-peer vehicle sharing platform does not have available, did not retain, or fails to

provide the information required by § 46.2-2099.61.

F. The vehicle owner's insurer shall indemnify the peer-to-peer vehicle sharing platform to the extent of its obligation under the applicable insurance policy, if it is determined that the shared motor vehicle's owner or his designee was in control of the shared vehicle at the time of the loss.

If any insurer providing insurance coverage under subsection D pays a claim that it was not obligated to pay, such insurer shall be entitled to indemnification from the insurer of the party that had the obligation to pay the claim.

G. If insurance maintained by a shared vehicle owner or shared vehicle driver in accordance with subsection D has lapsed or does not provide the required coverage, the insurer providing the insurance maintained by a peer-to-peer vehicle sharing platform shall provide coverage pursuant to subsection A beginning with the first dollar of a claim and shall have the duty to defend such claim except under circumstances set forth in subsection C.

H. Coverage under a motor vehicle liability insurance policy maintained by the peer-to-peer vehicle sharing platform shall not be dependent on another automobile insurer's first denying a claim, nor shall another motor vehicle insurance policy be required to first deny a claim.

I. Nothing in this article:

1. Limits the liability of the peer-to-peer vehicle sharing platform for any act or omission of the peer-to-peer vehicle sharing platform itself that results in injury to any person as a result of the use of a shared vehicle through a peer-to-peer vehicle sharing platform; or

2. Limits the ability of the peer-to-peer vehicle sharing platform to, by contract, seek indemnification from the shared vehicle owner or shared vehicle driver for economic loss sustained by the peer-to-peer vehicle sharing platform resulting from a breach of the terms and conditions of the vehicle sharing platform agreement.

J. A peer-to-peer vehicle sharing platform shall either provide or offer for sale to the shared vehicle owner or shared vehicle driver collision and other than collision coverage for physical loss to the shared vehicle during the vehicle sharing period. Such coverage shall be in an amount not less than the actual cash value of the shared vehicle.

K. Any insurer providing coverage under subsection D, an individual who suffers a loss arising from the use of a shared vehicle or such individual's attorney, or a personal representative of the estate of a decedent who died as a result of a motor vehicle accident involving a shared vehicle if not represented by counsel, and who provides the peer-to-peer vehicle sharing platform with the date, approximate time, and location of the accident, and, if available, the name of the shared vehicle owner, and, if available, the accident report, may request in writing from the peer-to-peer vehicle sharing platform the identity of any insurer that may have provided coverage and the limits of liability, regardless of whether the insurer contests the applicability of the policy to the claim, and whether, at the approximate time of the accident, the shared vehicle was in a vehicle sharing period. The peer-to-peer vehicle sharing platform shall respond within 30 days with the requested information if such information is in the peer-to-peer vehicle sharing platform's possession. Any further exchange of information shall be covered pursuant to § 8.01-417.

§ 46.2-2099.56. Exemption; vicarious liability.

A peer-to-peer vehicle sharing platform and a shared vehicle owner shall be exempt from vicarious liability in accordance with 49 U.S.C. § 30106 and under any state or local law that imposes liability solely based on vehicle ownership for any offense that occurs during a vehicle sharing period.

§ 46.2-2099.57. Insurable interest.

A. Notwithstanding any provision of the law to the contrary, a peer-to-peer vehicle sharing platform shall have an insurable interest in a shared vehicle during the vehicle sharing period.

B. A peer-to-peer vehicle sharing platform may own and maintain as a named insured one or more policies of motor vehicle liability insurance that provides coverage for:

1. Liabilities assumed by the peer-to-peer vehicle sharing platform under a vehicle sharing platform agreement;

2. Any liability of the shared vehicle owner;

3. Damage or loss to the shared vehicle; or

4. Any liability of the shared vehicle driver.

§ 46.2-2099.58. Consumer protections; disclosures.

Each vehicle sharing platform agreement shall disclose to the shared vehicle owner and the shared vehicle driver:

1. Any right of the peer-to-peer vehicle sharing platform to seek indemnification from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the peer-to-peer vehicle sharing platform resulting from a breach of terms and conditions of a vehicle sharing platform agreement;

2. That a motor vehicle liability insurance policy provided by the peer-to-peer vehicle sharing

platform 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 vehicle sharing platform;

3. That the peer-to-peer vehicle sharing platform's insurance coverage on the shared vehicle owner and the shared vehicle driver is in effect only during each vehicle sharing period and that for any use of the shared vehicle by the shared vehicle driver after the vehicle sharing termination time, the shared vehicle owner and the shared vehicle driver may not have insurance coverage;

4. The daily rate, fees, taxes, and, if applicable, any insurance or protection package costs that are charged to the shared vehicle owner or the shared vehicle driver;

5. That the shared vehicle owner's motor vehicle liability insurance may not provide coverage for a shared vehicle;

6. An emergency telephone number to personnel capable of fielding roadside assistance and other customer service inquiries;

7. Any conditions under which a shared vehicle driver must maintain a personal automobile insurance policy with certain applicable coverage limits on a primary basis in order to book a shared vehicle;

8. That the use of the shared vehicle through a peer-to-peer vehicle sharing platform, without physical damage coverage, may violate the terms of the contract with the lienholder; and

9. That there may not be physical damage coverage under the shared vehicle owner's policy. However, if the physical damage coverage is purchased from or provided by the peer-to-peer vehicle sharing platform, then no such disclosure is required.

§ 46.2-2099.59. Certain insurance information; disclosures.

During the course of registering a vehicle on a peer-to-peer vehicle sharing platform or during any investigation of a claim filed pursuant to the use of a shared vehicle registered in the Commonwealth, if the peer-to-peer vehicle sharing platform becomes aware of a shared vehicle owner's failure to have sufficient liability insurance as required by law, the peer-to-peer vehicle sharing platform shall provide to the Department, in a manner prescribed by the Commissioner, a notice of the such shared vehicle owner's failure to obtain the required liability insurance policy.

§ 46.2-2099.60. Notification of implication of lien.

At the time when a motor vehicle owner registers as a shared vehicle owner on a peer-to-peer vehicle sharing platform and prior to when the shared vehicle owner makes a shared vehicle available for vehicle sharing on the peer-to-peer vehicle sharing platform, the peer-to-peer vehicle sharing platform shall notify the shared vehicle owner that, if the shared vehicle has a lien against it, the use of the shared vehicle through a peer-to-peer sharing platform, including use without physical damage coverage, may violate the terms of the contract with the lienholder.

§ 46.2-2099.61. Recordkeeping; use of vehicle in vehicle sharing.

A peer-to-peer vehicle sharing platform shall collect and verify records pertaining to the use of a vehicle, including a record of the identity of the shared vehicle driver, vehicle sharing period, fees paid by the shared vehicle driver, and revenues received by the shared vehicle owner, and provide such records upon request to the shared vehicle owner, the shared vehicle owner's insurer, and the shared vehicle driver's insurer, to facilitate a claim coverage investigation. The peer-to-peer vehicle sharing platform shall retain the records for a time period not less than the applicable statute of limitations.

§ 46.2-2099.62. Automobile safety recalls.

A. When a motor vehicle owner registers as a shared vehicle owner on a peer-to-peer vehicle sharing platform and prior to when the shared vehicle owner makes a shared vehicle available for vehicle sharing on the peer-to-peer vehicle sharing platform, the peer-to-peer vehicle sharing platform shall:

1. Verify that the shared vehicle does not have any safety recalls on the vehicle for which the repairs have not been made; and

2. Notify the shared vehicle owner of the requirements under subsection B.

B. 1. If the shared vehicle owner has received an actual notice of a safety recall on the vehicle, a shared vehicle owner may not make a vehicle available as a shared vehicle on a peer-to-peer vehicle sharing platform until the safety recall repair has been made.

2. If a shared vehicle owner receives an actual notice of a safety recall on a peer-to-peer shared vehicle while the shared vehicle has already been made available on the peer-to-peer vehicle sharing platform, the shared vehicle owner shall remove the shared vehicle from the peer-to-peer vehicle sharing platform as soon as practicably possible after receiving the notice of the safety recall, and such vehicle shall remain off of the peer-to-peer vehicle sharing platform until the safety recall repair has been made.

3. If a shared vehicle owner receives an actual notice of a safety recall during a vehicle sharing period, such owner shall, as soon as practicably possible after receiving the notice of the safety recall, notify the peer-to-peer vehicle sharing platform about the safety recall so that the shared vehicle owner

may address the safety recall repair.

§ 46.2-2099.63. Responsibility for equipment.

The peer-to-peer vehicle sharing platform shall have sole responsibility for any equipment, such as a global positioning system (GPS), that is installed or placed in or on a shared vehicle to monitor or facilitate vehicle sharing and shall agree to indemnify and hold harmless the shared vehicle owner for any damage to or theft of such system or equipment during a vehicle sharing period not caused by the shared vehicle owner. The peer-to-peer sharing platform has the right to seek indemnity from the shared vehicle driver for any loss or damage to such system or equipment that occurs during the vehicle sharing period.

§ 46.2-2099.64. Airport authorities; authority to regulate peer-to-peer vehicle sharing.

No peer-to-peer vehicle sharing platform, shared vehicle owner, or shared vehicle driver shall conduct any operation on the property of or into any airport unless such operation is authorized by the airport owner and operator and is in compliance with the rules and regulations of that airport. The Department may take action against a peer-to-peer vehicle sharing platform that violates any regulation of an airport owner and operator, including the suspension or revocation of the peer-to-peer vehicle sharing platform's certificate.

§ 58.1-1735. Definitions.

As used in this article, unless the context requires a different meaning:

"Daily rental vehicle" means a motor vehicle, ~~except a motorcycle or a manufactured home as defined in § 46.2-100~~, used for rental as defined in this section and for the transportation of persons or property, whether on its own structure or by drawing another vehicle or vehicles, ~~except a motorcycle or a manufactured home as defined in § 46.2-100~~.

"Gross proceeds" means the charges made or voluntary contributions received for the rental of a motor vehicle where the rental or lease agreement is for a period of less than 12 months. The term "gross proceeds" shall not include:

1. Cash discounts allowed and actually taken on a rental contract;
2. Finance charges, carrying charges, service charges, or interest from credit given on a rental contract;
3. Charges for motor fuels;
4. Charges for optional accidental death insurance;
5. Taxes or fees levied or imposed pursuant to Chapter 24 (§ 58.1-2400 et seq.);
6. Any violations, citations, or fines and related penalties and fees;
7. Delivery charges, pickup charges, recovery charges, or drop charges;
8. Pass-through charges;
9. Transportation charges;
10. Third-party service charges; or
11. Refueling surcharges.

"Mobile office" means an industrialized building unit not subject to federal regulation, which may be constructed on a chassis for the purpose of towing to the point of use and designed to be used with or without a permanent foundation, for commercial use and not for residential use; or two or more such units separately towable but designed to be joined together at the point of use to form a single commercial structure, and which may be designed for removal to, and installation or erection on, other sites.

"Motor vehicle" means every vehicle, except for a mobile office as herein defined, that is self-propelled or designed for self-propulsion and every vehicle drawn by or designed to be drawn by a motor vehicle, including manufactured homes as defined in § 46.2-100 and every device in, upon, and by which any person or property is, or can be, transported or drawn upon a highway, but excepting devices moved by human or animal power, devices used exclusively upon stationary rails or tracks, and vehicles, other than manufactured homes, used in the Commonwealth but not required to be licensed by the Commonwealth.

"Peer-to-peer shared vehicle" means a motor vehicle that (i) has been made available for rental by its owner through a peer-to-peer vehicle sharing platform and (ii) is either insured under a personal policy of motor vehicle liability insurance or registered as an uninsured motor vehicle as provided in § 46.2-706.

"Peer-to-peer vehicle sharing platform" means any online-enabled application, software, website, or system offered or utilized for the primary purpose of renting peer-to-peer shared vehicles, and the provision of services incidental to the rental of those vehicles.

"Rental" means the transfer of the possession or use of a motor vehicle, whether or not the motor vehicle is required to be licensed by the Commonwealth, by a person for a consideration, without the transfer of the ownership of such motor vehicle, for a period of less than 12 months. Any fee arrangement between the holder of a permit issued by the Department of Motor Vehicles for taxicab

services and the driver or drivers of such taxicabs shall not be deemed a rental under this section. Any fee arrangement between a licensed driver training school and a student in that school, whereby the student may use a vehicle owned or leased by the school to perform a road skills test administered by the Department of Motor Vehicles, shall not be deemed a rental under this section.

"Rental in the Commonwealth" means any rental where a person received delivery of a motor vehicle within the Commonwealth. The term "Commonwealth" shall include all land or interest in land within the Commonwealth owned by or conveyed to the United States of America.

"Renter" means a person engaged in the rental of motor vehicles for consideration as defined in this section. *This term shall include a person that owns or operates a peer-to-peer vehicle sharing platform and shall not include the owner of a peer-to-peer shared vehicle when such vehicle owner is renting his vehicle on a peer-to-peer vehicle sharing platform.*

§ 58.1-1736. Levy.

A. There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the rental of a motor vehicle in Virginia, without regard to whether such vehicle is required to be licensed by the Commonwealth. However, such tax shall not be levied upon a rental to a person for re-rental as an established business or part of an established business, or incidental or germane to such business.

The amount of the tax to be collected shall be determined by the Tax Commissioner by the application of the following rates against the gross proceeds:

1. Four percent of the gross proceeds from the rental in Virginia of any motor vehicle, except those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more.

2. In addition to the tax levied pursuant to subdivision A 1, a tax of four percent of the gross proceeds shall be levied on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth.

3. In addition to all other applicable taxes and fees, a fee of two percent of the gross proceeds shall be imposed on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth. For purposes of this article, the rental fee shall be implemented, enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected.

B. A motor vehicle subject to the tax imposed under subdivision A 1 of this section shall be subject to the tax under subdivision A 1 or A 2 of § 58.1-2402 when it ceases to be used for rental as an established business or part of an established business, or incidental or germane to such business. *This subsection shall not apply to any peer-to-peer shared vehicle upon which the owner has already paid the tax under subdivision A 1 or 2 of § 58.1-2402.*

C. Any motor vehicle, trailer, or semitrailer exempt from this tax under subdivision 1 or 2 of § 58.1-1737 shall be subject to the tax when such vehicle is no longer rented by the United States government or any governmental agency thereof, or the Commonwealth of Virginia or any political subdivision thereof, unless at such time the vehicle is sold or its ownership is otherwise transferred, in which case the tax imposed by § 58.1-2402 shall apply, subject to the exemptions provided for in § 58.1-2403.

§ 58.1-1738. Administration of the tax.

The tax on the rental of a motor vehicle shall be paid by the person renting such motor vehicle, collected by the renter of such motor vehicle, and remitted to the Tax Commissioner on or before the twentieth day of the month following the month in which the gross proceeds from such rental were due. All of the responsibilities imposed on dealers, *including the definitions of who is considered a dealer in the Commonwealth*, in Chapter 6 (§ 58.1-600 et seq.) shall apply to renters for purposes of this article, except the provision in subsection A of § 58.1-615 requiring a sales or use tax return to be filed when the dealer is not liable to remit to the Tax Commissioner any tax for the period covered by the return. The tax on rental transactions in the Commonwealth shall apply regardless of the state for which a certificate of title is required.

The provisions of Chapter 6 (§ 58.1-600 et seq.) shall apply to this article, mutatis mutandis, except as herein provided.

§ 58.1-2402. (Contingent expiration date) Levy.

A. (For contingent expiration date, see Acts 2019, c. 52, cl. 2) There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale or use of motor vehicles in Virginia, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business. *For the purpose of this section, "rental as an established business or part of an established business or incidental or germane to such business" shall not include the rental of a peer-to-peer shared vehicle as that term is defined in § 58.1-1735.*

The amount of the tax to be collected shall be determined by the Commissioner by the application of the following rates against the gross sales price:

1. Three percent through midnight on June 30, 2013, four percent beginning July 1, 2013, through midnight on June 30, 2014, 4.05 percent beginning July 1, 2014, through midnight on June 30, 2015,

4.1 percent beginning July 1, 2015, through midnight on June 30, 2016, and 4.15 percent beginning on and after July 1, 2016, of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in the Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle sold in the Commonwealth; and if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, sold by a Virginia dealer, or, if sold by anyone other than a Virginia dealer, used or stored for use (a) in a county or city located in a planning district described in § 58.1-603.1, the tax shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those set forth in clause (a), the tax shall be 5.3 percent of the sales price of each such vehicle. In any city or county located within the Historic Triangle, as defined in § 58.1-603.2, an additional one percent tax shall be imposed in addition to the tax prescribed in clause (a) if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle.

2. Three percent through midnight on June 30, 2013, four percent beginning July 1, 2013, through midnight on June 30, 2014, 4.05 percent beginning July 1, 2014, through midnight on June 30, 2015, 4.1 percent beginning July 1, 2015, through midnight on June 30, 2016, and 4.15 percent beginning on and after July 1, 2016, of the sale price of each motor vehicle, not sold in Virginia but used or stored for use in the Commonwealth; or three percent of the sale price of each manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth. If such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle not sold in the Commonwealth but used or stored for use in the Commonwealth. If such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, not sold in the Commonwealth but used or stored for use in the Commonwealth (a) in a county or city located in a planning district described in § 58.1-603.1, the tax shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those set forth in clause (a), the tax shall be 5.3 percent of the sales price of each such vehicle. In any city or county located within the Historic Triangle, as defined in § 58.1-603.2, an additional one percent tax shall be imposed in addition to the tax prescribed in clause (a) if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle. When any motor vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current market value.

3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to taxation at a rate exceeding zero percent shall be \$75, except as provided by those exemptions defined in § 58.1-2403. This subdivision shall not apply to any all-terrain vehicle, moped, or off-road motorcycle subject to taxation under this chapter.

A. (For contingent effective date, see Acts 2019, c. 52, cl. 2) There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale or use of motor vehicles in Virginia, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business. *For the purposes of this section, "rental as an established business or part of an established business or incidental or germane to such business" shall not include the rental of a peer-to-peer shared vehicle as that term is defined in § 58.1-1735.*

The amount of the tax to be collected shall be determined by the Commissioner by the application of the following rates against the gross sales price:

1. Three percent through midnight on June 30, 2013, four percent beginning July 1, 2013, through midnight on June 30, 2014, 4.05 percent beginning July 1, 2014, through midnight on June 30, 2015, 4.1 percent beginning July 1, 2015, through midnight on June 30, 2016, and 4.15 percent beginning on and after July 1, 2016, of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in the Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not

designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle sold in the Commonwealth; and if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, sold by a Virginia dealer, or, if sold by anyone other than a Virginia dealer, used or stored for use (a) in a county or city located in a planning district described in § 58.1-603.1, the tax shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those set forth in clause (a), the tax shall be 5.3 percent of the sales price of each such vehicle.

2. Three percent through midnight on June 30, 2013, four percent beginning July 1, 2013, through midnight on June 30, 2014, 4.05 percent beginning July 1, 2014, through midnight on June 30, 2015, 4.1 percent beginning July 1, 2015, through midnight on June 30, 2016, and 4.15 percent beginning on and after July 1, 2016, of the sale price of each motor vehicle, not sold in Virginia but used or stored for use in the Commonwealth; or three percent of the sale price of each manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth. If such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle not sold in the Commonwealth but used or stored for use in the Commonwealth. If such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, not sold in the Commonwealth but used or stored for use in the Commonwealth (a) in a county or city located in a planning district described in § 58.1-603.1, the tax shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those set forth in clause (a), the tax shall be 5.3 percent of the sales price of each such vehicle. When any motor vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current market value.

3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to taxation at a rate exceeding zero percent shall be \$75, except as provided by those exemptions defined in § 58.1-2403. This subdivision shall not apply to any all-terrain vehicle, moped, or off-road motorcycle subject to taxation under this chapter.

B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall the same transaction be taxed more than once under either subdivision.

C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no longer owned or used by the United States government or any governmental agency, or the Commonwealth of Virginia or any political subdivision thereof, unless such vehicle is then rented, in which case the tax imposed by § 58.1-1736 shall apply, subject to the exemptions provided in § 58.1-1737. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by this chapter under subdivision 11 of § 58.1-2403 or §§ 46.2-663 through 46.2-674 shall be subject to the tax, based on the current market value, when such vehicle is subsequently licensed to operate on the highways of the Commonwealth.

D. Any person who with intent to evade or to aid another person to evade the tax provided for herein falsely states the selling price of a vehicle on a bill of sale, assignment of title, application for title, or any other document or paper submitted to the Commissioner pursuant to any provisions of this title or Title 46.2 shall be guilty of a Class 3 misdemeanor.

E. Effective January 1, 1997, any amount designated as a "processing fee" and any amount charged by a dealer for processing a transaction, which is required to be included on a buyer's order pursuant to subdivision A 10 of § 46.2-1530, shall be subject to the tax.

§ 58.1-2402. (Contingent effective date) Levy.

A. (For contingent expiration date, see Acts 2019, c. 52, cl. 2) There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale or use of motor vehicles in Virginia, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business. *For the purposes of this section, "rental as an established business or part of an established business or incidental or germane to such business" shall not include the rental of a peer-to-peer shared vehicle as that term is defined in § 58.1-1735.*

The amount of the tax to be collected shall be determined by the Commissioner by the application of the following rates against the gross sales price:

1. Three percent of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in the Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of

26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle sold in the Commonwealth; and if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, the tax shall be five percent of the sales price of each such vehicle; except that in any city or county located within the Historic Triangle, as defined in § 58.1-603.2, the tax shall be six percent of the sales price of each such vehicle.

2. Three percent of the sale price of each motor vehicle, or three percent of the sale price of each manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in the Commonwealth. If such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle not sold in the Commonwealth but used or stored for use in the Commonwealth. If such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, not sold in the Commonwealth but used or stored for use in the Commonwealth, the tax shall be five percent of the sales price of each such vehicle, except that in any city or county located within the Historic Triangle, as defined in § 58.1-603.2, the tax shall be six percent of the sales price of each such vehicle. When any motor vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current market value.

3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to taxation at a rate exceeding zero percent shall be \$35, except as provided by those exemptions defined in § 58.1-2403. This subdivision shall not apply to any all-terrain vehicle, moped, or off-road motorcycle subject to taxation under this chapter.

A. (For contingent effective date, see Acts 2019, c. 52, cl. 2) There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale or use of motor vehicles in Virginia, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business. *For the purposes of this section, "rental as an established business or part of an established business or incidental or germane to such business" shall not include the rental of a peer-to-peer shared vehicle as that term is defined in § 58.1-1735.*

The amount of the tax to be collected shall be determined by the Commissioner by the application of the following rates against the gross sales price:

1. Three percent of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in the Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle sold in the Commonwealth; and if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, the tax shall be five percent of the sales price of each such vehicle.

2. Three percent of the sale price of each motor vehicle, or three percent of the sale price of each manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in the Commonwealth. If such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle not sold in the Commonwealth but used or stored for use in the Commonwealth. If such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, not sold in the Commonwealth but used or stored for use in the Commonwealth, the tax shall be five percent of the sales price of each such vehicle. When any motor vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current market value.

3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to taxation at a rate exceeding zero percent shall be \$35, except as provided by those exemptions defined

798 in § 58.1-2403. This subdivision shall not apply to any all-terrain vehicle, moped, or off-road motorcycle
799 subject to taxation under this chapter.

800 B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall
801 the same transaction be taxed more than once under either subdivision.

802 C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of
803 § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no
804 longer owned or used by the United States government or any governmental agency, or the
805 Commonwealth of Virginia or any political subdivision thereof, unless such vehicle is then rented, in
806 which case the tax imposed by § 58.1-1736 shall apply, subject to the exemptions provided in
807 § 58.1-1737. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by this
808 chapter under subdivision 11 of § 58.1-2403 or §§ 46.2-663 through 46.2-674 shall be subject to the tax,
809 based on the current market value, when such vehicle is subsequently licensed to operate on the
810 highways of the Commonwealth.

811 D. Any person who with intent to evade or to aid another person to evade the tax provided for
812 herein falsely states the selling price of a vehicle on a bill of sale, assignment of title, application for
813 title, or any other document or paper submitted to the Commissioner pursuant to any provisions of this
814 title or Title 46.2 shall be guilty of a Class 3 misdemeanor.

815 E. Effective January 1, 1997, any amount designated as a "processing fee" and any amount charged
816 by a dealer for processing a transaction, which is required to be included on a buyer's order pursuant to
817 subdivision A 10 of § 46.2-1530, shall be subject to the tax.

818 **§ 59.1-207.29. Scope.**

819 This chapter shall apply (i) to all persons in the business of leasing rental motor vehicles from
820 locations in the Commonwealth under an agreement which imposes upon the lessee an obligation to pay
821 for any damages caused to the leased vehicle and (ii) to all peer-to-peer vehicle sharing platforms
822 facilitating peer-to-peer vehicle sharing in the Commonwealth under a vehicle sharing platform
823 agreement that imposes upon the shared vehicle driver an obligation to pay for any damages caused to
824 the shared vehicle, as such terms are defined in § 46.2-2099.54. The provisions of this chapter apply
825 solely to the collision damage waiver portion of the rental agreement or vehicle sharing platform
826 agreement as defined in § 46.2-2099.54.

827 **§ 59.1-207.31. Required notice.**

828 A. The definitions in § 46.2-2099.54 apply, mutatis mutandis, to this section.

829 B. No lessor or peer-to-peer vehicle sharing platform shall sell or offer to sell to a lessee or shared
830 vehicle driver a collision damage waiver as a part of a rental agreement or vehicle sharing platform
831 agreement unless the lessor or peer-to-peer vehicle sharing platform first provides to the lessee or
832 shared vehicle driver the following written notice:

833 NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A COLLISION
834 DAMAGE WAIVER TO COVER YOUR RESPONSIBILITY FOR DAMAGE TO THE VEHICLE.
835 BEFORE DECIDING WHETHER TO PURCHASE THE COLLISION DAMAGE WAIVER, YOU
836 MAY WISH TO DETERMINE WHETHER YOUR OWN VEHICLE INSURANCE AFFORDS YOU
837 COVERAGE FOR DAMAGE TO THE RENTAL VEHICLE AND THE AMOUNT OF THE
838 DEDUCTIBLE UNDER YOUR OWN INSURANCE COVERAGE. THE PURCHASE OF THIS
839 COLLISION DAMAGE WAIVER IS NOT MANDATORY AND MAY BE WAIVED.

840 ~~B. Such notice shall be made~~ C. A lessor shall provide such notice on the face of the rental
841 agreement either by stamp, label, or as part of the written contract. A peer-to-peer vehicle sharing
842 platform shall provide such notice on the first page of the vehicle sharing platform agreement. Any
843 notice required by this section shall be set apart in boldface type and in no smaller print than
844 ten 10-point type, and shall include a space for the lessee or shared vehicle driver to acknowledge his
845 receipt of the notice.

846 **§ 59.1-207.32. Prohibited exclusion.**

847 No collision damage waiver subject to this chapter shall contain an exclusion from the waiver for
848 damages caused by the ordinary negligence of the lessee or shared vehicle driver as defined in
849 § 46.2-2099.54. Any such exclusion in violation of this section shall be void. This section shall not be
850 deemed to prohibit an exclusion from the waiver for damages caused intentionally by the lessee or
851 shared vehicle driver as defined in § 46.2-2099.54 or as a result of his willful or wanton misconduct or
852 gross negligence, driving while intoxicated or under the influence of any drug or alcohol, or damages
853 caused while engaging in any speed contest.