

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 2263
Version:	CS
Request Number:	7797
Author:	Rep. Sims
Date:	3/1/2021
Impact:	Tax Commission:

Increase in Vehicle Rental Tax Revenue
FY-22 and FY-23: Unknown Amount

Research Analysis

The committee substitute to HB 2263 creates the Peer-to-Peer Car Sharing Program Act. The measure establishes definitions used in the Act and provides a regulatory framework for the sharing of a vehicle by an individual other than the vehicle's owner through a peer-to-peer car sharing program. A peer-to-peer car sharing program is a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration and is not considered the renting of a vehicle. The measure requires liability insurance and other insurance coverage. The measure requires peer-to-peer car sharing programs to collect and verify records pertaining to the use of a vehicle, including times used, car sharing period pickup and drop-off locations, fees paid by the shared vehicle driver and revenues received by the shared vehicle owner, and provide that information upon request to the shared vehicle owner, the shared vehicle owner's insurer or the shared vehicle driver's insurer to facilitate a claim coverage investigation, settlement, negotiation or litigation. The measure requires that a peer-to-peer car sharing program may not enter into a peer-to-peer car sharing program agreement with a driver unless the driver has a valid driver license and is authorized to drive the class of vehicle.

Prepared By: Brad Wolgamott

Fiscal Analysis

Review provided by the Tax Commission:

Section 1 creates the "Peer-to-Peer Car Sharing Program Act".

Section 2 defines applicable terms including "peer to-peer car sharing"¹, "peer-to-peer-car sharing program"², "peer-to-peer car sharing program agreement"³, "shared vehicle"⁴, "shared vehicle driver"⁵ and "shared vehicle owner"⁶

Section 15 proposes amendment to Section 2110 of Title 68 to clarify that the 6% vehicle rental tax does not apply to any shared vehicle upon the purchase price of which applicable taxes were paid.⁷ Also, the vehicle rental tax is to be collected from the person renting the vehicle or shared vehicle driver at the time of payment of the rental agreement⁸ and shall be due and payable to the Tax Commission by the business engaged in renting these vehicles or peer-to-peer car sharing program, but only with respect to shared vehicles upon the purchase of which applicable taxes were not paid. The proposed amendments to Section 2110 of Title 68 also defines "applicable taxes" and "rental agreement" and further provides that the terms "peer-to-peer car sharing program", "car sharing program agreement", "shared vehicle", "shared vehicle owner", and "shared vehicle driver" shall have the same definitions as set forth in Section 2 of the Peer-to-Peer Car Sharing Program Act.

It is estimated that adoption of the proposal will result in an unknown increase in vehicle rental tax revenues for FY 22 and for FY 23.

¹ "Peer-to-peer car sharing" means the authorized use of a vehicle by an individual other than the vehicle's owner through a peer-to-peer car sharing program.

² "Peer-to-peer-car sharing program" as a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration and a "peer-to-peer car sharing program will not be considered a "transportation network company" as defined in Section 1011 of Title 47 of the Oklahoma Statutes.

³ "Peer-to-peer car sharing program agreement" means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer car sharing program.

⁴ "Shared vehicle" means a vehicle that is available for sharing through a peer-to-peer car sharing program

⁵ "Shared vehicle driver" means an individual who has been authorized to drive the shared vehicle by the shared vehicle owner under a car sharing program agreement.

⁶ "Shared vehicle owner" means the registered owner, or a person or entity designated by the registered owner, or a vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program.

⁷ "Applicable taxes" means, with respect to shared vehicles purchased in Oklahoma, motor vehicle excise taxes levied under Section 2103 of Title 47, and sales taxes levied under Sections 1354 & 1355 of Title 68. With respect to vehicles not purchased in Oklahoma, applicable taxes refers to the sales, use, excise or other tax generally due upon the purchase of a motor vehicle in the jurisdiction in which the shared vehicle was purchased.

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Other Considerations

None.