

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB 355
Version:	ENGR
Request Number:	NA
Author:	Rep. Sims
Date:	3/22/2021
Impact:	Tax Commission:

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

Research Analysis

SB 355 creates the Peer-to-Peer Car Sharing Program Act. A peer-to-peer car sharing program is defined as business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration. The program may not offer renting motor vehicles without a driver except as provided for in the measure. The program is required to assume liability of a shared vehicle owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses during the car sharing period. The program is exempted from assuming liability if the car owner makes an intentional or fraudulent material representation or omission to the program or acts in concert with a shared vehicle driver who fails to return the shared vehicle. The measure further requires programs to disclose to shared vehicle owners or drivers certain facts pertaining to the insured vehicle and liability. The program may own the named insured one or more policies of motor vehicle liability insurance. The program is required to ensure each of its drivers and vehicle owners are insured under a motor vehicle liability insurance policy that meets certain requirements outlined in the measure. The program's, driver's, or owner's insurer must indemnify the car sharing program if it is determined that the shared motor vehicle's owner was in control of the shared motor vehicle at the time of the loss. Coverage under an automobile insurance policy maintained by the peer-to-peer car sharing program is not dependent on another automobile insurer first denying a claim. The measure also requires the program to notify the driver of a vehicle with a lien on it may the terms of the contract with the lienholder.

Prepared By: Brad Wolgamott

Fiscal Analysis

Analysis 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"⁹, "peer-to-peer-car sharing program"¹⁰, "peer-to-peer car sharing program agreement"¹¹, "shared vehicle"¹², "shared vehicle driver"¹³ and "shared vehicle owner"¹⁴

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.¹⁵ 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 agreement¹⁶ 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.

⁹ "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.

¹⁰ "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.

¹¹ "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.

¹² Shared vehicle" means a vehicle that is available for sharing through a peer-to-peer car sharing program.

¹³ "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.

¹⁴ "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.

¹⁵ "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.

¹⁶ "Rental agreement" means an agreement of ninety (90) days or less duration on any motor vehicle that is rented to a person by a business engaged in renting motor vehicles without drivers in this state and includes those peer-to-peer car sharing agreements only involving shared vehicles for which the shared vehicle owner has not paid the applicable taxes upon purchase of the shared vehicle.

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Other Considerations

None.