Multiple Agency Fiscal Note Summary

Bill Number: 1389 HB	**Title:** Peer-to-peer vehicle sharing

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Insurance Commissioner	.2	0	0	42,882	.0	0	0	5,558	.0	0	0	5,558
Department of Licensing	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.2**	**0**	**0**	**42,882**	**0.0**	**0**	**0**	**5,558**	**0.0**	**0**	**0**	**5,558**

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

NONE

Prepared by: Kyle Siefering, OFM	**Phone:** (360) 995-3825	**Date Published:** Final 2/12/2021

FNPID: 62080

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1389 HB	Title: Peer-to-peer vehicle sharing	Agency: 160-Office of Insurance Commissioner

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.2	0.2	0.2	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	21,441	21,441	42,882	5,558	5,558
Total $	21,441	21,441	42,882	5,558	5,558

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 02/04/2021
Agency Preparation:	David Forte	Phone: 360-725-7042	Date: 02/08/2021
Agency Approval:	Bryon Welch	Phone: 360-725-7037	Date: 02/08/2021
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 02/08/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 3(1)(a) requires, in the event of a loss or injury that occurs during the sharing period defined in section 2(2), the program is to assume the liability of an owner for any loss or injury during the car sharing period in an amount stated in an agreement defined in section 2(3).

Section 3(1)(d) requires the program to ensure that during the car sharing period the shared owner and shared driver have insurance coverage under a motor vehicle liability policy.

Section 3(3) permits an authorized insurer that writes motor vehicle liability insurance to add exclusions to policies issued to the registered owner of a peer-to-peer vehicle made available for sharing facilitated by a peer-to-peer vehicle sharing program.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 3(1) requires, in the event of a loss or injury that occurs during the sharing period defined in section 2(2), the program is to assume the liability of an owner for any loss or injury during the sharing period in an amount stated in an agreement defined in section 2(3). Section 3(1)(d) requires the program to ensure that during the sharing period the shared owner and shared driver have insurance coverage under a motor vehicle liability policy. The Office of the Insurance Commissioner (OIC) assumes the peer-to-peer program will be required to purchase liability coverage. The coverage is assumed to be a new commercial auto insurance product requiring insurers to file rate and policy form filings for the product with the OIC. OIC assumes 10 additional rate and policy form filings on an ongoing basis starting in FY2022. For FY2022 and FY2023 these would require more in-depth review of four hours per filing, followed by a reduction to two hours per filing beginning in FY2024 to review filing updates requiring 40 hours of an Actuarial Analyst 3 and 40 hours of a Functional Program Analyst 3 (FPA3) for FY2022 and FY2023. For FY2024 onward, 20 hours of an Actuarial Analyst 3 and 20 hours of a FPA3 will be required.

Section 3(3) permits an authorized insurer that writes motor vehicle liability insurance to add exclusions to policies issued to the registered owner of a peer-to-peer vehicle made available for sharing facilitated by a peer-to-peer vehicle sharing program. The OIC will need to review these policy form filings and assumes nearly all personal automobile insurers will file an update. There were 213 personal automobile insurers in the 2018 market. OIC assumes 100 companies will file an update in FY2022 and another 100 companies will file an update in FY2023 requiring two hours to review each filing. OIC assumes a one-time expense of 200 hours of a FPA3 in both FY2022 and FY2023.

Ongoing costs:
Salary, benefits and associated costs for .01 FTE Actuarial Analyst 3 and .01 FTE Functional Program Analyst 3 beginning in FY2022.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
138-1	Insurance Commissioners Regulatory Account	State	21,441	21,441	42,882	5,558	5,558
		Total $	21,441	21,441	42,882	5,558	5,558

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.2	0.2	0.2	0.0	0.0
A-Salaries and Wages	12,506	12,506	25,012	3,282	3,282
B-Employee Benefits	4,647	4,647	9,294	1,164	1,164
C-Professional Service Contracts					
E-Goods and Other Services	4,288	4,288	8,576	1,112	1,112
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	21,441	21,441	42,882	5,558	5,558

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Actuarial Analyst 3	93,132	0.0	0.0	0.0	0.0	0.0
Functional Program Analyst 3	70,956	0.2	0.2	0.2	0.0	0.0
Total FTEs		0.2	0.2	0.2	0.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1389 HB	Title: Peer-to-peer vehicle sharing	Agency: 240-Department of Licensing

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 02/04/2021
Agency Preparation:	Merdan Bazarov	Phone: 360-902-3795	Date: 02/12/2021
Agency Approval:	Kristin Bettridge	Phone: 360-902-3644	Date: 02/12/2021
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/12/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill establishes regulations for peer-to-peer vehicle sharing programs, including creating definitions and establishing minimum insurance requirements for participants of a program.

Section 1 states that this act is known as the peer-to-peer vehicle sharing program act.

Section 2 creates definitions including “peer-to-peer car sharing”, “peer-to-peer car sharing program” and “shared vehicle owner”:

Section 2(10) "Shared vehicle owner" means the registered owner, or a person or entity designated by the registered owner, of a vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program. "Shared vehicle owner" does not mean rental car business as defined in RCW 46.04.466. "Shared vehicle owner" does not mean rental car company as defined in RCW 48.115.005.

Section 3 creates a new section to establish minimum insurance requirements for the car sharing programs, as well as the shared vehicle owner.

Section 4 creates a new section to establish the requirements for each car sharing program agreement, which must be shared with the shared vehicle owner and the shared vehicle driver. These agreements must include:

Section 4(a) any right to seek indemnification by the program, if the shared vehicle owner or driver breached their terms and conditions.

Section 4(b) the vehicle liability insurance policy

Section 4(c) proof that the insurance coverage is in effect at the time of vehicle is in use for the program.

Section 4(d) the daily rates and fees, and any additional charges.

Section 4(e) a statement that the shared vehicle owner's motor vehicle liability insurance may not provide coverage for a shared vehicle.

Section 4(f) emergency telephone numbers.

Section 4(g) if there are conditions under which a shared vehicle driver must maintain a personal automobile insurance policy with certain coverage limits on a primary basis in order to book a shared motor vehicle.

Section 4(2)(a) a peer-to-peer program may not enter into a car sharing agreement with a driver, unless they hold a current, valid driver license in the state or is a non-resident that holds a license in a different state.

Section 4(2)(b) a peer-to-peer the program must keep a record of: the name and address of the shared vehicle driver, their driver license number, and the place of issuance of that license.

Section 5 repeals the following statutes:

Section 5(1) RCW 48.175.005 (Definitions)

Section 5(2) RCW 48.175.010 (Requirements of program)

Section 5(3) RCW 48.175.020 (Program's liabilities—Owner's insurance policy)

Section 5(4) RCW 48.175.030 (Private passenger motor vehicle not a commercial)

Section 5(5) RCW 48.175.900 (Application)

Section 6 sections 1 through 4 of this act constitute a new chapter in Title 46 RCW.

Section 7 establishes the effective date of this act of January 1, 2022.

Overall, this legislation does not impose any new authority to the Department to monitor or regulate these peer-to-peer vehicle sharing programs, drivers or participants. It is assumed that these vehicles would follow the same registration and titling requirements as other vehicle owners, however would be required to maintain different insurance minimums which would be verified by the vehicle sharing programs, not the Department. Additionally, any dispute resolution would be handled by the vehicle sharing programs. Therefore, no fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required