



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 0307	Amended by Senate Transportation Subcommittee on February 11, 2025
Subject:	Peer-to-Peer Car Sharing	
Requestor:	Senate Transportation	
RFA Analyst(s):	Daigle and Vesely	
Impact Date:	February 13, 2025	

Fiscal Impact Summary

This bill establishes the Peer-to-Peer Car Sharing Act, which provides various rules and requirements for peer-to-peer car sharing programs, defined as business platforms that connect individual drivers with vehicle owners for the purpose of using the vehicle for financial consideration. The bill specifies insurance and liability requirements for all parties involved in a peer-to-peer car sharing transaction. The bill takes effect upon approval by the Governor.

This bill will have no expenditure impact on the Department of Insurance (DOI) for the new insurance requirements as these responsibilities will be managed with existing staff and resources.

According to DOI, this bill is not expected to materially impact automobile insurance premiums tax collections. Therefore, this bill will have minimal impact on state insurance premiums tax revenue.

Explanation of Fiscal Impact

Amended by Senate Transportation Subcommittee on February 11, 2025

State Expenditure

This bill establishes various rules and requirements for peer-to-peer car sharing programs, defined as business platforms that connect individual drivers with vehicle owners for the purpose of using the vehicle for financial consideration. The bill enumerates definitions and process requirements for the peer-to-peer programs. The bill also provides requirements for insurance coverage pursuant to Section 38-77-140 related to automobile insurance and specifies types of coverage to be held by and liabilities of peer-to-peer car sharing programs, shared vehicle owners, or shared vehicle drivers, or any combination of the applicable parties. This bill further provides requirements for insurance coverage pursuant to Section 38-77-150 related to uninsured motorists.

Furthermore, this bill establishes that provisions of Section 38-43-500 (limited licensing of motor vehicles rental companies to sell or offer insurance) and Chapter 31 of Title 56 (rental of private passenger automobiles) are not applicable to peer-to-peer car sharing. This bill states that

DOI shall promulgate any regulations necessary to administer and enforce the provisions of the chapter. The bill takes effect upon approval by the Governor.

Currently, there is no specific legislation on peer-to-peer car sharing, but pursuant to the Department of Revenue's SC Private Letter Ruling #20-2, peer-to-peer short-term vehicle rentals are subject to sales tax. For information, at least 28 states have enacted car sharing regulations.¹ Private passenger automobile rentals are currently governed by Chapter 31 of Title 56.

Department of Insurance. DOI indicates that this bill may increase workload to regulate and supervise automobile insurance. However, it is expected that this will be managed with existing staff and resources. Therefore, there is no expected expenditure impact for DOI.

State Revenue

This bill establishes rules and requirements for peer-to-peer car sharing programs, defined as business platforms that connect individual drivers with vehicle owners for the purposes of using the vehicle for monetary consideration. The bill specifies insurance and liability requirements for all parties involved in a peer-to-peer car sharing transaction.

According to DOI, this bill is not expected to materially impact automobile insurance premiums tax collections. Therefore, this bill will have minimal impact on state insurance premiums tax revenue.

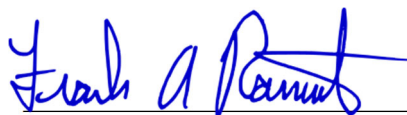
Local Expenditure

N/A

Local Revenue

N/A

¹ TURO, *Car Sharing Regulations* | US hosts, Retrieved February 7, 2025, https://help.turo.com/en_us/car-sharing-regulations-SJTQH4IV5



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