

AMENDED IN SENATE JULY 1, 2021
AMENDED IN ASSEMBLY APRIL 29, 2021
AMENDED IN ASSEMBLY APRIL 14, 2021
CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 371

**Introduced by Assembly Member Jones-Sawyer
(Coauthors: Assembly Members Reyes, Waldron, and Wicks)
(Coauthor: Senator Hueso)**

February 1, 2021

An act to amend Section 2505 of, and to add Section 2506 to, the Civil Code, relating to mobility devices.

LEGISLATIVE COUNSEL'S DIGEST

AB 371, as amended, Jones-Sawyer. Shared mobility devices: insurance and tracking.

Existing law requires a shared mobility service provider, as defined, to enter into an agreement with, or obtain a permit from, the city or county with jurisdiction over the area of use. Existing law defines shared mobility device to mean an electrically motorized board, motorized scooter, electric bicycle, bicycle, or other similar personal transportation device, except as provided. Existing law requires a city or county that authorizes a shared mobility device provider to operate within its jurisdiction to adopt operation, parking, and maintenance rules, as provided, regarding the use of the shared mobility devices in its jurisdiction before the provider may offer shared mobility devices for rent or use.

This bill would require a shared mobility service provider to affix to each shared mobility device a tactile sign containing raised characters

and accompanying Braille, as specified, to identify the device for the purpose of reporting illegal or negligent activity.

Existing law requires that the shared mobility provider maintain a specified amount of commercial general liability insurance that, among other things, must be with a carrier doing business in California, in a user agreement before distributing a shared mobility device within that jurisdiction.

~~Starting July 1, 2022, this~~

This bill, rather than require the shared mobility service provider to maintain commercial general liability insurance with a carrier doing business in California, would require the coverage to be with an admitted insurer or a nonadmitted insurer, as specified.~~The~~

Starting January 1, 2023, this bill would specify that the required insurance shall apply to include a specified minimum amount of coverage for any personal injury or property damage suffered by a pedestrian when the injury involves, in whole or in part, the negligent conduct of the shared mobility device owner or user. The bill would specify that it does not prohibit a provider from requiring a user to enter into an indemnity contract, and would specify certain requirements that the indemnity contract would be required to meet. The bill would prohibit parties from waiving or modifying any of its provisions by contractual agreement, act, or omission. The bill would require a shared mobility service provider to disclose, in a specified manner, to its customers that the customer's existing homeowner's, renter's, or automobile insurance policies might not provide coverage for liability resulting from the use of shared mobility devices and that the customer should contact their insurance company or insurance agent to determine if coverage is provided.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2505 of the Civil Code is amended to
- 2 read:
- 3 2505. (a) For purposes of this title:
- 4 (1) "Shared mobility device" means an electrically motorized
- 5 board as defined in Section 313.5 of the Vehicle Code, motorized
- 6 scooter as defined in Section 407.5 of the Vehicle Code, electric
- 7 bicycle as defined in Section 312.5 of the Vehicle Code, bicycle

1 as defined in Section 231 of the Vehicle Code, or other similar
2 personal transportation device, except as provided in subdivision
3 (b) of Section 415 of the Vehicle Code, that is made available to
4 the public by a shared mobility service provider for shared use and
5 transportation in exchange for financial compensation via a digital
6 application or other electronic or digital platform.

7 (2) “Shared mobility service provider” or “provider” means a
8 person or entity that offers, makes available, or provides a shared
9 mobility device in exchange for financial compensation or
10 membership via a digital application or other electronic or digital
11 platform.

12 (b) (1) Before distribution of a shared mobility device, a shared
13 mobility service provider shall enter into an agreement with, or
14 obtain a permit from, the city or county with jurisdiction over the
15 area of use. The agreement or permit shall, at a minimum, require
16 that the shared mobility service provider maintain commercial
17 general liability insurance coverage with an admitted insurer, or
18 a nonadmitted insurer that is eligible to insure a home state insured
19 under Chapter 6 (commencing with Section 1760) of Part 2 of
20 Division 1 of the Insurance Code, with limits not less than one
21 million dollars (\$1,000,000) for each occurrence for bodily injury
22 or property damage, including contractual liability, personal injury,
23 and product liability and completed operations, and not less than
24 five million dollars (\$5,000,000) aggregate for all occurrences
25 during the policy period. The insurance shall not exclude coverage
26 for injuries or damages caused by the shared mobility service
27 provider to the shared mobility device user.

28 (2) Notwithstanding any other law, *effective January 1, 2023*,
29 the insurance coverage required pursuant to paragraph (1) shall
30 ~~apply to include coverage for~~ any personal injury or property
31 damage suffered by a pedestrian when the injury involves, in whole
32 or in part, the negligent conduct of the shared mobility device
33 ~~owner or user.~~ *user, of at least one hundred thousand dollars*
34 *(\$100,000) for each occurrence for bodily injury or property*
35 *damage, and five hundred thousand dollars (\$500,000) in the*
36 *aggregate for all occurrences in the policy period.*

37 (3) ~~Nothing~~ *Effective January 1, 2023, nothing* in this section
38 shall prohibit a provider from requiring a user to enter into an
39 indemnity contract whereby the user will indemnify the provider
40 for the user’s proportionate share of liability. The indemnity

1 contract shall not require the user to defend or indemnify the
 2 provider for the provider’s negligence or willful misconduct. This
 3 section shall not be waived or modified by contractual agreement,
 4 act, or omission of the parties.

5 (c) (1) A city or county that authorizes a provider to operate
 6 within its jurisdiction on or after January 1, 2021, shall adopt rules
 7 for the operation, parking, and maintenance of shared mobility
 8 devices before a provider may offer any shared mobility device
 9 for rent or use in the city or county by any of the following:

- 10 (A) Ordinance.
- 11 (B) Agreement.
- 12 (C) Permit terms.

13 (2) A city or county that authorized a provider to operate within
 14 its jurisdiction before January 1, 2021, and continues to provide
 15 that authorization shall adopt rules for the operation, parking, and
 16 maintenance of shared mobility devices by January 1, 2022, by
 17 any of the following:

- 18 (A) Ordinance.
- 19 (B) Agreement.
- 20 (C) Permit terms.

21 (3) A provider shall comply with all applicable rules,
 22 agreements, and permit terms established pursuant to this
 23 subdivision.

24 (d) Nothing in this section shall prohibit a city or county from
 25 adopting any ordinance or regulation that is not inconsistent with
 26 this title.

27 ~~(e) The amendments made to this section by the act adding this~~
 28 ~~subdivision shall become operative July 1, 2022.~~

29 *(e) On or before January 1, 2023, a shared mobility service*
 30 *provider shall disclose to its customers that the customer’s existing*
 31 *homeowner’s, renter’s, or automobile insurance policies might*
 32 *not provide coverage for liability resulting from the use of shared*
 33 *mobility devices and that the customer should contact their*
 34 *insurance company or insurance agent to determine if coverage*
 35 *is provided.*

36 *(1) The disclosure shall meet both of the following requirements:*

- 37 *(A) The disclosure is made to, and acknowledged by, the*
 38 *customer via the provider’s digital application or electronic*
 39 *platform in a manner that contains no information other than the*

1 disclosure, each time the device is released to the customer for
2 their use.

3 (B) The disclosure is affixed to each shared mobility device in
4 a location readily accessible to a customer.

5 (2) The disclosure shall include the following language in
6 capital letters:

7

8 “YOUR HOMEOWNER’S, RENTER’S, OR AUTOMOBILE
9 INSURANCE POLICIES MIGHT NOT PROVIDE COVERAGE
10 FOR ACCIDENTS INVOLVING THE USE OF THIS DEVICE.
11 TO DETERMINE IF COVERAGE IS PROVIDED YOU SHOULD
12 CONTACT YOUR INSURANCE COMPANY OR AGENT.”

13

14 SEC. 2. Section 2506 is added to the Civil Code, to read:

15 2506. A shared mobility service provider shall affix to each
16 shared mobility device a readily accessible, single, unique, and
17 clearly displayed tactile sign containing raised characters and
18 accompanying Braille, complying with Section 11B-703 of the
19 Building Code, to identify the device for the purpose of reporting
20 illegal or negligent activity. The sign shall minimally consist of
21 the company name of the service provider and an alphanumeric
22 ID assigned by the service provider that is visible a minimum of
23 five feet and not obfuscated by branding or other markings.