

Committee on Banking and Insurance

CS/CS/CS/SB 862 — Lessor Liability Under Special Mobile Equipment Leases

by Rules Committee; Judiciary Committee; Banking and Insurance Committee; and Senator Stargel

The bill provides that the lessor of special mobile equipment that causes injury, death, or damage while leased under a lease agreement is not liable for the acts of the lessee or lessee's agent or employee if the lease agreement requires documented proof of insurance coverage with limits of at least \$250,000/\$500,000 for bodily injury liability and \$100,000 for property damage liability, or at least \$750,000 for combined property damage liability and bodily injury liability. The bill provides that the failure of the lessee to maintain insurance coverage required by the lease agreement does not impose liability on the lessor.

Special mobile equipment are vehicles not designed or used primarily to transport persons or property and that are only incidentally operated or moved over a highway. Examples include ditchdigging apparatus, well-boring apparatus, and road construction and maintenance machinery, draglines, self-propelled cranes and earthmoving equipment.

The bill responds to the Florida Supreme Court's decision in *Newton v. Caterpillar Financial Services Corporation*, 253 So.3d 1054 (Fla. 2018), which found that a loader is a dangerous instrumentality and thus subject to Florida's dangerous instrumentality doctrine. The dangerous instrumentality doctrine imposes strict vicarious liability upon the owner of a motor vehicle who voluntarily entrusts that motor vehicle to an individual whose negligent operation causes damage to another. Courts apply the doctrine not only to motor vehicles primarily designed to be used on the roads and highways of the state, but also to certain dangerous vehicles that are frequently operated near the public, such as farm tractors and tow motors.

If approved by the Governor, these provisions take effect July 1, 2019.
Vote: Senate 29-8; House 83-32