



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.538.6616 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 13, 2013, 2:30 P.M.
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 551, HD1

Aloha Chair McKelvey and Committee Members -

The Sierra Club, Hawai'i Chapter, with over 10,000 members and supporters, *supports* HB 551, HD1. This bill would exempt cars rented on an hourly basis to be exempt from the rental motor vehicle and tour vehicle tax.

Car-sharing is a green transportation innovation that significantly reduces vehicle miles travelled, oil imports, greenhouse gas emissions and household transportation costs for Hawaii residents. However, the State has a flat rental car surcharge on all car-sharing rentals regardless of how long the car is rented. Car-sharing has a unique cost-structure and potential users already price sensitive, so applying this tax will effectively prevent car-sharing from ever succeeding in the State.

HB 551 wisely changes the law to create a distinction between traditional car rental and car-sharing. It exempts car-sharing rentals made to members of car-sharing organizations on an hourly basis from being subjected to a flat rental car surcharge.

The rental car surcharge was intended to target the tourist car rental market. In fact, as the law is written, it exempts individuals who are renting a car to replace a vehicle that is being repaired from paying the tax. Clearly then, the tax is not aimed at local residents who are using vehicles to serve everyday transportation needs. And clearly therefore, the tax should not be applied towards car-sharing users either.

We respectfully ask for the Committees to move this bill forward. Mahalo for the opportunity to testify.