

Honolulu, Hawaii

February 12, 2016

RE: H.B. No. 2168  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2168 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY,"

begs leave to report as follows:

The purpose of this measure is to assist rental car companies in recovering government mandated fees assessed against their vehicles as long as the fees recovered do not exceed the annual fees actually paid by a rental car company in a particular year.

Enterprise Holdings LLC, Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, Enterprise CarShare, Enterprise Rideshare, Hertz Corporation, Dollar Rent A Car, Thrifty Car Rental and Avis Budget Group testified in support of this measure. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs testified in opposition to this measure.

Current law permits rental car companies to recover certain mandatory government fees, for the purpose of making a vehicle road-ready, from rental car customers. However, the prorated formula is calculated over a period of 365 days, which results in a significant portion of the fees going unrecovered. This is partially because rental cars are rented significantly less than 100 percent of the time. Your Committee finds that this measure addresses this issue, while presenting transparency for consumers.



However, your Committee notes concerns that this measure may be unfair to consumers because it may create a situation in which consumers may be charged an excessive amount for fees and taxes. Your Committee on Transportation respectfully requests your Committee on Consumer Protection & Commerce to examine these consumer issues further as this bill makes its way through the legislative process.

Your Committee has amended this bill by:

- (1) Requiring lessors of rental motor vehicles to provide lessees with the option of paying license plate fees and use taxes as part of any motor vehicle recovery fee charged; and
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2168, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



HENRY J.C. AQUINO, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 247-16

**Record of Votes of the Committee on Transportation**

Bill/Resolution No.: <b>HB 2168</b>	Committee Referral: <b>TRN, CPC, Fln</b>	Date: <b>2-10-16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)	X			
2. LoPRESTI, Matthew S. (VC)	X			
3. HAR, Sharon E.	✓			
4. ICHIYAMA, Linda	X			
5. JOHANSON, Aaron Ling	X			
6. KEOHOKALOLE, Jarrett	X			
7. NAKASHIMA, Mark M.	X			
8. SAN BUENAVENTURA, Joy A.		X		
9. TAKAYAMA, Gregg	X			
10. TAKUMI, Roy M.	X			
11. YAMASHITA, Kyle T.	X			
12. TUPOLA, Andria P.L.		X		
<b>TOTAL (12)</b>	<b>10</b>	<b>2</b>		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution:            Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				