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GOVERNOR OF
HAWAII



SUZANNE D. CASE
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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
CONSUMER PROTECTION & COMMERCE

Tuesday, March 23, 2021
2:00 PM

State Capitol, Via Videoconference, Conference Room 329

In consideration of
SENATE BILL 755, SENATE DRAFT 1, HOUSE DRAFT 1
RELATING TO TRANSPORTATION

Senate Bill 755, Senate Draft 1, House Draft 1 proposes to require lessors of rental motor vehicles to include an option for the lessee in motor vehicle rental agreement to contribute a sum to the Department of Land and Natural Resources (Department) for the preservation and protection of the environment. **The Department supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Biennium Budget request.**

The Department recognizes the important role Hawaii's natural and cultural resources play in our economic sectors, specifically related to tourism, and the places that visitors access via rental cars. As such, there is a direct nexus between rental cars and preservation and protection of the environment. Given these natural resources are vital to sustaining our tourism industry, the Department supports this measure as it will provide the opportunity for dedicated funding to support protection and management of the natural resources that visitors enjoy. As the option to donate is voluntary, there would be no downside to consumers, as they can opt not to participate; but there is an upside to consumers who may enjoy making a contribution to help offset their activities.

The Department notes that people are more willing to pay fees to contribute to conservation initiatives if they know their contributions will be put directly into the management of natural resources. Further, the Department, through a partnership with Arbor Day Foundation and Enterprise Rent-A-Car, received \$30,000 in grant funds to support a tree planting project in the Waianae Kai Forest Reserve. This grant opportunity is part of Arbor Day Foundation and Enterprise's corporate responsibility initiatives and serves to demonstrate the interest from industry and consumers to support protection of our natural resources.

Thank you for the opportunity to comment on this measure.



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Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair
Committee on Consumer Protection and Commerce

Tuesday, March 23, 2021; 2:00 p.m.
Via Videoconference

RE: SB 755 SD1 HD1 – Relating to Transportation – In Opposition

Aloha Chair Johanson, Vice Chair Kitagawa and members of the committee:

My name is Robert Muhs, Vice President Government Affairs for Avis Budget Group. Avis Budget appreciates this opportunity to offer testimony in opposition to SB 755 SD1 HD1, which requires lessors of rental motor vehicles to include an option for the lessee in the motor vehicle rental agreement to contribute a sum to DLNR for the preservation and protection of the environment.

It would be an administrative burden to implement, maintain records and submit contributions to accommodate consumers who may check this option. Additionally, with Hawaii having one of the highest rental car surcharge amounts in the country, there may not be enough consumer interest to make such a contribution. Perhaps there should be a study first to determine interest.

For this reason, we ask that the committees defer this measure. Thank you.



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GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 22, 2021

TO: Representative Aaron Johanson
Chair, Committee on Consumer Protection and Commerce

FROM: Mihoko Ito

RE: **S.B. 755, S.D.1 Relating to Transportation**
Hearing Date: Tuesday, March 23, 2021 at 2:00 p.m.
Conference Room: 329

Dear Chair Johanson, Vice Chair Kitagawa, and members of the Committee on Consumer Protection and Commerce:

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and Enterprise Commute (Van Pool).

Enterprise **opposes** S.B. 755, S.D.1, which requires lessors of rental motor vehicles to include an option to the lessee in the motor vehicle agreement to contribute a sum to the Department of Land and Natural Resources for the preservation and protection of the environment beginning January 1, 2022.

Enterprise already offers a voluntary contribution for research to offset carbon emissions on each contract. The details are available on a website we identify for our renters. We do not feel that it is appropriate for the state to require rental car companies to include an additional voluntary contribution provided for in S.B. 755, S.D. 1. Rather, this should be left to each individual company. As it is, the state already collects from rental car customers a substantial government fees to be used for state purposes. We do not feel that it is justified to solicit additional contributions from renters, and feel that adding yet another additional fee will alienate our customers.

For these reasons, we oppose S.B. 755, S.D.1 and respectfully request that the Committee hold this measure. Thank you for the opportunity to submit this testimony.