

Honolulu, Hawaii
FEB 10 , 2022

RE: H.B. No. 1971
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1971 entitled:

"A BILL FOR AN ACT RELATING TO PEER-TO-PEER CAR-SHARING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize peer-to-peer car-sharing and establish regulations;
- (2) Impose the car-sharing surcharge tax on peer-to-peer car-sharing programs;
- (3) Set the car-sharing vehicle surcharge tax at a rate equal to one-twelfth of the rate of the rental motor vehicle surcharge tax; and
- (4) Require those persons engaging or continuing in a peer-to-peer car-sharing program to register with the Department of Taxation.

Your Committee received testimony in support of this measure from the Hawaii Insurers Council, Enterprise Holdings, and Avail. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committee received



comments on this measure from the Department of Taxation, Department of Commerce and Consumer Affairs Office of Consumer Protection, Turo, Tax Foundation of Hawaii, and Getaround.

Your Committee finds that peer-to-peer car sharing has emerged as a new car sharing model in the rental car marketplace, allowing vehicle owners to rent out their vehicles directly to consumers through online platforms. However, peer-to-peer car-sharing programs are not regulated under state law. This measure establishes regulations for these car sharing programs to ensure appropriate insurance coverage and recordkeeping.

Your Committee notes that the Department of Transportation's Airports Division, under its administrative authority, should oversee and permit activities in regard to peer-to-peer car sharing programs at airport facilities.

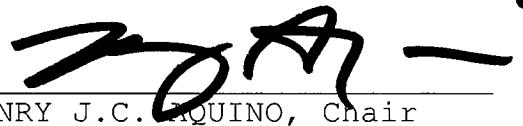
Your Committee has amended this measure by:

- (1) For the purposes of consistency, inserting similar insurance provisions from H.B. 1619, H.D. 1, Regular Session of 2022, relating to insurance coverage requirements, exclusions, recordkeeping, right of recovery, insurable interest, and disclosure and notice;
- (2) Requiring peer-to-peer car-sharing programs to verify that a shared car is not subject to a recall at the car-sharing start time;
- (3) Inserting provisions that subject peer-to-peer car sharing to the general excise tax and rental motor vehicle surcharge tax and require peer-to-peer car sharing programs to collect and remit taxes and surcharges to the Department of Taxation;
- (4) Deleting language that would have amended provisions relating to the car-sharing vehicle surcharge tax;
- (5) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



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. 1971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, 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,



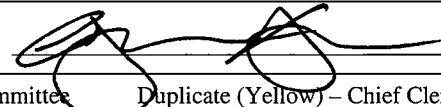
HENRY J.C. AQUINO, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

Hsc 171-22

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 1971	Committee Referral: TRN, CPC, FIN	Date: Feb 4, 2022		
<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. ILAGAN, Greggor (VC)	X			
3. CLARK, Linda	X			
4. HASHIMOTO, Troy N.	X			
5. KITAGAWA, Lisa	X			
6. LoPRESTI, Matthew S.				X
7. NAKAMURA, Nadine K.	X			GT
8. TAKUMI, Roy M.				X
9. MATSUMOTO, Lauren	X			
TOTAL (9)	7			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				