

STAND. COM. REP. NO. 609-22

Honolulu, Hawaii

FEB 18 , 2022

RE: H.B. No. 1971  
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1971, H.D. 1, 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 and regulate peer-to-peer car-sharing;
- (2) Impose the general excise tax and rental motor vehicle surcharge tax on peer-to-peer car-sharing programs and require these programs to collect and remit taxes and surcharges to the Department of Taxation; and
- (3) 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 Department of Taxation and Enterprise Holdings. Your Committee received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Insurance Division of the Department of Commerce

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and Consumer Affairs, Tax Foundation of Hawaii, Turo, Getaround, Hawaii Association for Justice, and Hawaii Insurers Council.

Your Committee finds that peer-to-peer car-sharing allows for vehicle owners to rent their vehicles to others through online platforms. Your Committee further finds that peer-to-peer car-sharing, while growing in popularity, is not regulated by the State. This measure will establish a regulatory scheme for peer-to-peer car-sharing to provide consumers and the public with greater protection.

Your Committee notes that existing law empowers the Department of Transportation Airports Division to establish policies and rules governing use and access to the airports' premises. No provision in this measure should be construed to abrogate the Airports Division's authority. Therefore, if a peer-to-peer car-sharing program chooses to operate on airport premises, the program will be subject to the Airport Division's policies and rules.

Your Committee further notes that your Committee's priority is to ensure that appropriate measures are in place to effectively prevent the sharing of a vehicle with an unresolved recall issue. However, concerns were raised in testimony before your Committee that the provisions in this measure governing recalled vehicles may be technologically unfeasible. As such, should this measure advance through the legislative process, your Committee believes that further discussion is needed to determine the most appropriate and feasible method to ensure consumers do not have access to vehicles that create an unreasonable safety risk or fail to meet minimum safety standards.

Your Committee has amended this measure by:

- (1) Specifying that peer-to-peer car-sharing programs and shared car owners are exempt from vicarious liability under any state or local law that imposes liability solely based upon motor vehicle ownership; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarify, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to



this report, your Committee is in accord with the intent and purpose of H.B. No. 1971, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1971, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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AARON LING JOHANSON, Chair



