

Honolulu, Hawaii

MAR 24 2022

RE: H.B. No. 1971
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Transportation and Commerce and Consumer Protection, to which was referred H.B. No. 1971, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize and regulate peer-to-peer car-sharing, including establishing insurance requirements;
- (2) Impose the general excise tax and rental motor vehicle surcharge tax on peer-to-peer car-sharing programs; and
- (3) Require those persons engaging or continuing in a peer-to-peer car-sharing program to register with the Department of Taxation.

Your Committees received testimony in support of this measure from the Department of Taxation, Hawaii Insurers Council, Enterprise Holdings, American Property Casualty Insurance Association, GEICO, Maui Metropolitan Planning Organization, and the Hawaii Association for Justice. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs' Offices of Consumer Protection. Your Committees received comments on this measure from the



Department of Commerce and Consumer Affairs Insurance Division,
Tax Foundation of Hawaii, Getaround, and Turo.

Your Committees find that establishment of regulations and clarification of tax rules are necessary for peer-to-peer car-sharing programs. This measure establishes requirements and clarifies taxation laws for peer-to-peer car-sharing programs.

Your Committees note that existing law empowers the Department of Transportation Airports Division to establish policies and rules governing use and access to the airports' premises. Peer-to-peer car-sharing programs should be subject to such rules when operating at airports.

Your Committees have amended this measure by:

- (1) Removing insurance provisions governing peer-to-peer car-sharing;
- (2) Clarifying that both the shared car owner and peer-to-peer car-sharing program are responsible for ensuring cars with recalls are not in circulation;
- (3) Clarifying that the peer-to-peer car-sharing program shall be subject to the rental vehicle surcharge tax; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1971, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1971, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair



CHRIS LEE, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

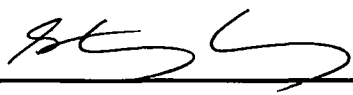
**Record of Votes
Committee on Transportation
TRS**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1971, HD2	TRS/CPN, JDC/WAM	3-22-2022		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
DECOITE, Lynn	✓			
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Lorraine R. Inouye</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1971, HD2	TRS / CPN, JDC / WAM	03-22-2022
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
	Nay	Excused
BAKER, Rosalyn H. (C)	✓	
CHANG, Stanley (VC)	✓	
DECOITE, Lynn	✓	
NISHIHARA, Clarence K.	✓	
RIVIERE, Gil	✓	
SAN BUENAVENTURA, Joy A.		✓
FEVELLA, Kurt		✓
TOTAL	5	2
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

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