

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Transportation
and
Senate Committee on Commerce and Consumer Protection**

Tuesday, March 22, 2022

3:00 p.m.

Via Videoconference

On the following measure:

H.B. 1971, H.D. 2, RELATING TO PEER-TO-PEER CAR SHARING

Chair Lee, Chair Baker, and Members of the Committees:

My name is Michael Moriyama, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection. The Department opposes this bill and instead continues its support of H.B. 333, H.D. 3, S.D. 2 that has increased and appropriate protections for shared car owners, drivers, Hawaii residents and innocent bystanders.

The purposes of H.B. 1971, H.D. 2 are to: (1) Authorize peer-to-peer car-sharing and establishes regulations, including insurance requirements; (2) impose the general excise tax and rental motor vehicle surcharge tax on peer-to-peer car-sharing programs, including peer-to-peer car-sharing program requirements; and (3) require those persons engaging or continuing in a peer-to-peer car-sharing program to register with the Department of Taxation.

The Department has two main concerns with this bill, the insurance provisions and the recall provision.

Insurance Coverage

The disastrous scenario with any vehicle, including a peer-to-peer shared car, is when innocent by-standers become severely injured, due to driver error or mechanical breakdown. Without adequately and appropriately set insurance requirements, those severely injured would be left to fend for themselves for their financial losses.

Since H.B. 1971, H.D.2 would not come close to providing sufficient coverage in the above stated occurrence, the Department believes that more robust coverage must be required, such as the \$1,000,000 coverage set forth in H.B. 1619 page 7 line 5.

Motor Vehicle Recalls

A vehicle under recall should not be made available to a consumer through a platform hosted by a peer-to-peer company. Unfortunately, H.B. 1971, H.D. 2 does not adequately guard against this risk. The average completion rate for newer passenger vehicle recalls is only 75%, and this percentage drops to 44% for vehicles 5 to 10 years old. H.B. 333 H.D. 3 S.D. 2's recall provision, as derived from the National Highway Traffic Safety Administration, will help protect consumers and innocent bystanders of a peer-to-peer car-sharing program by removing potentially unsafe vehicles from the road, such as those with defective Takata airbags.

Federal law already requires conventional car rental companies to remove vehicles subject to recall from their rental fleets. Therefore, it only makes sense to have this same restriction apply to the peer-to-peer car-sharing industry.

Comparing Peer to Peer Car Sharing with Rental Cars and TNCs

As has already been stated, peer to peer car sharing is both similar to rental cars and TNCs in some ways and different in others.

One significant difference between peer-to-peer shared cars and rental cars is that of ownership:

- Instead of one large easily identifiable rental car owner of a fleet of uniformly maintained rental cars, peer to peer car sharing has many individual and diverse

“mom and pop” owners of varying degrees of financial condition and vehicle maintenance practices.

- In addition, rental car owners are specifically prohibited by federal law from renting cars until recall repairs are completed.
- Furthermore, some shared car owners will have older aged vehicles.
- For example, on one peer to peer platform, consumers can book “vintage” and “classic” cars.
- So with regard to owners, peer to peer shared cars are more similar to TNCs in that both have a diverse set of vehicle owners, some who may be trying to supplement their income by using their older less-well-maintained cars.

One significant similarity between peer to peer shared cars, rental cars and TNC cars relates to drivers:

- All three have a diverse set of drivers, whether they are rental car drivers, TNC drivers or peer to peer shared car drivers.
- As with rental car drivers, it is foreseeable that many peer to peer shared car drivers will be tourists from out of state or foreign countries. Once those peer-to-peer shared car tourist drivers return to their home state or foreign country, it becomes more difficult for Hawaii residents and innocent bystanders to obtain relief for injuries.
- In addition, like TNCs, peer to peer shared car drivers will be diverse and varied in skill and engagement.
- However, unlike TNC drivers who will be familiar with their own TNC vehicles, peer to peer shared car drivers may be unfamiliar with the shared car.
- And, if the peer to peer shared car drivers are also tourists, they will be further distracted by unfamiliar roads, Hawaiian street and place names, traffic and scarce parking, making the level of driving skill and engagement even more varied than that of TNC drivers.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
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FAX NO: (808) 587-1560

To: The Honorable Chris Lee, Chair;
The Honorable Lorraine R. Inouye, Vice Chair;
and Members of the Senate Committee on Transportation

The Honorable Rosalyn H. Baker, Chair;
The Honorable Stanley Chang, Vice Chair
and Members of the Senate Committee on Commerce and Consumer Protection

From: Isaac W. Choy, Director
Department of Taxation

Date: Tuesday, March 22, 2022

Time: 3:00 P.M.

Place: Via Video Conference, State Capitol

Re: H.B. 1971, H.D. 2, Relating to Peer-to-Peer Car-Sharing

The Department of Taxation (Department) supports the tax provisions of H.B. 1971, H.D. 2, and offers the following comments for your consideration.

H.B. 1971, H.D. 2, creates a new chapter to regulate peer-to-peer car-sharing and imposes the current rental vehicle surcharge tax (RVST) on peer-to-peer car-sharing programs (P2P). The bill has a defective effective date of July 1, 2050.

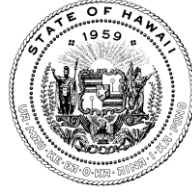
The Department supports the tax provisions of H.B. 1971, H.D. 2, in its current form. The proposed new chapter to regulate P2Ps specifically states that P2Ps are subject to the General Excise Tax and daily RVST. The Department supports this imposition of the RVST as it is a consistent imposition of the tax across very similar industries.

On a technical note and to prevent any confusion, the Department respectfully requests that the bill be amended to add corresponding language regarding the imposition of RVST on P2Ps into chapter 251, Hawaii Revised Statutes (HRS). Specifically, the Department requests that the final paragraph in section 251-2(a), HRS, be amended to read as follows:

"In addition to the requirements imposed by section 251-4, a lessor shall disclose, to the department, the portion of the remittance attributed to the county in which the motor vehicle was operated under rental or lease. A peer-to-peer car-sharing program, as defined in chapter

, shall be subject to the tax imposed by this subsection
and be subject to the other requirements of this chapter."

Thank you for the opportunity to provide testimony on this measure.



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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Transportation
and
Senate Committee on Commerce and Consumer Protection
Tuesday, March 22, 2022
3:00 p.m.
Conference Room 224 and Via Videoconference**

**On the following measure:
H.B. 1971, H.D.2, RELATING TO PEER-TO-PEER CAR-SHARING**

Chair Lee and Chair Baker and Members of the Committee:

My name is Colin M. Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department provides comments on this bill and prefers the insurance requirements in H.B. 1619, H.D. 2 with amendments.

The purpose of this bill is to authorize peer-to-peer car-sharing and establishes regulations, including insurance requirements. The bill also imposes the general excise tax and rental motor vehicle surcharge tax on peer-to-peer car-sharing programs, including car-sharing program requirements, and requires those persons engaging or continuing in a peer-to-peer car-sharing program to register with the Department of Taxation.

The bill's definitions for start and stop times, as drafted, may result in gaps in insurance coverage. In addition, the proposed liability limits are inadequate. We are

available to assist in improving this bill with language that will ensure that consumers are adequately protected.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON TRANSPORTATION
Senator Chris Lee, Chair
Senator Lorraine R. Inouye, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

Tuesday, March 22, 2022
3:00 p.m.

HB 1971, HD2

Chair Lee, Vice Chair Inouye, and members of the Committee on Transportation, and Chair Baker and Vice Chair Chang, and members of the Committee on Commerce and Consumer Protection, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council strongly **supports** the insurance provisions of this bill with amendments. This bill is to regulate the business of Peer-to-Peer (P2P), including insurance provisions. P2Ps have been operating in Hawaii for several years now with no specific insurance provisions in the law which would likely leave gaps in coverage when a vehicle used as a P2P is involved in a motor vehicle crash. We comment on those sections in the bill relevant to insurance.

At this point in time, there are two bills moving, HB 1619, SD1 and HB 1971, HD2. This bill, HB 1971, HD2 contains certain sections on insurance that we would like amended to provide a clear path to coverage when someone is injured by a P2P vehicle. In doing so, we ask that certain definitions be used in order to avoid ambiguity and that the language

on insurance coverage be specific as to making the P2P insurance primary and the limits that are required.

Specifically, in new section -1 of the bill, **Definitions**, we prefer the following definitions as written in HB 1619, SD1,

““Car-sharing program agreement” means the terms and conditions applicable to a shared car owner, a shared car driver, and a peer-to-peer car-sharing platform, if applicable, that govern the use of a shared car through a peer-to-peer car-sharing program. “Car-sharing program agreement” does not include a rental agreement as defined in section 437D-3.;

“Car-sharing start time” means the time the shared car driver obtains operation, use, or control of a shared car through a peer-to-peer car-sharing program.;

“Car-sharing termination time” means the latest of the following events:

(1) The expiration of the agreed upon period of time established for the use of a shared car according to the terms of the car-sharing program agreement if the shared car is delivered to the location agreed upon in the car-sharing program agreement;

(2) When the shared car is returned to a location as alternatively agreed upon by the shared car owner and shared car driver as communicated through a peer-to-peer car-sharing program;

(3) When a shared car is returned to the location agreed upon in the car-sharing program agreement or alternatively agreed upon by the shared car owner and the shared car driver, as communicated through a peer-to-peer car-sharing program, before the expiration of the period of time established for the use of a shared car according to the terms of the car-sharing program agreement, and the shared car driver notifies the peer-to-peer car-sharing program of the location of the shared car;

(4) When a shared car, during the car-sharing period, cannot safely or legally be operated and the shared car driver notifies the peer-to-peer car-sharing program that the shared car is inoperable and identifies the location of the shared car;

(5) When the shared car driver receives notice of a safety recall affecting the shared car and the shared car driver returns the shared car to the location agreed upon in the car-sharing program agreement, or alternatively agreed upon by the shared car owner and the shared car driver, and the shared car driver notifies the peer-to-peer car-sharing program of the location of the shared car; or

(6) When the shared car owner or the shared car owner's authorized designee takes possession and control of the shared car.;

“Peer-to-peer car-sharing program” means:

(1) Any person who enables a shared car driver to identify, reserve, or use a shared car owned by a shared car owner; or

(2) Any person who enables a shared car owner to describe, list, or make available a shared car for identification, reservation, or use by a shared car driver.;

“Peer-to-peer car-sharing program” does not include:

(1) A transportation network company as defined in section 431:10C-701;

(2) A car-sharing organization as defined in section 251-1;

(3) Any person registered and acting as a travel agency pursuant to chapter 468L; or

(4) Any person registered and acting as an activity desk pursuant to chapter 468M.;

and

“Shared car” means a motor vehicle that is registered pursuant to chapter 286 and is not owned, controlled, operated, maintained, or managed by or registered, directly or indirectly through an affiliate, to the peer-to-peer car-sharing program and is available for sharing through a peer-to-peer car-sharing program. “Shared car” does not include a rental motor vehicle or vehicle as those terms are defined in section 437D-3.”

In addition, we ask that the committee replace the language in this bill starting on Page 4, line 8 in new **section -2 Insurance coverage during car-sharing period**, through Page 5, line 7, with the language contained in HB 1619, SD1 new **section 431:10C-B Insurance coverage during car-sharing period**. By making this change, coverage is clarified in that the P2Ps motor vehicle insurance policy will pay first. This will greatly benefit those injured by motor vehicles used as a P2P because victims will not have to litigate for coverage, the amount of coverage, and who will pay first.

“§ -2 Insurance coverage during car-sharing period. (a) A peer-to-peer car-sharing program shall ensure that during each car-sharing period, the shared car shall be insured under a motor vehicle insurance policy issued by an admitted carrier that provides:

(1) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program in amounts not less than \$1,000,000 for death, bodily injury, and property damage per accident, costs of defense outside the limits;

(2) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program for personal injury protection coverage that meets the minimum coverage amount where required by section 431:10C-103.5; and

(3) With respect to the motor vehicle insurance policies required pursuant to this section, the carrier shall offer the following optional coverages, which any shared car driver may elect to reject or purchase, that provides primary coverage for each shared car available and used through a peer-to-peer car-sharing program:

- (A) Uninsured and underinsured motorist coverages as provided in section 431:10C-301, which shall be equal to the primary liability limits specified in this section; provided that uninsured and underinsured motorist coverage offers shall also provide for written rejection of the coverages as provided in section 431:10C-301;
- (B) Uninsured and underinsured motorist coverage stacking options as provided in section 431:10C-301; provided that the offer of the stacking options shall also provide for written rejection as provided in section 431:10C-301; and
- (C) An offer of required optional additional insurance coverages as provided in section 431:10C-302.

(b) If the insurance maintained by a shared car owner or shared car driver in accordance with subsection (a) has lapsed, contains an exclusion for peer-to-peer car-sharing, or does not provide the required coverage, the insurance maintained by the peer-to-peer car-sharing program shall provide the coverage required by subsection (a), beginning with the first dollar of a claim, and shall have the duty to defend such claim.

(c) Coverage under a motor vehicle insurance policy maintained by the peer-to-peer car-sharing program shall not be dependent on another motor vehicle insurer first denying a claim.”

Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: RENTAL MOTOR VEHICLE, GENERAL EXCISE, Peer-to-Peer Car-sharing Surcharge Tax

BILL NUMBER: HB 1971 HD 2

INTRODUCED BY: House Committee on Consumer Protection & Commerce

EXECUTIVE SUMMARY: Authorizes peer-to-peer car-sharing and establishes regulations thereof, including insurance requirements. Imposes the general excise tax and rental motor vehicle surcharge tax on peer-to-peer car-sharing programs, including car-sharing program requirements. Requires those persons engaging or continuing in a peer-to-peer car-sharing program to register with the Department of Taxation. Effective 7/1/2050.

SYNOPSIS: Adds a new chapter to the HRS to regulate peer-to-peer car sharing. Section -12 of the new chapter states that the activity of peer-to-peer car sharing shall be subject to general excise tax under chapter 237 and the rental motor vehicle surcharge tax pursuant to section 251-2(a); provided that the peer-to-peer car sharing program shall be responsible for collecting and remitting any taxes and surcharges to the department of taxation.

Amends section 251-3, HRS, in the rental motor vehicle surcharge tax (RVST), to explicitly subject engaging or continuing in a peer-to-peer car sharing program to the RVST.

EFFECTIVE DATE: July 1, 2050

STAFF COMMENTS: Effective February 9, 2021, the Department adopted temporary rules under the authority of section 231-10.7, HRS, interpreting the existing RVST rules to apply to the peer-to-peer car-sharing industry.[1] At a minimum, the proposed measure should be compared against the temporary rules to evaluate secondary consequences of both the rules and this proposed measure.

Digested: 2/20/2022



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 21, 2022

TO: Senator Chris Lee
Chair, Committee on Transportation

Senator Rosalyn H. Baker
Chair, Committee on Commerce and Consumer Protection

FROM: Matthew Tsujimura

RE: **H.B. 1971, HD2 Relating to Peer-to-Peer Car-Sharing**
Hearing Date: Tuesday, March 22, 2022 at 3:00 p.m.
Conference Room: 224

Dear Chair Lee, Chair Baker, and members of the Joint Committees:

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 **supports** H.B. 1971, HD2 which authorizes and regulates peer-to-peer car-sharing in the State. H.B. 1971, HD2 creates a new chapter in the Hawaii Revised Statutes to regulate peer-to-peer vehicle sharing in Hawaii.

The evolution of the rental car industry has created new and innovative ways to rent a car. Enterprise supports the evolution of the industry so long as consumer safety and accountability remain the priority. The emergence of the peer-to-peer car-sharing model is a beneficial and innovative model that should be embraced with appropriate rules to allow it to grow in Hawaii. Providing the right structure through legislation will give greater choice to consumers; create more competition within the industry; and allow local car owners to earn extra income – all while creating a fair and equal competitive market for the companies.

H.B. 1971, HD2 is a comprehensive bill that includes language regarding consumer safety, insurance and indemnification, and applicable taxes and fees.

HRS 261-7(a) authorizes DOT-A to contract with any person seeking to use property at State airports. Enterprise suggests including language in the committee report that clarifies that peer-to-peer car-sharing programs must contract with the Department of Transportation – Airports Division (DOT-A) in order to operate at the Airport. The proposed language is attached below.

We strongly support the passage of H.B. 1971, HD2.

Thank you for the opportunity to testify.

Proposed Committee Report Language:

"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. Peer-to-peer car-sharing programs will be subject to such rules when operating at the airport."



To: Senator Chris Lee, Chair
Senator Lorraine R. Inouye, Vice Chair
Senate Committee on Transportation

Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair
Senate Committee on Commerce and Consumer Protection

From: Mark Sektnan, Vice President

Re: **HB 1971 HD2 – Relating to Peer-to-Peer Car-Sharing**
APCIA Position: Support

Date: Tuesday, March 22, 2022
3:00 p.m., Via Videoconference

Aloha Chairs Lee and Baker, Vice Chairs Inouye and Chang and Members of the Committees:

The American Property Casualty Insurance Association of America (APCIA) is pleased to support the insurance provisions contained in HB 1971 HD2 relating to peer-to-peer car sharing operations. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

Peer-to-peer car sharing provides convenient, affordable, and environmentally friendly on-demand access to vehicles for those who do not own cars or for whom car ownership is cost prohibitive. It allows individuals to access a new solution to long standing mobility needs, while allowing car owners to earn passive income through sharing their vehicle, which otherwise may sit idle. The peer-to-peer car sharing transaction requires an appropriate insurance framework as contained in HB 1971 HD2.

At this point in time, there are two bills moving, HB 1619 SD1 and HB 1971 HD2. This bill, HB 1971 HD2 contains certain sections on insurance that we would like amended to provide a clear path to coverage when someone is injured by a P2P vehicle. In doing so, we ask that certain definitions to be used in order to avoid ambiguity and that the

language on insurance coverage be specific as to making the P2P insurance primary and the limits that are required.

Specifically, in new section -1 of the bill, **Definitions**, we prefer the following definitions as written in HB 1619 SD1:

““Car-sharing program agreement” means the terms and conditions applicable to a shared car owner, a shared car driver, and a peer-to-peer car-sharing platform, if applicable, that govern the use of a shared car through a peer-to-peer car-sharing program. “Car-sharing program agreement” does not include a rental agreement as defined in section 437D-3.

“Car-sharing start time” means the time the shared car driver obtains operation, use, or control of a shared car through a peer-to-peer car-sharing program.

“Car-sharing termination time” means the latest of the following events:

(1) The expiration of the agreed upon period of time established for the use of a shared car according to the terms of the car-sharing program agreement if the shared car is delivered to the location agreed upon in the car-sharing program agreement;

(2) When the shared car is returned to a location as alternatively agreed upon by the shared car owner and shared car driver as communicated through a peer-to-peer car-sharing program;

(3) When a shared car is returned to the location agreed upon in the car-sharing program agreement or alternatively agreed upon by the shared car owner and the shared car driver, as communicated through a peer-to-peer car-sharing program, before the expiration of the period of time established for the use of a shared car according to the terms of the car-sharing program agreement, and the shared car driver notifies the peer-to-peer car-sharing program of the location of the shared car;

(4) When a shared car, during the car-sharing period, cannot safely or legally be operated and the shared car driver notifies the peer-to-peer car-sharing program that the shared car is inoperable and identifies the location of the shared car;

(5) When the shared car driver receives notice of a safety recall affecting the shared car and the shared car driver returns the shared car to the location agreed upon in the car-sharing program agreement, or alternatively agreed upon by the shared car owner and the shared car driver, and the shared car driver notifies the peer-to-peer car-sharing program of the location of the shared car; or

(6) When the shared car owner or the shared car owner's authorized designee takes possession and control of the shared car.

“Peer-to-peer car-sharing program” means:

(1) Any person who enables a shared car driver to identify, reserve, or use a shared car owned by a shared car owner; or

(2) Any person who enables a shared car owner to describe, list, or make available a shared car for identification, reservation, or use by a shared car driver.

“Peer-to-peer car-sharing program” does not include:

- (1) A transportation network company as defined in section 431:10C-701;
- (2) A car-sharing organization as defined in section 251-1;
- (3) Any person registered and acting as a travel agency pursuant to chapter 468L; or
- (4) Any person registered and acting as an activity desk pursuant to chapter 468M.

“Shared car” means a motor vehicle that is registered pursuant to chapter 286 and is not owned, controlled, operated, maintained, or managed by or registered, directly or indirectly through an affiliate, to the peer-to-peer car-sharing program and is available for sharing through a peer-to-peer car-sharing program. "Shared car" does not include a rental motor vehicle or vehicle as those terms are defined in section 437D-3.”

In addition, we ask that the committee replace the language in this bill starting on Page 4, line 8 in new **section -2 Insurance coverage during car-sharing period**, through Page 5, line 7, with the language contained in HB 1619, SD1 new **section 431:10C-B Insurance coverage during car-sharing period**. By making this change, coverage is clarified in that the P2Ps motor vehicle insurance policy will pay first. This will greatly benefit those injured by motor vehicles used as a P2P because victims will not have to litigate: for coverage, the amount of coverage, and who will pay first.

“§ -2 Insurance coverage during car-sharing period. (a) A peer-to-peer car-sharing program shall ensure that during each car-sharing period, the shared car shall be insured under a motor vehicle insurance policy issued by an admitted carrier that provides:

- (1) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program in amounts not less than \$1,000,000 for death, bodily injury, and property damage per accident, costs of defense outside the limits;
- (2) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program for personal injury protection coverage that meets the minimum coverage amount where required by section 431:10C-103.5; and
- (3) With respect to the motor vehicle insurance policies required pursuant to this section, the carrier shall offer the following optional coverages, which any shared car driver may elect to reject or purchase, that provides primary coverage for each shared car available and used through a peer-to-peer car-sharing program:

- (A) Uninsured and underinsured motorist coverages as provided in section 431:10C-301, which shall be equal to the primary liability limits specified in this section; provided that uninsured and underinsured motorist coverage offers shall also provide for written rejection of the coverages as provided in section 431:10C-301;
- (B) Uninsured and underinsured motorist coverage stacking options as provided in section 431:10C-301; provided that the offer of the stacking options shall also provide for written rejection as provided in section 431:10C-301; and
- (C) An offer of required optional additional insurance coverages as provided in section 431:10C-302.

(b) If the insurance maintained by a shared car owner or shared car driver in accordance with subsection (a) has lapsed, contains an exclusion for peer-to-peer car-sharing, or does not provide the required coverage, the insurance maintained by the peer-to-peer car-sharing program shall provide the coverage required by subsection (a), beginning with the first dollar of a claim, and shall have the duty to defend such claim.

(c) Coverage under a motor vehicle insurance policy maintained by the peer-to-peer car-sharing program shall not be dependent on another motor vehicle insurer first denying a claim.”

APCIA would respectfully request the committee to amend the bill as noted above and move this measure forward. Mahalo for the opportunity to provide testimony.



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER ALASKA & HAWAII
711 Kapiolani Blvd., Suite 300 ■ Honolulu, HI 96813-5238 ■ Email: tdayton@geico.com
Direct: (808) 593-1875 ■ FAX (808) 593-1876 ■ Cell: (808) 341-9252

COMMITTEE ON TRANSPORTATION

Senator Chris Lee, Chair
Senator Lorraine R. Inouye, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

Tuesday, March 22, 2022
HB1971 HD2 - RELATING TO Peer to Peer Car Sharing

Chair Lee, Vice Chair Inouye, Members of the Senate Committee on Transportation, Chair Baker, Vice Chair Chang and Members of the Senate Committee on Commerce and Consumer Protection:

My name is Timothy M. Dayton, General Manager of GEICO. GEICO insures motor vehicles for 182,000 households throughout the islands. GEICO supports this proposal which regulates Peer to Peer car sharing to include insurance requirements for the operation of shared vehicles. However, we have the following specific insurance related considerations:

1. There is no requirement for first party Comprehensive or Collision coverage. Such coverage should be offered but if not, at a minimum, there should be a notice requirement for owners and renters that their personal insurance policies may exclude all coverage, including comprehensive and collision even on vehicles that do not have a lien.

2. If a personal insurer pays for damage to a shared vehicle that is excluded under the policy, the insurer should have the right to recover from the peer sharing platform.

Peer to Peer car sharing has expanded significantly in the last few years and regulation of the program is needed. **GEICO urges passage of HB1971** and requests consideration of amendments to clarify and strengthen the insurance portion.

Thank you for the opportunity to submit this testimony.

Sincerely,



Timothy M. Dayton, CPCU



Maui Metropolitan
Planning Organization

200 South High Street
Wailuku, HI 96793
www.mauimpo.org

March 18, 2022

Testimony of Lauren Armstrong
Maui MPO Executive Director
On behalf of Maui MPO Policy Board

Before the Senate Committee on Transportation and Senate Committee on Commerce and Consumer Protection

March 22, 2022 at 3:00pm
Conference Room 224

HB1971 HD2 RELATING TO PEER-TO-PEER CAR SHARING

Honorable Chris Lee, Chair
Honorable Lorraine R. Inouye, Vice Chair
Honorable Members of the Senate Committee on Transportation

Honorable Rosalyn H. Baker, Chair
Honorable Stanley Chang, Vice Chair
Honorable Members of the Senate Committee on Commerce and Consumer Protection

The Maui MPO Policy Board **supports** HB1971 HD2. Peer-to-peer car sharing through platforms such as Turo provides an option to residents who need a car as well as those who share their car as a way to earn needed income. Peer-to-peer car sharing should be subject to the same rules and insurance requirements as rental vehicles.

Sincerely,

A handwritten signature in black ink that reads "Lauren Armstrong".

Lauren Armstrong
Executive Director, Maui MPO
On behalf of the Maui MPO Policy Board

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT WITH
COMMENTS TO H.B. 1971 HD2**

Date: Tuesday March 22, 2022

Time: 3:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **SUPPORT WITH COMMENTS** to H.B. 1971 HD2, Relating to Peer-to-Peer Car Sharing. HAJ supports the intent of measure with comments **to increase the required minimum amount of insurance coverage for car sharing on Peer-to-Peer car-sharing platforms to \$1,000,000.**

Peer-to Peer Car Sharing is one of the fastest growing industries across the United States resulting in a wave of legislative efforts and lobbying. This trend has an impact on the insurance industry, the rent-a-car industry, state tax collectors, and of course the companies deriving revenue from Peer-to-Peer transactions. Most importantly, the rise of Peer-to-Peer impacts drivers, passengers and pedestrians injured in motor vehicle collisions on Hawaii's roadways. H.B. 1971 HD2 does not take their interest into account as currently drafted, and therefore, HAJ recommends the following amendments.

HAJ's main concern is that H.B. 1971 HD2 does not require a sufficient amount of minimum insurance coverage. There is currently a potential gap in insurance coverage for vehicles rented on a Peer-to-Peer basis because many personal automobile insurance companies are denying coverage for accidents and injuries related to the use of a privately owned vehicle as a private Peer-to-Peer rental car. An unintended consequence of this coverage denial is that a vehicle may be treated by an insurance company as uninsured, if there is no insurance provided by the Peer-to-Peer company.

H.B. 1971 HD2 proposes to bridge this gap in insurance by requiring that a car share platform provide minimum \$20,000 in liability and \$10,000 in property damage coverage under HRS § 431:10C-301. Therefore, the net effect of H.B. 1971 HD2 will be to reduce the amount and quality of insurance protection currently available to people injured in motor vehicle collisions. Many vehicles are now insured for \$50,000, \$100,000, \$300,000 or more in bodily injury liability coverage, but these policies will now all be replaced with minimum limits of \$20,000. For example, if a doctor, who has a personal automobile insurance policy of \$1,000,000, uses the peer-to-peer car sharing program in Hawaii, his personal automobile policy may have an exclusion of coverage for peer-to-peer car sharing and so this doctor is now only covered by the \$20,000 insurance policy as required under HB 1971 HD2 . The doctor thought he had sufficient insurance coverage to protect his assets in case of a collision, but because he used peer-to-peer car sharing in Hawaii he no longer has sufficient insurance protection. In order to protect, both the users of the Peer-to-Peer car sharing program, and the innocent victims of negligent drivers, it is important for Hawaii to require the Peer-to-Peer program to provide at least \$1,000,000 of insurance coverage.

HAI strongly recommends the require minimum liability coverage for Peer –to- Peer use be increased to \$1 million which is consistent with the required insurance coverage for Transportation Network Companies (TNC) under HRS 431:10C-703. A minimum of \$1,000,000 in insurance coverage is crucial to ensuring there is no gap in coverage between the personal auto policy, which will be allowed to exclude coverage during Peer-to-Peer rentals, and the coverage for protecting drivers, passengers and pedestrians under the car sharing program.

Peer-to-Peer is an internet platform that operates in the same way as Uber/Lyft TNC

using privately owned vehicles, thus, it should be treated in the same manner. In fact, Turo, the primary Peer-to-Peer internet platform, currently provides \$750,000 in liability insurance coverage with every rental in Hawaii and on the mainland. There is no rational basis for reducing the amount of insurance coverage as proposed in current draft of H.B. 1971 HD2. Essentially, the proposed \$20,000 limit lowers the current insurance Turo already provides in Hawaii and on the mainland by \$730,000 (from \$750,000 to \$20,000 per person with a maximum of \$40,000 per accident). Conversely, both Uber and Lyft provide \$1 million of insurance coverage for riders in Hawaii.

It is unclear why the car owners are deserving of \$730,000 of additional coverage when drivers, passengers and pedestrians or other third parties would only receive the minimum. It seems at the very least, pedestrians and other third parties injured by the owner's vehicle in Hawaii are in greater need of protection than the owner who is receiving a commercial benefit and may not even been located in the state. Hawaii residents will be disadvantaged if Peer-to-Peer Car Share companies are allowed to provide \$750,000 on the mainland and only \$20,000 in Hawaii. Our residents and Hawaii consumers should not be treated like second class citizens

The minimum limit for Hawaii residents was set to accommodate the financial ability of all Hawaii citizens. It allows lower limits for lower income residents, such as the elderly on social security, and higher limit options for those with higher incomes. The minimum limit is set low as a practical matter to keep premiums affordable for all residents, not at a level sufficient to cover the cost of reasonably anticipated losses. Internet platform businesses however should be required to provide limits sufficient to cover the risks of injuries and damages of the business, as was done for UBER/LYFT vehicles.

Moreover, an increase in required insurance coverage will not result in a substantial cost

increase for Peer-to-Peer Car Share companies who desire to operate in Hawaii. Increasing the insurance coverage amounts from \$750,000 and \$1,000,000 in coverage would likely result in only a marginal increase in insurance premiums, anticipated to be less than \$50 per year. Even if coverage amounts were increased from the state minimums in HRS § 431:10C-703 to \$1,000,000 the premiums would not likely increase more than \$300 to \$400 per year which is approximately \$1 per day. Such inconsequential cost increases resulting from increased insurance minimums will not deter Peer-to-Peer Car Share companies from conducting business in Hawaii.

Peer-to-Peer Is Not Similar To U-Drive Companies

Peer-to-Peer companies, like Turo, are akin to TNCs such as UBER/ LYFT and are distinct from traditional U-Drive companies such as Avis, Hertz or Enterprise. Peer-to-Peer internet platforms have no vehicles of their own, they pass on all financial and legal expenses of vehicle ownership and operation to private individuals, including vehicle purchase or lease price, maintenance costs, registration and vehicle taxes, garage/parking space, inspections, cleaning between rentals, and arranging for pick-up and drop-off of vehicles. If a private owner fails to properly service or repair a car, that private owner is liable. A private owner is not likely to have the funds or additional insurance to cover this liability. Thus, Turo makes profits without bearing the risks or expenses of vehicle ownership.

In contrast, rental car companies: 1) own and pay for their vehicles; 2) maintain physical facilities at the airport and in town; 3) hire hundreds of workers statewide to check-in renters; 4) drive shuttles; 5) check rental cars as they leave the premises; 6) receive returns and check-out renters; 7) clean/wash and inspect vehicles after each rental; 8) employ mechanics to service and repair rental cars; and 9) drive cars to/from parking/storage lots among other tasks. U-Drive companies must comply with regulatory requirements for inspection, repair, and maintenance of

traditional rental cars. Conversely, there is no actual control or supervision by Turo to ensure that vehicles it rents have been properly serviced or repaired. This is due to the fact Turo does not have employees to perform or verify that vehicles are properly repaired and maintained.

Internet platform car maintenance and repair, as a practical matter rests purely at the whim and cash-flow of many thousands of individuals. It is obvious that individuals with limited funds may delay getting brakes replaced, changing bald tires or performing other expensive repairs required for the safety of those driving the vehicle, as well as those bystanders who may be injured in accidents with unsafe vehicles.

In addition, U-Drive cars are covered by insurance provided by both the rental company and the driver's own personal auto insurance policy. This is why many insurance agents advise that drivers renting from traditional U-Drive companies decline the optional (and expensive) liability insurance because the driver's own insurance provides coverage. Conversely, most individual automobile policies have an exception of coverage for Peer-to-Peer car sharing, leaving the driver with only the insurance provided by the Peer-to-Peer company. If the Peer-to-Peer insurance minimum was only \$20,000, many drivers would be grossly underinsured. It is also notable that, H.B. 1971 HD2 exempts Peer-to-Peer companies from regulation under Chapter 437D which regulates traditional U-Drive rental companies.

Good public policy requires consistent treatment of internet platforms like Turo, Uber and Lyft. They are all afforded the benefits of operating as an internet platform, taking profits off the top while passing-on expenses and risks of owning and operating vehicles to private owners, and should be governed by the same required insurance protections.

Accordingly, it is essential that Peer-to-Peer companies carry the same additional insurance coverage at a minimum of \$1 million akin the level provided by TNC internet

platforms like Uber/Lyft. Without this necessary coverage the major risk of doing business would be placed on the public and not on the Peer-to-Peer company benefiting from the profit. Requiring the \$1 million coverage for Turo (which is only \$250,000 more than what they already provide for in other states), to be the same as for Uber & Lyft, will ensure that other Peer-to-Peer companies who come to Hawaii will also provide consistent and uniform coverage.

HAJ recommends that Section -2 (a) should be amended to read:

"(a) A peer-to-peer car-sharing program shall assume liability, except as provided in subsection (b), of a shared car owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses during the car-sharing period in an amount stated in the car-sharing program agreement. The following motor vehicle insurance requirements shall apply during each car-sharing period:

(1) Primary motor vehicle liability insurance that provides at least \$1,000,000 for death, bodily injury, and property damage per accident, costs of defense outside such limits;

(2) Personal injury protection coverage that meets the minimum coverage amount where required by section 431:10C-103.5; and

(3) The coverage requirements of this subsection may be satisfied by any of the following:

(A) A motor vehicle insurance policy maintained by the Shared car driver;

(B) A motor vehicle insurance policy maintained by the Peer-to-peer car-sharing program; or

(C) Any combination of subparagraphs (A) and (B).

Additional Reporting Requirements

In addition, we recommend the following amendment to address reporting requirement provisions. Proper recordkeeping is vital to holding Peer-to-Peer car sharing companies accountable while conducting business in Hawaii. As currently drafted H.B. 1971 HD2 omits several key recordkeeping requirements that will be crucial when determining assumption of liability and insurance coverage as proposed in this measure. We believe that a more robust and enumerated set of recordkeeping requirements is recommended. In turn, HAJ recommends that section -5 be amended to read as follows:

§ -5 Recordkeeping; use of vehicle in car-sharing. A peer—to—peer car—sharing program shall collect and verify records pertaining to the use of a shared car for each car— sharing program agreement, including:

- (1) Dates and times of the car-sharing start time and the car-sharing termination time in the car—sharing program agreement;
- (2) Dates and times of the car-sharing start time and car-sharing termination time;
- (3) Itemized descriptions and amounts of all fees and costs charged to the shared car driver;
- (4) Itemized descriptions and amounts of all fees and costs paid by the shared car driver;
- (5) Itemized descriptions and amounts of all fees and costs paid to the shared car owner;
- (6) The name and contact information of the shared car owner and the shared car driver;
and
- (7) The insurance policy number, effective date, coverage, and coverage amounts of each insurance policy that identifies the peer—to—peer car—sharing program, shared car owner, or shared car driver as the insured.

The peer—to—peer car—sharing program shall retain the records for a time period of no

less than six years. Upon request, the peer—to—peer car—sharing program shall provide the information required by this section, and any information relating to the peer—to-peer car—sharing agreement in its possession and control, to the shared car owner, the shared car owner's insurer, the shared car driver, the shared car driver's insurer, persons who have sustained injury or property damage involving a shared car, and police and other governmental entities to facilitate accident or claim coverage investigation.

Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.

HB-1971-HD-2

Submitted on: 3/21/2022 12:58:53 PM

Testimony for TRS on 3/22/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kekoa McClellan	Testifying for Getaround	Comments	Remotely Via Zoom

Comments:

Oral Comments Only

Written Testimony
Before the Hawaii State Senate
Committee on Transportation & Committee on Commerce and Consumer
Protection
March 21, 2022
By
Soledad Roybal
Public Policy Manager, Getaround

Aloha Chairs Lee and Baker, Vice Chairs Inouye and Chang, and Members of the Committees. Mahalo for the opportunity to testify on House Bill 1971.

I am Soledad Roybal, Public Policy Manager at Getaround, a fully digital and contactless car sharing marketplace operating in Hawaii. We provide affordable transportation options on an hourly basis and our technology gives kamaaina car owners an opportunity to earn extra income by sharing their cars, with minimal disruption to their daily lives.

We support a fair regulatory framework designed to ensure that everyone is safe and protected in ANY motor vehicle accident. We care so much about the safety of our customers that Getaround already provides coverage more than two times higher than the state minimums protecting the car owners, guests, or anyone who might be involved in an accident with a Getaround. This coverage is included in our prices and can't be declined.

We offer this coverage level knowing that heretofore there is no actual data demonstrating that the users of peer-to-peer car sharing are at any greater risk of an accident than the average driver, including drivers who use traditional rental cars. Again, to date, there has been no data provided in any testimony indicating our customers are higher-risk drivers.

There has been little to no explanation by Insurance companies and plaintiff's attorneys who are asking our industry to insure guests at a level 10X the state minimum coverage when, to our knowledge, there are over 100x more rental cars in Hawaii than shared cars and over 800,000 vehicles registered on Oahu alone, all of which may be insured at state minimum coverage levels. There is no pro-consumer, or pro-competition reason to ask peer-to-peer carsharing and our local hosts to bear this burden.

With respect to the comparison of peer-to-peer carsharing to TNCs, the reality is that we are very different from the Uber and Lyft models. Under their model, riders enter cars driven by strangers who drive them to a location that may be unknown to the driver. By contrast, a Getaround Guest begins a trip by locating and unlocking an unoccupied, parked car they have booked, which they will drive to a location of their choosing.

Thank you again for this opportunity to have a dialogue with you about the merits of sound regulation for our industry. We continue to have questions, concerns, and suggestions that we and others have previously outlined and I am available if the committee has any questions on these comments.

Mahalo for your consideration of our written and oral testimony.



Testimony of
Tami Bui – Senior Government Affairs Manager
Turo Inc., San Francisco, CA
Comments to HB 1971 HD 2 March 22, 2022

Chairs Lee and Baker, Vice Chairs Inouye and Chang, and Members of the Senate Committees on Transportation and Consumer Protection, I respectfully submit comments to **HB 1971 HD 2** on behalf of Turo.

Thank you for your leadership and continued efforts to establish a fair regulatory framework for peer-to-peer car sharing. We look forward to working collaboratively toward a result that is fair and provides an option to residents who are in need of a car as well as those who share their car as a way to help them become financially stable.

For your consideration, our comments focus on three key areas:

- 1) Insurance coverage and requirements:** we have included language which, at the request expressed in previous hearings, codifies Turo’s current offerings and addresses the Insurance Commissioner’s priorities in related bills SB 2444 SD 2 and HB 1619 HD 2.
- 2) Safety Recall:** we have included language based on discussion with the House that would, in addition to requiring verification of no safety recalls at the time of registering a vehicle to be shared on the platform, establish a definitive timeframe requiring the car sharing program to verify no more than forty-eight hours prior to a car sharing trip that no safety recalls exist for which a repair has not been made.
- 3) “Clean-up” amendments:** for consistency, we note language proposed by the Hawaii Insurers Council (HIC) on right to recovery and definitional changes that have already been adopted in related bill, SB 2444 SD 2.

Insurance coverage and requirements

The current language in HB 1971 HD 2 does not reflect amendments made by the Insurance Commissioner to related bills SB 2444 SD 2 and HB 1619 HD 2. However, as this bill does have language related to insurance coverage and, in good faith effort to work toward an overall

framework, we propose attached language that would address the priorities raised by the Insurance Commissioner:

1. Admitted carrier

Under current law, any business seeking to obtain insurance coverage must begin by attempting to secure that policy from the admitted market. After a series of declinations, businesses, including peer-to-peer car sharing today, are allowed to seek coverage from the surplus lines market.

The Insurance Commissioner's amendments as written would isolate peer-to-peer car sharing from all other businesses and limit us to only be able to use an admitted insurer *even if no admitted insurer offers an insurance product that meets the requirements of the statute*. We agree with the desire to use an insurance carrier that falls under the direct oversight of the state. Our concern is that given that the platform must have the mandated coverage provided for in the bill in order to operate, if that coverage may only come from an authorized insurer, any unavailability of the policy in Hawaii's authorized market would equate to a prohibition on peer-to-peer car sharing should the market not bear a quote for the mandated coverage.

Currently, Turo's insurance policies are procured through a surplus lines subsidiary of Travelers Insurance. Even if Travelers Insurance is an admitted carrier in Hawaii, they do not currently offer the peer-to-peer platform coverage product through their admitted carrier. This means that as written, Turo would not be able to operate in the state of Hawaii. The Travelers' policy that Turo holds is a national policy, and a unique product that not many carriers offer in the first place, since it is not standard. Turo utilizes this product in all states where we currently operate. It is our understanding that peer-to-peer car sharing is not the only mobility option in Hawaii that secures necessary insurance coverage through the surplus lines market. The language included in this bill would eliminate that opportunity **ONLY** for peer-to-peer car sharing.

As such, and with the desire to follow what is already the letter of the law, we suggest language that was previously offered by the Insurance Commissioner that we agreed to and included in HB 1971, as introduced, on P. 7, Section 2, lines 13-15:

"In addition to the insurance coverage required by this section, insurers offering insurance through a peer-to-peer car-sharing program shall be subject to chapter 431."

2. Insurance coverage of \$1M

The amendments impose an arbitrary and unfair \$1M insurance coverage requirement on peer-to-peer car sharing with no factual or policy basis for the assertion that peer-to-peer car sharing involves great risk. The analogous circumstances – rental car companies and individual vehicle drivers – are not required to carry coverage higher than state minimums and their risk on the road is equivalent to peer-to-peer car sharing.

There is no factual or policy basis for the assertion that peer-to-peer car-sharing involves a greater risk, let alone *ten times* greater risk, than any other permissive use. Peer-to-peer platforms have operated nationally for years without any evidence of increased risk over rental cars or individual drivers.

While there have been comparisons made to higher coverage requirements in place for Transportation Network Companies (TNCs), peer-to-peer car sharing is its own distinct business model. Unlike TNCs, peer-to-peer car sharing does not include a transaction in which a paying passenger is driven by a for-hire driver. Peer-to-peer car sharing involves a shared car owner sharing their vehicle with a shared car driver. As such, there is no increased risk in a sharing transaction as compared to a Hawaii driver driving their own car on a Hawaii roadway or a consumer driving a rental car.

The cost of insurance is the greatest cost of doing business for our industry. Any additional costs would be passed on to consumers and make the choice of peer-to-peer much more expensive than any other mobility choice. Pricing that cost at ten times what any other industry may need to provide for analogous circumstances would lead to an uncompetitive cost of the product and the inability for hosts to find bookings. In that case, operation in an uncompetitive and unprofitable market would grossly limit the participation of local residents of Hawaii to share their cars to earn extra income if they cannot competitively price their vehicles, stifling the use of peer-to-peer car sharing.

The language provided in the redlines below is an alternative compromise solution that replaces the current insurance sections as described above with the codification of Turo's current offerings. In our shared desire to establish appropriate insurance requirements for our industry here in the state of Hawaii, we offer them for your consideration.

In the language provided, the platform will be required to assume all liabilities of the shared car owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses to at least \$750,000. At the same time, the program will also be required to ensure that a motor vehicle insurance policy is in place at all

times to provide the driver with no less than the state minimum liability coverage. This ensures that all parties are insured, with no possibility for gaps in coverage.

3. Optional coverages

There are requirements related to optional coverages. It is our understanding, that under existing Hawaii law, an insurer offering a motor vehicle insurance policy is required to offer to the named insured certain declinable optional coverages as part of that policy. However, in our context, it is our platform, and *not the shared driver*, that is the named insured on the policy providing coverage. Therefore, mechanically, Turo would not be able to fulfill this requirement. This exact same challenge is acknowledged and resolved in the current TNC statute. Our proposal would address this issue in the same way as the TNC statute in order to reflect our business model where the peer-to-peer program is the named insured.

Safety Recall

The language in this bill provides for robust protections for drivers if there is an open safety recall on a vehicle. Specifically this language would: 1) require the platform to check if there is a safety recall on a vehicle when the vehicle is registered to be shared on the platform, and 2) the platform is required to check for a safety recall *no more than forty-eight hours* prior to when a shared vehicle is made available to a driver. This language also provides for the protections consistent with federal recall statutes. Currently, there are no vehicle recall regulations for peer-to-peer car sharing, or other mobility services, in the state of Hawaii.

Additional “clean up”

For consistency, we note language proposed by the Hawaii Insurers Council (HIC) on right to recovery and definitional changes that have already been adopted in related bill, SB 2444 SD 2.

1. Replacement of subsection (d) related to right to recovery language

HIC had provided new language in related testimony to HB 1619 HD 1, on 2/22/22. We agree to this language and we ask that it replace subsection (d) in HB 1619, HD 2:

“(d) A motor vehicle insurer that pays a shared-car owner for loss or damage to a shared car that is excluded under the comprehensive physical damage coverage or collision physical damage coverage of the shared car owner’s or shared car driver’s policy shall have the right to seek to recover from the peer-to-peer car-sharing program or its motor vehicle insurer if:

(1) The loss or damage to the shared car occurs during the car-sharing period; and
(2) The shared car owner or the shared car driver purchased comprehensive physical damage coverage or collision physical damage coverage, as applicable, from the peer-to-peer car-sharing program or its motor vehicle insurer.”

2. Definitional changes

There was a change to start time in related bill SB 2444 SD 2 related to termination time that should be “earliest” instead of “latest.”

We thank you for the opportunity to provide comments.

A BILL FOR AN ACT

RELATING TO PEER-TO-PEER CAR-SHARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to title 15 to be appropriately designated
3 and to read as follows:

4 **"CHAPTER**

5 **PEER-TO-PEER CAR-SHARING**

6 § -1 **Definitions.** As used in this chapter:

7 "Car-sharing delivery period" means the period of time
8 during which a shared car is being delivered to the location of
9 the car-sharing start time, if applicable, as documented by the
10 governing car-sharing program agreement.

11 "Car-sharing period" means the period of time that
12 commences with the car-sharing delivery period or, if there is
13 no delivery period, that commences with the car-sharing start
14 time and, in either case, ends at the car-sharing termination
15 time.

16 "Car-sharing program agreement" means the terms and
17 conditions applicable to a shared car owner and shared car



1 driver that govern the use of a shared car through a
2 peer-to-peer car-sharing program. "Car-sharing program
3 agreement" does not include a rental agreement as defined in
4 section 437D-3.

5 "Car-sharing start time" means the time when the shared car
6 becomes subject to the control of the shared car driver at or
7 after the time the reservation of a shared car is scheduled to
8 begin as documented in the records of a peer-to-peer car-sharing
9 program.

10 "Car-sharing termination time" means the ~~latest~~ earliest
11 of the following events:

12 (1) The expiration of the agreed upon period of time
13 established for the use of a shared car according to
14 the terms of the car-sharing program agreement, if the
15 shared car is delivered to the location agreed upon in
16 the car-sharing program agreement;

17 (2) When the shared car is returned to a location as
18 alternatively agreed upon by the shared car owner and
19 shared car driver as communicated through a
20 peer-to-peer car-sharing program; or



1 (3) When the shared car owner or the shared car owner's
2 authorized designee takes possession and control of
3 the shared car.

4 "Peer-to-peer car-sharing" means the authorized use of a
5 vehicle by an individual other than the vehicle's owner through
6 a peer-to-peer car-sharing program. "Peer-to-peer car-sharing"
7 does not include the business of providing rental motor vehicles
8 to the public as that phrase is used in section 251-3 or the
9 business of a lessor as defined in section 437D-3.

10 "Peer-to-peer car-sharing program" means a business
11 platform that connects vehicle owners with drivers to enable the
12 sharing of vehicles for financial consideration. "Peer-to-peer
13 car-sharing program" does not mean a lessor as defined in
14 section 437D-3. "Peer-to-peer car-sharing program" does not
15 include a car-sharing organization as defined in section 251-1.

16 "Shared car" means a vehicle that is available for sharing
17 through a peer-to-peer car-sharing program. "Shared car" does
18 not include a rental motor vehicle or vehicle as those terms are
19 defined in section 437D-3.

20 "Shared car driver" means an individual who has been
21 authorized to drive the shared car by the shared car owner under



1 a car-sharing program agreement. "Shared car driver" does not
2 include a lessee as defined in section 437D-3.

3 "Shared car owner" means the registered owner, or a person
4 or entity designated by the registered owner, of a vehicle made
5 available for sharing to shared car drivers through a
6 peer-to-peer car-sharing program. "Shared car owner" does not
7 include a lessor as defined in section 437D-3.

8 § ~~-2 Insurance coverage during car-sharing period.~~

9 ~~(a) A peer-to-peer car-sharing program shall ensure that~~
10 ~~during each car-sharing period, the shared car shall be~~
11 ~~insured under a motor vehicle insurance policy that provides~~
12 ~~primary insurance coverage for each shared car available and~~
13 ~~used through a peer-to-peer car-sharing program in amounts no~~
14 ~~less than the minimum amounts required under section~~
15 ~~431:10C-301 and does not exclude use of a shared car by a~~
16 ~~shared car driver.~~

17 ~~(b) If insurance maintained by a shared car owner or~~
18 ~~shared car driver in accordance with subsection (a) has~~
19 ~~lapsed, contains an exclusion for peer-to-peer car-sharing,~~
20 ~~or does not provide the required coverage, insurance~~
21 ~~maintained by a peer-to-peer car-sharing program shall~~



1 ~~provide the coverage required by subsection (a) beginning~~
2 ~~with the first dollar of a claim and shall have the duty to~~
3 ~~defend such claim.~~

4 (c) ~~Coverage under a motor vehicle insurance policy~~
5 ~~maintained by the peer-to-peer car-sharing program shall not~~
6 ~~be dependent on another motor vehicle insurer first denying a~~
7 ~~claim.~~

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Replace existing § -2 with the following:

§ -2 Insurance coverage during car-sharing period.

a) A peer-to-peer car sharing program shall assume liability, except as provided in subsection (b), of a shared vehicle owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses during the car sharing period in an amount stated in the peer-to-peer car sharing program agreement which amount may not be less than \$750,000.

b) Notwithstanding the definition of “car sharing termination time” as set forth in §431:10C-A, the assumption of liability under subsection (a) of this section does not apply to any shared vehicle owner when:

1) A shared vehicle owner makes an intentional or fraudulent material misrepresentation or omission to the peer-to-peer car sharing program before the car sharing period in which the loss occurred, or

2) Acting in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the terms of car sharing program agreement.

c) Notwithstanding the definition of “car sharing termination time” as set forth in §431:10C-A, the assumption of liability under subsection (a) of this section would apply to bodily injury, property damage, uninsured and underinsured motorist or personal injury protection losses by damaged third parties required by section 431:10C-301.

d) A peer-to-peer car sharing program shall ensure that, during each car sharing period, the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability insurance policy or policies that, with regard to the shared vehicle driver, provides insurance coverage in amounts no less than the minimum amounts set forth in section 431:10C-301, and that such policy or policies:

1) Recognize that the shared vehicle insured under the policy is made available and used through a peer-to-peer car sharing program; or

2) Do not exclude use of a shared vehicle by a shared vehicle driver.

e) The insurance described under subsection (d) may be satisfied by motor vehicle liability insurance maintained by:

1) A shared vehicle owner;

2) A shared vehicle driver;

3) A peer-to-peer car sharing program; or

4) Any combination of policies maintained by a shared vehicle owner, a shared vehicle driver, or a peer- to-peer car sharing program.

f) The insurance described in subsection (e) that is satisfying the insurance requirement of subsection (d) shall be primary during each car sharing period.

g) The insurer, insurers, or peer-to-peer car sharing program providing coverage under (d) or (e) shall assume primary liability for a claim when:

1) a dispute exists as to who was in control of the shared motor vehicle at the time of the loss and the peer-to-peer car sharing program does not have available, did not retain, or fails to provide the information required by §431:10C-D; or

2) a dispute exists as to whether the shared vehicle was returned to the alternatively agreed upon location as required under subparagraph 2 of the definition of “car-sharing termination time” as set forth in §431:10C-A.

The shared car’s insurer shall indemnify the peer-to-peer car-sharing program to the extent of its obligation under, if any, the applicable insurance policy, if it is determined that the shared car’s owner was in control of the shared car at the time of the loss.

h) If insurance maintained by a shared vehicle owner or shared vehicle driver in accordance with subsection (e) has lapsed or does not provide the required coverage, insurance maintained by a peer-to-peer car sharing program shall provide the coverage required by subsection (d) beginning with the first dollar of a claim and have the duty to defend such claim except under circumstances as set forth in §431:10C-B(b).

i) Coverage under an automobile insurance policy maintained by the peer-to-peer car sharing program shall not be dependent on another automobile insurer first denying a claim nor shall another automobile insurance policy be required to first deny a claim.

j) Insurers providing a motor vehicle insurance policy pursuant to this section shall offer the following optional coverages, which any named insured may elect to reject or purchase:

1) Uninsured and underinsured motorist coverages for the shared vehicle driver, as provided in section 431:10C-301, which shall be up to the primary liability limits specified in subsection (d); provided that uninsured and underinsured motorist coverage offers shall also provide for written rejection of the coverages as provided in section 431:10C-301;

2) Uninsured and underinsured motorist coverage stacking options as provided in section 431:10C-301; provided that the offer of the stacking options shall also provide for written rejection as provided in section 431:10C-301; and

3) An offer of required optional additional insurance coverages as provided in section 431:10C-302.

k) In the event the only named insured under the motor vehicle insurance policy issued pursuant to this section is the peer-to-peer car-sharing program, the insurer or the peer-to-peer car-sharing program shall:

1) Disclose the coverages in writing to the shared vehicle driver:

2) Disclose to the shared vehicle driver in writing that all optional coverages available may not have been purchased under sections 431:10C-301 and 431:10C-302; and

3) Obtain acknowledgment from the shared driver of receipt of the written disclosures required in paragraphs (1) and (2).

l) Nothing in this Chapter:

1) Limits the liability of the peer-to-peer car sharing program for any act or omission of the peer-to-peer car sharing program itself that results in injury to any person as a result of the use of a shared vehicle through a peer-to-peer car sharing program; or

2) Limits the ability of the peer-to-peer car sharing program to, by contract, seek indemnification from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the peer- to-peer car sharing program resulting from a breach of the terms and conditions of the car sharing program agreement.

m) In addition to the insurance coverage required by this section, insurers offering insurance through a peer-to-peer car-sharing program shall be subject to chapter 431.

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§ -3 **Notification of implications of lien.** When a car owner registers as a shared car owner on a peer-to-peer car-sharing program and prior to when the shared car owner makes a shared car available for peer-to-peer car-sharing on the peer-to-peer car-sharing program, the peer-to-peer car-sharing program shall notify the shared car owner that, if the shared car has a lien against it, the use of the shared car through a peer-to-peer car-sharing program, including use without physical damage coverage, may violate the terms of the contract with the lienholder.

§ -4 **Exclusions in motor vehicle insurance policies.**

(a) Notwithstanding section -2, an authorized insurer that writes motor vehicle insurance in the State may exclude any and all coverage and the duty to defend or indemnify any

1 claim afforded under a shared car owner's motor vehicle
2 insurance policy during the car-sharing period, including:

3 (1) Liability coverage for bodily injury and property
4 damage;

5 (2) Personal injury protection coverage as set forth in
6 section 431:10C-304;

7 (3) Uninsured and underinsured motorist coverage;

8 (4) Medical payments coverage;

9 (5) Comprehensive physical damage coverage; and

10 (6) Collision physical damage coverage.

11 (b) Except as required under section -2, nothing in
12 this chapter shall invalidate or limit an exclusion contained
13 in a motor vehicle insurance policy, including any insurance
14 policy in use or approved for use that excludes coverage for
15 motor vehicles made available for rent, sharing, or hire.

16 § -5 **Recordkeeping; use of vehicle in car-sharing.** A
17 peer-to-peer car-sharing program shall collect and verify
18 records pertaining to the use of a shared car for each car-
19 sharing program agreement, including:



- 1 (1) Dates and times of the car-sharing start time and
2 car-sharing termination time in the car-sharing
3 program agreement;
- 4 (2) Dates and times of the car-sharing start time and
5 car-sharing termination time;
- 6 (3) Itemized descriptions and amounts of all fees and
7 costs charged to the shared car driver;
- 8 (4) Itemized descriptions and amounts of all fees and
9 costs paid by the shared car driver;
- 10 (5) Itemized descriptions and amounts of all fees and
11 costs paid to the shared car owner;
- 12 (6) The name and contact information of the shared car
13 owner and the shared car driver; and
- 14 (7) The insurance policy number, effective date,
15 coverage, and coverage amounts of each insurance
16 policy that identifies the peer-to-peer car-sharing
17 program, shared car owner, or shared car driver as
18 the insured.

19 The peer-to-peer car-sharing program shall retain the
20 records for a time period of no less than six years. Upon
21 request, the peer-to-peer car-sharing program shall provide



1 the information required by this section and any information
2 relating to the car-sharing program agreement in its
3 possession and control to the shared car owner, shared car
4 owner's insurer, shared car driver, shared car driver's
5 insurer, persons who have sustained injury or property damage
6 involving a shared car, and police and other governmental
7 entities to facilitate accident or claim coverage
8 investigation.

9 § -6 **Exemption; vicarious liability.** Consistent with
10 title 49 United States Code section 30106, a peer-to-peer
11 car-sharing program and shared car owner shall be exempt from
12 vicarious liability under any state or local law that imposes
13 liability solely based upon motor vehicle ownership.

14 § -7 **Right of recovery from peer-to-peer car-sharing**
15 **program or its motor vehicle insurer.** (a) A motor vehicle
16 insurer that defends or indemnifies a liability claim against
17 a shared car owner or a shared car driver that is excluded
18 under the terms of the shared car owner's or shared car
19 driver's policy shall have a right to seek to recover from
20 the peer-to-peer car-sharing program or its motor vehicle
21 insurer if the liability claim is made against the shared car



1 owner or the shared car driver for injury or damage that
2 occurs during the car-sharing period.

3 (b) A motor vehicle insurer that pays personal injury
4 protection benefits for injury sustained by an occupant of,
5 or by a pedestrian when struck by, a shared car when the
6 obligation to pay personal injury protection benefits is
7 excluded under the shared car owner's or shared car driver's
8 policy shall have the right to seek to recover from the peer-
9 to-peer car-sharing program or its motor vehicle insurer if
10 the injury occurs during the car-sharing period.

11 (c) A motor vehicle insurer that pays uninsured motorist
12 benefits or underinsured motorist benefits for injury
13 sustained by an occupant of a shared car when the obligation
14 to pay uninsured motorist benefits or underinsured motorist
15 benefits is excluded under the shared car owner's or shared
16 car driver's policy shall have the right to seek to recover
17 from the peer-to-peer car-sharing program or its motor
18 vehicle insurer if the injury occurs during the car-sharing
19 period.

20 ~~(d) A motor vehicle insurer that pays a shared-car owner~~
21 ~~for loss or damage to a shared car that is excluded under the~~



~~1 comprehensive physical damage coverage or collision physical
2 damage coverage of the shared car owner's or shared car
3 driver's policy shall have the right to seek to recover from
4 the peer-to-peer car-sharing program or its motor vehicle
5 insurer if the loss or damage to the shared car occurs during
6 the car-sharing period.~~

7 (d) A motor vehicle insurer that pays a shared-car owner for
8 loss or damage to a shared car that is excluded under the
9 comprehensive physical damage coverage or collision physical
10 damage coverage of the shared car owner's or shared car driver's
11 policy shall have the right to seek to recover from the peer-to-
12 peer car-sharing program or its motor vehicle insurer if it:

13 (1) The loss or damage to the shared car occurs during the car-
14 sharing period; and

15 (2) The shared car owner or the shared car driver purchased
16 physical damage coverage or collision physical damage coverage,
17 as applicable, from the peer-to-peer car-sharing program or its
18 motor vehicle insurer."

19



1 § **-8 Insurable interest.** (a) Notwithstanding any
2 other law or rule to the contrary, a peer-to-peer car-sharing
3 program shall have an insurable interest in a shared car
4 during the car-sharing period.

5 (b) In addition to the insurance coverage mandated by
6 section -2, a peer-to-peer car-sharing program may own and
7 maintain as the named insured one or more policies of motor
8 vehicle insurance that provides coverage for:

- 9 (1) Liabilities assumed by the peer-to-peer car-sharing
10 program under a car-sharing program agreement;
- 11 (2) Any liability of the shared car owner; or
- 12 (3) Damage or loss to the shared car or any liability of
13 the shared car driver.

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1 § -9 **Required disclosures and notices.** For each
2 shared car participating in a car-sharing program agreement,
3 a peer-to-peer car-sharing program shall:

4 (1) Provide, prior to the execution of a car-sharing
5 program agreement, the shared car owner and shared
6 car driver with the terms and conditions of the car-
7 sharing program agreement;

8 (2) Disclose to the shared car driver, prior to the
9 execution of a car-sharing program agreement, all
10 costs or fees that are charged to the shared car
11 driver under the car-sharing program agreement,
12 including all costs or fees for mandatory insurance
13 coverage charged by the peer-to-peer car-sharing
14 program;

15 (3) Disclose to the shared car owner, prior to the
16 execution of a car-sharing program agreement, all
17 costs or fees that are charged to the shared car
18 owner under the car-sharing program agreement,
19 including fees or costs for mandatory insurance
20 coverage charged by the peer-to-peer car-sharing
21 program;



- 1 (4) Provide a twenty-four hour emergency telephone
2 number for a person capable of facilitating roadside
3 assistance for the shared car driver;
- 4 (5) Disclose any right of the peer-to-peer car-sharing
5 program to seek indemnification from the shared car
6 owner or shared car driver for economic loss
7 sustained by the peer-to-peer car-sharing program
8 caused by a breach of the car-sharing program
9 agreement; provided that the peer-to-peer car-
10 sharing program shall require the shared car owner
11 and shared car driver to specifically and separately
12 acknowledge notice of the disclosure prior to
13 execution of a car-sharing program agreement;
- 14 (6) Disclose that a motor vehicle insurance policy
15 issued to the shared car owner for the shared car or
16 to the shared car driver may not provide a defense
17 or indemnification for any claim asserted by the
18 peer-to-peer car-sharing program; provided that the
19 peer-to-peer car-sharing program shall require the
20 shared car owner and shared car driver to
21 specifically and separately acknowledge notice of



1 the disclosure prior to execution of a car-sharing
2 program agreement;

3 (7) Disclose that the peer-to-peer car-sharing program's
4 insurance coverage on the shared car owner and
5 shared car driver is in effect only during each car-
6 sharing period and that the shared car may not have
7 insurance coverage for use of the shared car by the
8 shared car driver after the car-sharing termination
9 time; provided that the peer-to-peer car-sharing
10 program shall require the shared car owner and
11 shared car driver to specifically and separately
12 acknowledge notice of the disclosure prior to the
13 execution of a car-sharing program agreement;

14 (8) Disclose any insurance or protection package costs
15 that are charged to the shared car owner or shared
16 car driver; provided that the peer-to-peer car-
17 sharing program shall require the shared car owner
18 and shared car driver to specifically and separately
19 acknowledge notice of the disclosure prior to the
20 execution of a car-sharing program agreement;



1 (9) Disclose to the shared car driver any conditions in
2 which the shared car driver is required to maintain
3 a motor vehicle insurance policy as the primary
4 coverage for the shared car; and

5 (10) Disclose that a shared car owner shall be permitted
6 to obtain insurance that provides coverage for loss
7 of use of a shared car.

8 § -10 **Driver's license verification and data retention.**

9 (a) A peer-to-peer car-sharing program shall not enter into a
10 car-sharing program agreement with a shared car driver unless
11 the shared car driver:

12 (1) Holds a driver's license issued under section 286-102
13 that authorizes the shared car driver to operate
14 vehicles of the class of the shared car;

15 (2) Is a nonresident who:

16 (A) Has a driver's license issued by the state or
17 country of the driver's residence that authorizes
18 the shared car driver in that state or country to
19 drive vehicles of the class of the shared car;

20 and



1 (B) Is at least the same age as that required of a
2 resident to drive; or
3 (3) Otherwise is specifically authorized to drive vehicles
4 of the class of the shared car.
5 (b) A peer-to-peer car-sharing program shall record:
6 (1) The name and address of the shared car driver; and
7 (2) The place of issuance and number of the driver's
8 license of the shared car driver and each other
9 person, if any, who will operate the shared car.
10 § -11 **Responsibility for equipment.** A peer-to-peer
11 car-sharing program shall have sole responsibility for any
12 equipment, such as a global positioning system or other special
13 equipment, that is put in or on the shared car to monitor or
14 facilitate the car-sharing transaction, and shall agree to
15 indemnify and hold harmless the shared car owner for any damage
16 to or theft of the equipment during the car-sharing period not
17 caused by the shared car owner. The peer-to-peer car-sharing
18 program shall have the right to seek indemnification from the
19 shared car driver for any loss or damage to the equipment that
20 occurs during the car-sharing period.



1 § **-12 Motor vehicle safety recalls.** (a) At the time
2 when a vehicle owner registers as a shared car owner on a
3 peer-to-peer car-sharing program, prior to the time when the
4 shared car owner makes a shared car available for peer-to-peer
5 car-sharing on the peer-to-peer car-sharing program, and no
6 more than 48 hours before ~~at~~ the car-sharing start time, the
7 peer-to-peer car-sharing program shall:

8 (1) Verify that no safety recalls exist for the make and
9 model of the shared car for which repairs have not
10 been made; and

11 (2) Notify the shared car owner of the requirements under
12 subsection (b).

13 (b) A shared car owner shall:

14 (1) Not make the shared car available for use through a
15 peer-to-peer car-sharing program if the shared car
16 owner has received notice of a safety recall on the
17 shared car, until the safety repair has been made;

18 (2) Remove any shared car listed for use through a
19 peer-to-peer car-sharing program upon receipt of a
20 notice of a safety recall as soon as practicably



1 possible but no longer than seventy-two hours after
2 receipt of notice of a safety recall; and
3 (3) Notify the peer-to-peer car-sharing program of a
4 safety recall when the shared car is in the possession
5 of a shared car driver so that the peer-to-peer
6 car-sharing program may notify the shared car driver
7 and the shared car may be removed from use until the
8 shared car owner effects the necessary safety recall
9 repair.

10 (c) Nothing in this Act shall create any legal duty upon the peer-
11 to-peer car-sharing program related to the accuracy, errors, or
12 omissions in any notification upon which the peer-to-peer car sharing
13 program or shared vehicle owner relies to carry out its obligations
14 under this Section.

15 (d) Notwithstanding any other provision of this Act, consistent
16 with title 49 of the United States Code section 30120, if a recall
17 notification received by a shared vehicle owner indicates that the
18 remedy for the recall is not immediately available and specifies
19 actions to temporarily repair the vehicle in a manner to eliminate the
20 safety risk that prompted the recall, the shared vehicle owner, after



1 having the repairs completed, may share the vehicle via a peer-
2 to-peer car-sharing program. Once the remedy for the shared
3 vehicle becomes available to the shared vehicle owner, the
4 shared vehicle owner may not list the shared vehicle until the
5 shared vehicle has been remedied.

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10 § -13 **General excise tax; rental motor vehicle surcharge**
11 **tax; collection.** The activity of peer-to-peer car-sharing shall
12 be subject to general excise tax under chapter 237 and the
13 rental motor vehicle surcharge tax pursuant to section 251-2(a);
14 provided that the peer-to-peer car-sharing program shall be
15 responsible for collecting and remitting any taxes and
16 surcharges to the department of taxation.

17 § -14 **Relation to other laws.** Chapter 437D shall not
18 apply to peer-to-peer car-sharing."

19 SECTION 2. Section 251-3, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) Each person as a condition precedent to engaging or
2 continuing in the business of providing rental motor vehicles to
3 the public, engaging or continuing in the tour vehicle operator
4 business, [~~or~~] engaging or continuing in a car-sharing
5 organization business, or engaging or continuing in a
6 peer-to-peer car-sharing program as defined in section -1
7 shall register with the director. A person required to so
8 register shall make a one-time payment of \$20, upon receipt of
9 which the director shall issue a certificate of registration in
10 such form as the director determines, attesting that the
11 registration has been made. The registration shall not be
12 transferable and shall be valid only for the person in whose
13 name it is issued and for the transaction of business at the
14 place designated therein. The registration, or in lieu thereof
15 a notice stating where the registration may be inspected and
16 examined, shall at all times be conspicuously displayed at the
17 place for which it is issued."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2050.

21



H.B. NO. 1971 H.D. 2

Report Title:

DoTAX; Peer-to-Peer Car-sharing; GET; Rental Motor Vehicle
Surcharge Tax; State Highway Fund

Description:

Authorizes and regulates peer-to-peer car-sharing, including establishing insurance requirements. Imposes the general excise tax and rental motor vehicle surcharge tax on peer-to-peer car-sharing programs. Requires those persons engaging or continuing in a peer-to-peer car-sharing program to register with the department of taxation. Effective 7/1/2050. (HD2)

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