

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 333, H.D. 1, entitled:
"A BILL FOR AN ACT RELATING TO PEER-TO-PEER CAR-SHARING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish rules, regulations, and procedures for peer-to-peer car-sharing; and
- (2) Establish a peer-to-peer car-sharing surcharge tax.

Your Committee received testimony in support of this measure from the Department of Transportation, Enterprise Holdings, Turo, Internet Association, and TechNet. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committee received comments on this measure from the Department of Taxation, Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Insurance Division of the Department of Commerce and Consumer Affairs, and Tax Foundation of Hawaii.

Your Committee finds that peer-to-peer car-sharing is the process whereby car owners make their vehicles available for others to rent for short periods of time. The process provides an alternative form of transportation for persons who do not own a car or do not wish to use public transportation.

However, your Committee further finds that peer-to-peer car-sharing lacks certain protections for the car owners. For example, most private consumer motor vehicle insurance policies do not include coverage for incidents arising out of the commercial use of a motor vehicle. This measure ensures that consumer protections are established with respect to the operation of a peer-to-peer car-sharing program.

Your Committee notes that existing law authorizes the Airport Division of the Department of Transportation to establish policies and rules governing use and access to the airports' premises. As such, peer-to-peer car-sharing programs will be subject to these rules when operating at the State's airports.

Your Committee has amended this measure by:

- (1) Clarifying that the Peer-to-Peer Car-Sharing Surcharge Tax applies and is levied on the operator of the peer-to-peer car-sharing programs; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 333, H.D. 2.

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

AARON LING JOHANSON, Chair