

STAND. COM. REP. NO. 2344

Honolulu, Hawaii

FEB 13 2014

RE: S.B. No. 2731  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Transportation and International Affairs,  
to which was referred S.B. No. 2731 entitled:

"A BILL FOR AN ACT RELATING TO A CAR-SHARING VEHICLE  
SURCHARGE TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a car-sharing vehicle surcharge tax.

Your Committee received testimony in support of this measure from the Department of Transportation, City and County of Honolulu Department of Planning and Permitting, City and County of Honolulu Department of Transportation Services, Car2Go, Ulupono Initiative, Hawaii Energy Policy Forum, and two individuals. Your Committee received testimony in opposition to this measure from Enterprise Rent-A-Car. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that car-sharing is a green transportation innovation that can significantly reduce vehicle miles traveled, oil imports, greenhouse gas emissions, and household transportation costs for Hawaii residents. Car-sharing is a fairly new transportation innovation in the United States that has emerged only in the last ten years. Unlike traditional car rentals, car-sharing is not aimed at tourists or individuals who are getting a personal vehicle repaired. Car-sharing is generally rented by the minute or by the hour, rather than by the day. Car-sharing members are persons who either cannot afford to



or prefer not to own their own vehicles but occasionally need access to vehicles to run errands. Car-sharing enables them to enjoy the benefits of automobile access without the high fixed costs and other concerns that come with car ownership.

Your Committee has amended this measure by:

- (1) Making the surcharge tax pro rata on an hourly basis with a per day charge;
- (2) Exempting car-sharing organizations that are registered with the Director of Taxation and subject to the car-sharing vehicle surcharge tax from the rental motor vehicle surcharge tax and tour vehicle surcharge tax; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2731, S.D. 1, and be referred to the Committee on Ways and Means.

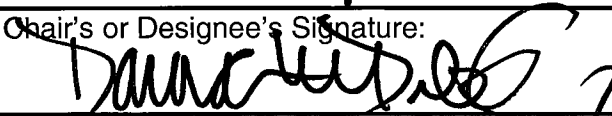
Respectfully submitted on  
behalf of the members of the  
Committee on Transportation and  
International Affairs,

  
J. FALANI ENGLISH, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Transportation and International Affairs**  
**TIA**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2731	TIA, WAM	02-11-14		
<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
ENGLISH, J. Kalani (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ESPERO, Will	/			
GABBARD, Mike				/
KAHELE, Gilbert	/			
KEITH-AGARAN, Gilbert S.C.	/			
KOUCHI, Ronald D.				/
SOLOMON, Malama	/			
SLOM, Sam			X	
<b>TOTAL</b>	6		1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:            Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes