

STAND. COM. REP. NO.

1168

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 333
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 333, H.D. 3, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Adopt uniform standards for peer-to-peer car sharing;
and
- (2) Establish the peer-to-peer car sharing surcharge tax.

Your Committee received testimony in support of this measure from the Department of Transportation; Internet Association; Enterprise Holdings; TechNet; and Turo, Inc. 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 Commerce and Consumer Affairs' Insurance Division, Department of Taxation, Department of Commerce and Consumer Affairs Office of Consumer Protection, Tax Foundation of Hawaii, and Grassroots Institute of Hawaii.

Your Committee finds that peer-to-peer car sharing is a vital, yet nascent, industry in the State. Due to its growing popularity, residents who participate in peer-to-peer car sharing



services need to have uniform protections and safety standards. Your Committee further finds that rental motor vehicle surcharge revenues deposited into the state highway fund amounted to \$58,000,000 in 2019, which is a major source of revenue for the state highway fund and is vital for the continued operation, maintenance, and construction of the state highway system. This measure will provide uniform standards for peer-to-peer car sharing services and will also help to preserve revenues deposited into the state highway fund.

Your Committee notes that it was informed by this measure's stakeholders that there are extensive conversations currently taking place between the insurance commissioner, office of consumer protection, and proponents of this measure who are working collaboratively to address some of the concerns regarding the insurance provisions contained in this measure. While these conversations are ongoing, there was not sufficient time to provide your Committee with proposed language regarding the insurance provisions prior to the hearing. Due to the time constraints of this legislative session and in order to provide your Committees on Judiciary and Ways and Means adequate time to consider and hear this measure, your Committee has adopted previously recommended provisions on insurance as a placeholder and, should this measure advance, encourages your Committees on Judiciary and Ways and Means to examine any proposed insurance language agreed to by the stakeholders and submitted for consideration.

Accordingly, your Committee has amended this measure by:

- (1) Requiring insurers offering insurance through a peer-to-peer car-sharing program to be subject to the provisions of the Hawaii insurance code under chapter 431, Hawaii Revised Statutes;
- (2) Replacing provisions that would have required insurance coverage during the car-sharing period with language requiring a shared car owner, peer-to-peer car-sharing program, and peer-to-peer car-sharing platform to be insured under a motor vehicle insurance policy that provides primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing



program in amounts no less than provided for in section 431:10C-703(d), Hawaii Revised Statutes; 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, H.D. 3, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



CHRIS LEE, Chair



