

STAND. COM. REP. NO. **263**

Honolulu, Hawaii

FEB 11 2025

RE: S.B. No. 398
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 398 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL FEES,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit the charging of a fee for a lessee's spouse by a lessor under certain conditions.

Your Committee received testimony in support of this measure from Enterprise Mobility.

Your Committee received comments on this measure from the Department of Attorney General and Avis Budget Group.

Your Committee finds that rental car agencies have increased fees that are untenable for consumers. Additional fees, add-on charges, and hidden costs inflate rental prices for one car, making it unfair for consumers who rent a single car. By prohibiting motor vehicle rental companies and lessors from charging an extra fee for a spouse to be listed as an additional driver, this measure will decrease unfair and deceptive pricing for individuals leasing cars.

Your Committee notes the concern of the Department of the Attorney General that this measure may require language to protect



against potential retroactive-application and contractual impairment issues.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a savings clause;
- (2) Inserting language to clarify that this measure shall not impair existing contracts; 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 Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 398, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



