



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 398, RELATING TO MOTOR VEHICLE RENTAL FEES.

BEFORE THE:

SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

DATE: Tuesday, February 4, 2025 **TIME:** 3:00 p.m.

LOCATION: State Capitol, Room 224

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Christopher T. Han, or Christopher J.I. Leong, Deputy Attorneys
General

Chair Lee and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill prohibits a motor vehicle rental car lessor from charging a fee for a lessee's spouse to be an additional driver.

Since there is no chapter "437E" in the Hawaii Revised Statutes, section 1 should be amended as follows:

"SECTION 1. Chapter [~~437E,~~] 437D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:"

Additionally, we recommend adding two new sections after section 1 to protect the bill against the potential retroactive-application and contractual impairment issues. Because the activity newly prohibited by this bill could result in penalties, the bill must not apply retroactively to conduct occurring before its effective date. Furthermore, arrangements for motor vehicle rentals are contractual in nature, and the new restriction imposed by the bill may raise concerns about impairing existing contracts. To mitigate any possible issues, we recommend inserting the following wording after page 1, line 8:

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of either the Constitution of the State of Hawaii or article I, section 10, of the United States Constitution.

The current sections 2 and 3 should then be renumbered accordingly. Thank you for the opportunity to provide comments.



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GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 3, 2025

TO: Senator Chris Lee
Chair, Committee on Transportation and Culture and the Arts

FROM: Matt Tsujimura / Tiffany Yajima

RE: **S.B. 398. Relating to Motor Vehicle Rental Fees**
Hearing Date: Tuesday, February 4, 2025 at 3:00 p.m.
Conference Room 224

Dear Chair Lee, Vice Chair Inouye, and Members of the Committee on Transportation and Culture and the Arts:

We submit this testimony on behalf of Enterprise Mobility, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and Enterprise Commute (Van Pool).

Enterprise Mobility **supports** S.B. 398, which prohibits the charging of a fee for a lessee's spouse by a lessor under certain conditions.

Enterprise does not charge an additional fee to include a lessee's spouse as an additional driver. Currently, so long as a customer's spouse is a licensed driver, they may be added without any additional fee as an authorized driver.

For the above reasons, we respectfully support S.B. 398. Thank you for the opportunity to submit this testimony.



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& Counsel
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Senator Chris Lee, Chair
Senator Lorraine Inouye, Vice Chair
Committee on Transportation and Culture and the Arts

February 4, 2025, 3:00 p.m.
Conference room 224 & Videoconference

RE: SB 398 – Relating to Motor Vehicle Rental Fees – Comments

Aloha Chair Lee, Vice Chair Inouye and members of the committee:

My name is Robert Muhs, Vice President, Government Affairs & Counsel for Avis Budget Group. We appreciate the opportunity to offer comments on SB 398, which prohibits the charging of a fee for a lessee's spouse by a lessor under certain conditions.

Avis Budget Group's policy is not to charge a fee for the lessee's spouse to be an additional driver.

Our rental agreements when identifying who may drive the car, states in relevant part "...only you, your spouse or domestic partner...". There is no additional driver fee added under this circumstance.

Thank you for the opportunity to provide comments.