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**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Transportation
Friday, January 31, 2020
10:00 a.m.
State Capitol, Conference Room 423**

**On the following measure:
H.B. 1833, RELATING TO PEER-TO-PEER CAR-SHARING**

Chair Aquino and Members of the Committee:

My name is Stephen Levins, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department supports this bill.

The purposes of this bill are to: (1) authorize peer-to-peer car-sharing; (2) prohibit shared car owners from making a vehicle subject to a manufacturer's recall available as a shared car on a peer-to-peer car sharing program, until the vehicle has undergone safety recall repairs; (3) define terms relating to peer-to-peer car sharing; and (4) establish insurance coverage requirements during the car-sharing period.

The Department supports the creation of a new chapter that regulates peer-to-peer car sharing, since this business model differs markedly from the traditional car rental model regulated by Hawaii Revised Statutes chapter 437D. In particular, the Department supports the required consumer disclosures regarding the terms, conditions, and fees associated with car-sharing. The Department also supports the

Testimony of DCCA

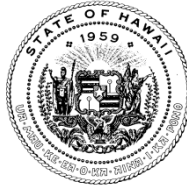
H.B. 1833

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provision that prohibits shared car owners from allowing a vehicle under a manufacturer's recall to be available for car-sharing until necessary safety recall repairs have been made. This recall provision will protect consumers who rent cars from a peer-to-peer car-sharing program by removing potentially unsafe vehicles from the road, such as those with defective Takata airbags.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
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LATE

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

January 31, 2020
10:00 a.m.
State Capitol, Room 423

H.B. 1833
RELATING TO PEER-TO-PEER CAR-SHARING.

House Committee on Transportation

The Department of Transportation **supports** the concept of peer to peer car sharing which has the potential to reduce the number of vehicles on the road and lower pollution levels.

The idea whereby consumers share access to cars rather than owning a car themselves could be a sustainable solution to environmental problems.

Thank you for the opportunity to provide testimony.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON TRANSPORTATION
Representative Henry J. C. Aquino, Chair
Representative Troy N. Hashimoto, Vice Chair

Friday, January 31, 2020
10:00 a.m.

HB 1833

Chair Aquino, Vice Chair Hashimoto, and members of the Committee on Transportation, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council submits the following comments on the bill. This bill calls for regulation of peer-to-peer sharing of vehicles and some of its provisions pertain to insurance in general and motor vehicle insurance specifically.

We support the following sections that pertain to insurance:

Section 2 – Insurance coverage during car-sharing period.

Section 4 – Exclusions in motor vehicle insurance policies.

Section 5 – Recordkeeping; use of vehicle in car-sharing.

Section 7 – Contribution against Indemnification.

Section 9 – Disclosures for insurance – subsections (6) – (10).

We ask for amendment in Section 8, Insurable Interest, to delete subsection (b) which reads, “(b) Nothing in this section shall create liability for a peer-to-peer car-sharing

program to maintain the coverage mandated by section ____-2.” We believe this subsection could be construed to negate the mandatory insurance requirements of Section 2.

Hawaii Insurers Council remains neutral on the remaining sections of the bill not specifically identified above.

Thank you for the opportunity to testify.



January 29, 2020

Chairman Henry Aquino
House Committee on Transportation
Hawaii State Capitol
415 South Beretania St.
Honolulu, HI 96813

Re: Support H.B. 1833 – Peer-to-Peer Car Sharing

Aloha Chairman Aquino:

Avail is a peer-to-peer car sharing company that is backed by Allstate. It allows car-owners to share their cars with drivers in need of convenient, affordable transit options. Peer-to-peer car sharing is a way for individual car owners to earn extra income and for individuals to access a new transit option. Car sharing gives Hawaii residents a new solution to longstanding mobility needs, including offering transportation where public transit is not an option and consumer friendly alternatives to traditional car rental companies. By using existing personal vehicles, car sharing has been shown to reduce traffic congestion as well.

We write today in support of H.B. 1833 on peer-to-peer car sharing, which is set to be heard by the House Committee on Transportation. We are very appreciative of your interest in this pro-consumer and innovative business platform and thank you for taking the appropriate and measured legislative response necessary to promote the car sharing industry. By enacting H.B. 1833, Hawaii would follow a number of states across the country by providing clear definitions for the industry, relevant insurance and consumer protections as well as create the level playing field necessary to encourage competition with the traditional rental car companies.

It is important that this legislation be the prevailing model in Hawaii, as consistency is critical to operations and consumer protections. The definitions within the bill follow the recently nationally adopted model law passed by NCOIL last month which lays out exactly what car sharing is and how it should be regulated. These definitions are the foundation for establishing the appropriate regulatory environment and ensuring shared car owners and shared car drivers are protected at all times.

The insurance and liability provisions in this bill reflect the three-party business model of car sharing and help provide various coverage needs for all parties involved. The car sharing industry, unlike the rental car companies, has agreed to assume primary liability because we understand how important it is to protect consumers. Additionally, the provisions related to disclosures, recalls and driver verification will help assure all parties involved are protected and secure during the transactions.

Lastly, while this bill and similar bills across the country do not specifically address tax issues, the industry is willing and able to come to the table to discuss the appropriate manner by which to generate necessary tax revenue from our business model. However, as this three-party model is drastically different from the rental car companies and relies on individuals who have already paid taxes on their vehicles—without receiving the enormous tax breaks that rental companies enjoy—we ask that any tax discussions consider these differences. This will create a competitive environment and avoid redundant



and burdensome taxes on your residents looking to earn a little extra income from sharing their personal vehicles.

Thank you again for this thoughtful legislation, and we look forward to working with you as this bill continues through the legislative process.

Mahalo,

Danielle Lenth

Danielle Lenth
Director of External Relations
Avail/Allstate



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: January 30, 2020

TO: Representative Henry J. Aquino
Chair, Committee on Transportation
Submitted Via Capitol Website

FROM: Matthew Tsujimura

RE: **H.B. 1833 Relating to Peer-to-Peer Car-Sharing**
Hearing Date: Friday, January 31, 2020 at 10:00 a.m.
Conference Room: 423

Dear Chair Aquino, Vice Chair Hashimoto and Members of the House Committee on Transportation:

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

Enterprise **submits comments** on H.B. 1833 which authorizes and regulates peer-to-peer car-sharing in the State.

The evolution of the rental car industry has created new and innovative ways to rent a car. Enterprise supports the evolution of the industry so long as consumer safety and accountability remain the priority. Enterprise also believes that any regulation of peer-to-peer car sharing should include vehicle safety requirements, transparency in pricing, insurance, and payment of appropriate fees and taxes.

While H.B. 1833 covers important issues such as insurance coverage and certain vehicle safety requirements, the bill is silent on a number of other issues. Enterprise respectfully offers amendments to H.B. 1833 which add regulations pertaining to airport operations, payment of a peer-to-peer car sharing surcharge tax, implementation of recalls, and enforcement. We believe that these proposed amendments create a fair and competitive market for any company in the business of providing cars for rent to customers, regardless of the business model.

We strongly support the passage of H.B. 1833 with the proposed amendments. Thank you for the opportunity to submit testimony on this bill.

A BILL FOR AN ACT

RELATING TO PEER-TO-PEER CAR-SHARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to title 15 to be appropriately designated
3 and to read as follows:

4 **"CHAPTER**

5 **PEER-TO-PEER CAR-SHARING**

6 § -1 **Definitions.** As used in this chapter:

7 "Car-sharing delivery period" means the period of time
8 during which a shared car is being delivered to the location of
9 the car-sharing start time, if applicable, as documented by the
10 governing car-sharing program agreement.

11 "Car-sharing period" means the period of time that
12 commences with the car-sharing delivery period or, if there is
13 no delivery period, that commences with the car-sharing start
14 time and in either case ends at the car-sharing termination
15 time.

1 "Car-sharing program agreement" means the terms and
2 conditions applicable to a shared car owner and a shared car
3 driver that govern the use of a shared car through a peer-to-
4 peer car-sharing program. "Car-sharing program agreement" does
5 not mean a "rental agreement" as defined in section 437D-3.

6 "Car-sharing start time" means the time when the shared car
7 becomes subject to the control of the shared car driver at or
8 after the time the reservation of a shared car is scheduled to
9 begin as documented in the records of a peer-to-peer car sharing
10 program.

11 "Car-sharing termination time" means the earliest of the
12 following events:

13 (1) The expiration of the agreed upon period of time
14 established for the use of a shared car according to
15 the terms of the car-sharing program agreement if the
16 shared car is delivered to the location agreed upon in
17 the car-sharing program agreement;

18 (2) When the shared car is returned to a location as
19 alternatively agreed upon by the shared car owner and
20 shared car driver as communicated through a peer-to-
21 peer car-sharing program; or

22 (3) When the shared car owner or the shared car owner's
23 authorized designee takes possession and control of
24 the shared vehicle.

1 "Peer-to-peer car-sharing" means the authorized use of a
2 vehicle by an individual other than the vehicle's owner through
3 a peer-to-peer car-sharing program. "Peer-to-peer car-sharing"
4 does not mean the "business of providing rental motor vehicles
5 to the public" as the phrase is used in section 251-3 or the
6 business of a "lessor" as defined in section 437D-3.

7 "Peer-to-peer car-sharing program" means a business
8 platform that connects vehicle owners with drivers to enable the
9 sharing of vehicles for financial consideration. "Peer-to-peer
10 car-sharing program" does not mean "lessor" as defined in
11 section 437D-3. "Peer-to-peer car-sharing program" is not a
12 "car-sharing organization" as defined in section 251-1, and does
13 not include transportation network company as defined in section
14 431:10C-701.

15 "Shared car" means a vehicle that is available for sharing
16 through a peer-to-peer car-sharing program. "Shared car" does
17 not mean a "rental motor vehicle" or "vehicle" as defined in
18 section 437D-3.

19 "Shared car driver" means an individual who has been
20 authorized to drive the shared car by the shared car owner under
21 a car-sharing program agreement. "Shared car driver" does not
22 mean "lessee" as defined in section 437D-3.

23 "Shared car owner" means the registered owner, or a person
24 or entity designated by the registered owner, of a vehicle made

1 available for sharing to shared vehicle drivers through a peer-
2 to-peer car-sharing program. "Shared car owner" is not a
3 "lessor" as defined in section 437D-3.

4 § -2 **Insurance coverage during car-sharing period.** (a)

5 A peer-to-peer car-sharing program shall assume liability,
6 except as provided in subsection (b), of a shared car owner for
7 bodily injury or property damage to third parties or uninsured
8 and underinsured motorist or personal injury protection losses
9 during the car-sharing period in an amount stated in the peer-
10 to-peer car-sharing program agreement which amount may not be
11 less than those set forth in section 431:10C-301.

12 (b) Notwithstanding the definition of "car-sharing
13 termination time" as set forth in section -1, the assumption
14 of liability under subsection (a) shall not apply to any shared
15 vehicle owner when:

16 (1) A shared car owner makes an intentional or fraudulent
17 material misrepresentation or omission to the peer-to-
18 peer car-sharing program before the car-sharing period
19 in which the loss occurred; or

20 (2) Acting in concert with a shared vehicle driver who
21 fails to return the shared vehicle pursuant to the
22 terms of program agreement.

23 (c) Notwithstanding the definition of "car-sharing
24 termination time" in section -1, the assumption of liability

1 under subsection (a) shall apply to bodily injury, property
2 damage, uninsured and underinsured motorist or personal injury
3 protection losses by damaged third parties as required by
4 section 431:10C-301.

5 (d) A peer-to-peer car-sharing program shall ensure that,
6 during each car-sharing period, the shared car owner and the
7 shared car driver shall be insured under a motor vehicle
8 insurance policy that provides insurance coverage in amounts no
9 less than the minimum amounts required under section 431:10C-301
10 and:

11 (1) Recognizes that the shared vehicle insured under the
12 policy is made available and used through a peer-to-
13 peer car-sharing program; or

14 (2) Does not exclude use of a shared car by a shared car
15 driver.

16 (e) The insurance described under subsection (d) may be
17 satisfied by the motor vehicle insurance maintained by:

18 (1) A shared car owner;

19 (2) A shared car driver;

20 (3) A peer-to-peer car-sharing program; or

21 (4) Both a shared car owner, a shared car driver, and a
22 peer-to-peer car-sharing program.

1 (f) Insurance described in subsection (e) that satisfies
2 the insurance requirement of subsection (d) shall be primary
3 during each car-sharing period.

4 (g) The peer-to-peer car-sharing program shall assume
5 primary liability for a claim when it in whole or in part
6 provides the insurance required under subsections (d) and (e):

7 (1) A dispute exists as to who was in control of the
8 shared car at the time of the loss; and

9 (2) The peer-to-peer car-sharing program does not have
10 available, did not retain, or fails to provide the
11 information required by section -5.

12 The shared car's insurer shall indemnify the car-sharing
13 program to the extent of its obligation under, if any, the
14 applicable insurance policy, if it is determined that the shared
15 car's owner was in control of the shared car at the time of the
16 loss.

17 (h) If insurance maintained by a shared car owner or
18 shared car driver in accordance with subsection (e) has lapsed
19 or does not provide the required coverage, insurance maintained
20 by a peer-to-peer car-sharing program shall provide the coverage
21 required by subsection (d) beginning with the first dollar of a
22 claim and have the duty to defend the claim except under
23 circumstances as set forth in section -2(b).

1 (i) Coverage under a motor vehicle insurance policy
2 maintained by the peer-to-peer car-sharing program shall not be
3 dependent upon another motor vehicle insurer first denying a
4 claim nor shall another motor vehicle insurance policy be
5 required to first deny a claim.

6 (j) Nothing in this chapter:

7 (1) Limits the liability of the peer-to-peer car-sharing
8 program for any act or omission of the peer-to-peer
9 car-sharing program itself that results in injury to
10 any person as a result of the use of a shared car
11 through a peer-to-peer car-sharing program; or

12 (2) Limits the ability of the peer-to-peer car-sharing
13 program to, by contract, indemnification from the
14 shared vehicle owner or the shared car driver for
15 economic loss sustained by the peer-to-peer car-
16 sharing program resulting from a breach of the terms
17 and conditions of the car-sharing program agreement.

18 **§ -3 Notification of implications of lien.** When a car
19 owner registers as a shared car owner on a peer-to-peer car-
20 sharing program and prior to when the shared car owner makes a
21 shared car available for car-sharing on the peer-to-peer car-
22 sharing program, the peer-to-peer car-sharing program shall
23 notify the shared car owner that, if the shared car has a lien
24 against it, the use of the shared car through a peer-to-peer

1 car-sharing program, including use without physical damage
2 coverage, may violate the terms of the contract with the
3 lienholder.

4 **§ -4 Exclusions in motor vehicle insurance policies.**

5 (a) An authorized insurer that writes motor vehicle insurance
6 in the State may exclude any and all coverage and the duty to
7 defend or indemnify any claim afforded under a shared car
8 owner's motor vehicle insurance policy, including:

9 (1) Liability coverage for bodily injury and property
10 damage;

11 (2) Personal injury protection coverage as set forth in
12 section 431:10C-304;

13 (3) Uninsured and underinsured motorist coverage;

14 (4) Medical payments coverage;

15 (5) Comprehensive physical damage coverage; and

16 (6) Collision physical damage coverage.

17 (b) Nothing in this chapter shall invalidate or limit an
18 exclusion contained in a motor vehicle insurance policy,
19 including any insurance policy in use or approved for use that
20 excludes coverage for motor vehicles made available for rent,
21 sharing, or hire or for any business use.

22 **§ -5 Recordkeeping; use of vehicle in car-sharing.** A

23 peer-to-peer car-sharing program shall collect and verify
24 records pertaining to the use of a vehicle, including times

1 used, fees paid by the shared car driver, and revenues received
2 by the shared car owner, and provide that information upon
3 request to the shared car owner, the shared car owner's insurer,
4 or the shared car driver's insurer to facilitate a claim
5 coverage investigation. The peer-to-peer car-sharing program
6 shall retain the records for a time period not less than the
7 six-year statute of limitations period set forth under section
8 657-1(4).

9 **§ -6 Exemption; vicarious liability.** Consistent with 49
10 U.S.C. section 30106, a peer-to-peer car-sharing program and a
11 shared car owner shall be exempt from vicarious liability under
12 any state or local law that imposes liability solely based upon
13 motor vehicle ownership.

14 **§ -7 Contribution against Indemnification.** A motor
15 vehicle insurer that defends or indemnifies a claim against a
16 shared car that is excluded under the terms of its policy shall
17 have the right to seek contribution against the motor vehicle
18 insurer of the peer-to-peer car-sharing program if the claim is:

19 (1) Made against the shared car owner or the shared car
20 driver for loss or injury that occurs during the car-
21 sharing period; and

22 (2) Excluded under the terms of its policy.

23 **§ -8 Insurable interest.** (a) Notwithstanding any other
24 law, statute, or rule to the contrary, a peer-to-peer car-

1 sharing program shall have an insurable interest in a shared car
2 during the car-sharing period.

3 (b) Nothing in this section shall create liability for a
4 peer-to-peer car-sharing program to maintain the coverage
5 mandated by section -2.

6 (c) A peer-to-peer car-sharing program may own and
7 maintain as the named insured one or more policies of motor
8 vehicle insurance that provides coverage for:

9 (1) Liabilities assumed by the peer-to-peer car-sharing
10 program under a peer-to-peer car-sharing program
11 agreement;

12 (2) Any liability of the shared car owner; or

13 (3) Damage or loss to the shared car or any liability of
14 the shared car driver.

15 **§ -9 Required disclosures and notices.** For each shared
16 car participating in a car-sharing agreement on its platform, a
17 peer-to-peer car-sharing program shall:

18 (1) Provide the shared car owner and the shared car driver
19 with the terms and conditions of the car-sharing
20 agreement;

21 (2) Disclose to the shared car driver any costs or fees
22 that are charged to the shared car driver under the
23 car-sharing agreement;

- 1 (3) Disclose to the shared car owner any costs or fees
2 that are charged to the shared car owner under the
3 peer-to-peer car-sharing agreement;
- 4 (4) Provide an emergency telephone number for a person
5 capable of facilitating roadside assistance to the
6 shared car driver;
- 7 (5) Disclose any right of the peer-to-peer car-sharing
8 program to seek indemnification from the shared car
9 owner or the shared car driver for economic loss
10 sustained by the car-sharing program caused by a
11 breach of the car-sharing program agreement;
- 12 (6) Disclose that a motor vehicle insurance policy issued
13 to the shared car owner for the shared car or to the
14 shared car driver does not provide a defense or
15 indemnification for any claim asserted by the peer-to-
16 peer car-sharing program;
- 17 (7) Disclose that the peer-to-peer car-sharing program's
18 insurance coverage on the shared car owner and the
19 shared car driver is in effect only during each
20 sharing period and that the shared car may not have
21 insurance coverage for use of the shared car by the
22 shared car driver after the sharing termination time;

1 (8) Disclose any insurance or protection package costs
2 that are charged to the shared car owner or the shared
3 car driver;

4 (9) Disclose that the shared car owner's motor vehicle
5 insurance policy may not provide coverage for a shared
6 car; and

7 (10) Disclose to the shared car driver any conditions in
8 which the shared car driver is required to maintain a
9 motor vehicle insurance policy as the primary coverage
10 for the shared car in order to drive a shared car.

11 **§ -10 Driver's license verification and data retention.**

12 (a) A peer-to-peer car-sharing program shall not enter into a
13 car-sharing program agreement with a shared car driver unless
14 the shared car driver:

15 (1) Holds a driver's license issued under section 286-102
16 that authorizes the shared car driver to operate
17 vehicles of the class of the shared car;

18 (2) Is a nonresident who:

19 (A) Has a driver's license issued by the state or
20 country of the driver's residence that authorizes
21 the shared car driver in that state or country to
22 drive vehicles of the class of the shared car;
23 and

1 (B) Is at least the same age as that required of a
2 resident to drive; or

3 (3) Otherwise is specifically authorized to drive vehicles
4 of the class of the shared car.

5 (b) A peer-to-peer car-sharing program shall record:

6 (1) The name and address of the shared car driver; and

7 (2) The place of issuance and number of the driver's
8 license of the shared car driver and each other
9 person, if any, who will operate the shared car.

10 § -11 **Responsibility for equipment.** A peer-to-peer car-
11 sharing program shall have sole responsibility for any
12 equipment, such as a global positioning system or other special
13 equipment that is put in or on the shared car to monitor or
14 facilitate the car-sharing transaction, and shall agree to
15 indemnify and hold harmless the shared car owner for any damage
16 to or theft of the equipment during the sharing period not
17 caused by the shared car owner. The peer-to-peer car-sharing
18 program has the right to seek indemnity from the shared car
19 driver for any loss or damage to the equipment that occurs
20 during the sharing period.

21 § -12 **Motor vehicle safety recalls.** (a) At the time
22 when a vehicle owner registers as a shared car owner on a peer-
23 to-peer car-sharing program and prior to the time when the
24 shared car owner makes a shared car available for car-sharing on

1 the peer-to-peer car-sharing program, the peer-to-peer car-
2 sharing program shall:

3 (1) Verify that no safety recalls exist for the make and
4 model of the shared car for which repairs have not
5 been made; and

6 (2) Notify the shared car owner of the requirements under
7 subsection (b) and

8 (3) Verify every seventy-two hours that any vehicle
9 available for use through a car-sharing program is not
10 subject to an open safety recall for which repairs
11 have not been made.

12 (b) If the shared car owner receives an actual notice of a
13 safety recall on the shared car, a shared car owner may not make
14 the vehicle available as a shared car on a peer-to-peer car-
15 sharing program until the safety recall repair has been made.

16 (c) If a shared car owner receives an actual notice of a
17 safety recall on a shared car while the shared car is being used
18 in the possession of a shared car driver, as soon as possible
19 but no later than forty-eight hours after receiving the notice
20 of the safety recall, the shared car owner shall notify the
21 peer-to-peer car-sharing program about the safety recall so that
22 the peer-to-peer car-sharing program may notify the shared car
23 driver and the vehicle can be removed from use until the shared
24 car owner effects the necessary safety recall repair.

1 § -13 Relation to other laws. Chapter 437D shall not
2 apply to peer-to-peer car-sharing."

3 § -14 Operating at an airport. A peer-to-peer car
4 sharing program shall enter into a contract or other agreement
5 with the department of transportation airports division in
6 accordance with section 261-7(a) prior to operating at an
7 airport in this State.

8 § -15 Additional mandatory charges prohibited. The
9 daily and periodic cost to the shared car driver shall include
10 the amount of each charge that is required as a condition to the
11 peer-to-peer agreement. The peer-to-peer car sharing program
12 shall disclose as part of any quotations of price, including all
13 quotations contained in advertising or through online quotations
14 and all payments that a shared car driver is required to make as
15 part of the car-sharing program agreement.

16 § -16 Unfair trade practices. Each peer-to-peer car
17 sharing program, and each officer, employee, agent, and other
18 representative thereof, shall be prohibited from engaging in any
19 practice constituting a violation of chapter 480. The following
20 shall be per se violations of section 480-2:

21 (1) The making of any material statement that has the
22 tendency or capacity to mislead or deceive, either orally or in
23 writing, in connection with peer-to-peer car sharing, offer for

1 peer-to-peer sharing, or advertisement for peer-to-peer car
2 sharing;

3 (2) The omission of any material statement that has the
4 tendency to mislead or deceive, in connection with peer-to-peer
5 car sharing, offer for peer-to-peer sharing, or advertisement
6 for peer-to-peer sharing;

7 (3) The making of any statement by the shared car owner to
8 the effect that the shared car driver is or will be confined to
9 remain within boundaries specified by the shared car owner
10 unless payment or an agreement relating to the payment of
11 damages has been made by the shared car driver; and

12 (4) The charging of a shared car driver more than a
13 reasonable estimate of the actual income lost for loss of use of
14 a vehicle.

15 (5) A violation of section -15.

16 SECTION 2. Chapter 251, Hawaii Revised Statutes, is
17 amended by amending its title to read as follows:

18 **"CHAPTER 251**

19 **RENTAL MOTOR VEHICLE, TOUR MOTOR VEHICLE, [~~AND~~] CAR-SHARING**

20 **VEHICLE, AND PEER-TO-PEER CAR-SHARING SURCHARGE TAX"**

21 SECTION 3. Chapter 251, Hawaii Revised Statutes, is amended by
22 adding a new section to be appropriately designated and to read
23 as follows:

1 **"§251- Peer-to-peer car-sharing surcharge tax. (a)**

2 There is levied, assessed, and collected each month a peer-to-
3 peer car-sharing surcharge tax of \$ a day, or any portion
4 of a day that a shared car is shared.

5 (b) The peer-to-peer car-sharing program shall be
6 responsible for collection and remittance of the surcharge tax
7 to the department."

8 SECTION 4. Section 251-1, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "Peer-to-peer car-sharing program" means a business
11 platform that connects vehicle owners with drivers to enable the
12 sharing of vehicles for financial consideration. "Peer-to-peer
13 car-sharing program" does not mean "lessor" as defined in
14 section 437D-3. "Peer-to-peer car-sharing program" is not a
15 "car-sharing organization" as defined in this section.

16 "Shared car" means a vehicle that is available for sharing
17 through a peer-to-peer car-sharing program. "Shared car" does
18 not mean a "rental motor vehicle" or "vehicle" as defined in
19 section 437D-3.

20 "Surcharge tax" means the rental motor vehicle, peer-to-
21 peer car-sharing, and tour vehicle surcharge tax established
22 under this chapter.

23 SECTION 5. Section 251-3, Hawaii Revised Statutes, is
24 amended by amending subsection (a) to read as follows:

1 "(a) Each person, as a condition precedent to engaging or
2 continuing in ~~the~~:

3 (1) The business of providing rental motor vehicles to the
4 public~~[, engaging or continuing in the]~~;

5 (2) The tour vehicle operator business~~[, or engaging or~~
6 ~~continuing in a]~~;

7 (3) A car-sharing organization business; or

8 (4) A peer-to-peer car-sharing program,

9 shall register with the director. A person required to so
10 register shall make a one-time payment of \$20, upon receipt of
11 which the director shall issue a certificate of registration in
12 ~~such~~ a form as the director determines, attesting that the
13 registration has been made. The registration shall not be
14 transferable and shall be valid only for the person in whose
15 name it is issued and for the transaction of business at the
16 place designated therein. The registration, or in lieu thereof
17 a notice stating where the registration may be inspected and
18 examined, shall at all times be conspicuously displayed at the
19 place for which it is issued."

20 SECTION 6. Section 251-13, Hawaii Revised Statutes, is
21 amended to read as follows:

22 "The department may collect surcharge taxes due and unpaid
23 under this chapter, together with all accrued penalties, by
24 action in assumpsit or other appropriate proceedings in the

1 circuit court of the judicial circuit in which the surcharge
2 taxes arose. After delinquency shall have continued for sixty
3 days, or if any person lawfully required so to do under this
4 chapter shall fail to apply for and secure a certificate as
5 provided by this chapter for a period of sixty days after the
6 first date when the person was required under this chapter to
7 secure the certificate, the department may proceed in the
8 circuit court of the judicial circuit in which the rental motor
9 vehicles were leased, the shared cars were shared, or the tour
10 vehicles were hired, to obtain an injunction restraining the
11 further furnishing of services until full payment shall have
12 been made of all surcharge taxes, penalties, and interest due
13 under this chapter, or until the certificate is secured, or
14 both, as the circumstances of the case may require.”

15 SECTION 7. This Act shall take effect upon its approval.

16

INTRODUCED BY: _____

Report Title:

Peer-to-Peer Car-Sharing; Authorized

Description:

Authorizes peer-to-peer car-sharing.



January 31, 2020

The Honorable Henry Aquino
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Support of House Bill 1833

Dear Chairman Aquino,

Thank you for the opportunity to submit testimony in support of House Bill 1833 Relating to Peer-to-Peer Carsharing.

Getaround is a peer-to-peer carsharing marketplace platform that empowers members to safely share their vehicles with others by the hour and the day. Getaround operates in over three hundred cities globally, and while not currently in Hawaii, we certainly would like to be in the future. Our proprietary connected car technology helps users find, book and unlock nearby vehicles on-demand using their smartphones. Getaround's platform connects people whose cars are sitting unused with people who need to use a car -- giving people access to a pool of shared vehicles. It's the modern equivalent of borrowing a friend or family member's car.

Carsharing -- and Getaround's carsharing platform -- makes car ownership more affordable. Carsharing offsets the substantial costs of owning a car by allowing owners to share the car when it would otherwise be sitting idle. That extra money, which in states where Getaround operates can amount to \$300 to \$600 per month, means a lot to lower and middle-income residents.

And it's not just car owners who benefit. Carsharing provides convenient and affordable on-demand access to vehicles for those who do not own cars or for whom car ownership is cost prohibitive. Low and middle-income residents in particular benefit tremendously from convenient access to affordable transportation— transportation that helps them go to job interviews, run errands, take their children to school, or go away for the weekend with family.

Carsharing also has real environmental benefits. Sharing just one car can take approximately ten other cars out of gridlock. Shared vehicles result in fewer cars on the road, fewer vehicle miles traveled, and a reduction in greenhouse gas emissions. Research from UC Berkeley confirms these benefits.

As one of the nation's leading carsharing platforms, while Getaround has its own requirements and standards, we support consumer-friendly protections and laws that provide certainty around liability and insurance. Where the law is unclear, we want certainty so that we can orient our business accordingly and make sure that everyone -- from our owners, to our users, to third parties who encounter cars on the road -- is protected.

As the growth of carsharing nationwide shows, consumers want to add carsharing to their transportation options. But it is still a young and emerging industry and a series of regulations that is unbalanced, inflexible, or misaligned with the carsharing model may do far more harm than good.

Getaround supports HB 1833 because it creates the insurance and consumer protections requirements necessary for peer-to-peer carsharing to be safe for consumers while allowing this innovative mobility option to flourish. HB 1833 incorporates provisions from the Peer-to-Peer Car Sharing Program Model Act developed by the National Council of Insurance Legislators (NCOIL) with substantial stakeholder participation, to provide an insurance framework that protects shared car owners, drivers, and the broader community. This framework creates clear mandatory insurance coverages for peer-to-peer carsharing, including requiring car sharing platforms to provide liability insurance for every transaction ensuring that the shared car owner and shared car driver are adequately covered.

Going further, HB 1833 holds carsharing programs accountable by explicitly defining the legal responsibilities of the carsharing program, including mandating clear record keeping and disclosing to consumers of insurance and indemnification provisions, fees, and terms and conditions of sharing agreements. It also establishes safety laws on peer-to-peer carsharing such as prohibiting the sharing and use of cars subject to safety recalls.

Getaround supports the adoption of a robust regulatory framework in Hawaii that addresses the issues unique to our industry. We appreciate the legislature's interest in this issue and we urge the committee to pass HB 1833.

Best regards,

A handwritten signature in black ink that reads "Andrew Byrnes". The signature is fluid and cursive, with the first name "Andrew" being larger and more prominent than the last name "Byrnes".

Andrew Byrnes
Deputy General Counsel and Global Head of Public Policy
Getaround, Inc.
andrew.byrnes@getaround.com



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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January 29, 2020

Representative Aquino
415 South Beretania St
Honolulu, HI 96813

RE: SUPPORT HB 1833

Dear Representative Aquino,

On behalf of TechNet, I am writing today in support of HB 1833, related to Peer-to-Peer Car Sharing. TechNet is the national, bipartisan network of innovation economy CEOs and senior executives. Our diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over three million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

HB 1833 sets out a comprehensive peer-to-peer car sharing regulatory framework and is in line with language previously approved by the National Conference of Insurance Legislators (NCOIL), the Council of State Governments (CSG) and the Colorado Legislature. The bill includes important consumer protections and safety measures including recall protections, robust insurance and driver licensure requirements, disclosures and much more. Importantly, this bill defines peer-to-peer car as a novel and unique source of transportation and mobility, benefiting all Hawaii residents participating in the sharing economy. Furthermore, this legislation will enable and support Hawaii residents to share their personal car or, they can access to a car from their neighbor or another resident of Hawaii.

Consumer protections outlined in HB 1833, include required emergency and roadside assistance for all customers; prohibitions on vehicles subject to federal safety recalls; establishes a notification process and protections for lienholders, lenders and lessors; and requires consumer disclosures of insurance and indemnification provisions, fees, terms and conditions of sharing agreements.

Mandatory insurance requirements in HB 1833 create clear mandatory insurance coverages for peer-to-peer car sharing, requires car sharing platforms to provide liability insurance for every transaction and ensures that the shared car owner and shared car driver are provided insurance coverage.

Peer-to-peer car sharing has become an incredibly convenient way of connecting people wishing to utilize internet-based platforms to safely and securely share their personal vehicle with drivers seeking affordable, convenient, accessible and locally sourced mobility

options. We urge you to support HB 1833 which TechNet believes fosters and encourages this growing innovation while establishing important safeguards and consumer protections.

If you have any questions regarding TechNet's support of HB 1833, please do not hesitate to contact Courtney Jensen, Executive Director, at 916-600-3551 or cjensen@technet.org.

Thank you,

Courtney Jensen
Executive Director, Southwest
TechNet



Testimony of
Charles Melton – Senior Public Policy Manager
Turo Inc., San Francisco, CA
In Support of HB 1833
January 31, 2020

Chairman Aquino and members of the Committee, I respectfully submit this written testimony on behalf of Turo, an internet-based, peer-to-peer car sharing platform. Thank you for the opportunity to provide our perspective on this legislation and to express our support of HB 1833.

Turo is a peer-to-peer car sharing platform that connects personal car owners with those in need of a mobility solution. Through the Turo online marketplace, anyone with the need of a mobility option can obtain the freedom a vehicle can provide. In Hawai'i our community of car owners share their vehicle with mothers, fathers, neighbors and community members while earning a little extra income to help recover the cost of car ownership.

We are so grateful to this committee for allowing us to provide testimony on HB 1833 which would regulate the emerging industry of peer-to-peer car sharing. Turo supports sensible regulation, which is accomplished in HB 1833. Furthermore, we are appreciative of the effort of this committee to define and distinguish peer-to-peer car sharing separately and apart from other participants in the mobility space. Our commitment to supporting sensible regulations for peer-to-peer car sharing can be found in recently enacted legislation in Colorado and Indiana along with our willingness to work with stakeholders, including the National Council of Insurance Legislators, to develop model legislation that creates clear and sensible regulations while ensuring the safety and protection of the community of peer-to-peer car sharing users in Hawai'i.

HB 1833 is based on the Peer-to-Peer Car Sharing Program Model Act which is supported by the National Council of Insurance Legislators and has been adopted by other state legislatures. The language of the Model Act, which is included in HB 1833, was agreed upon through extensive stakeholder participation and ensures there are robust measures for consumer safety, transparent pricing, insurance coverage and roadside assistance for every peer-to-peer car sharing user.

Specifically, HB 1833 provides an insurance framework that protects shared car owners, drivers, and the broader community while also requiring peer-to-peer car sharing programs to provide liability insurance for every transaction. This legislation also takes additional steps to ensure that shared car owners and shared car drivers are provided insurance coverage.

Additionally, HB 1833 creates protections ensuring that consumers are disclosed the insurance and indemnification provisions, any fees, and the terms and conditions of sharing agreements for peer-to-peer car sharing.

Safety and consumer protections are fundamentally important in peer-to-peer car sharing and this legislation ensures that car owners, drivers and the community are safe and supported, while also creating regulations on peer-to-peer car sharing platforms and holding them accountable.

Turo is agreeable to adding a per transaction surcharge and looks forward to further discussion on a fair fee.

Turo and our community of Hawai`i peer-to-peer car sharing residents are appreciative of the legislature's interest in protecting consumers while also establishing a comprehensive regulatory framework for peer-to-peer car sharing. Thank you for the opportunity to provide this written testimony. For the reasons stated, we encourage this committee to support HB 1833.