



GOV. MSG. NO. 1177

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

JUN 17 2022

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty-First State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty-First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on

JUN 17 2022

, the following bill was signed into law:

HB1971 HD2 SD1 CD1

RELATING TO PEER-TO-PEER CAR-SHARING.  
**ACT 077**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# 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:

### "CHAPTER

### 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.

16       "Car-sharing program agreement" means the terms and  
17 conditions applicable to a shared car owner, a shared car



1 driver, and a peer-to-peer car-sharing platform, if  
2 applicable, that govern the use of a shared car through a  
3 peer-to-peer car-sharing program. "Car-sharing program  
4 agreement" does not include a rental agreement as defined in  
5 section 437D-3.

6 "Car-sharing start time" means the time the shared car  
7 driver obtains operation, use, or control of a shared car  
8 through a peer-to-peer car-sharing program.

9 "Car-sharing termination time" means the latest of the  
10 following events:

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

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

20 (3) When a shared car is returned to the location agreed  
21 upon in the car-sharing program agreement or



1           alternatively agreed upon by the shared car owner  
2           and the shared car driver, as communicated through a  
3           peer-to-peer car-sharing program, before the  
4           expiration of the period of time established for the  
5           use of a shared car according to the terms of the  
6           car-sharing program agreement, and the shared car  
7           driver notifies the peer-to-peer car-sharing program  
8           of the location of the shared car;

9           (4) When a shared car, during the car-sharing period,  
10          cannot safely or legally be operated and the shared  
11          car driver notifies the peer-to-peer car-sharing  
12          program that the shared car is inoperable and  
13          identifies the location of the shared car;

14          (5) When the shared car driver receives notice of a  
15          safety recall affecting the shared car and the  
16          shared car driver returns the shared car to the  
17          location agreed upon in the car-sharing program  
18          agreement, or alternatively agreed upon by the  
19          shared car owner and the shared car driver, and the  
20          shared car driver notifies the peer-to-peer car-



1 sharing program of the location of the shared car;

2 or

3 (6) When the shared car owner or the shared car owner's  
4 authorized designee takes possession and control of  
5 the shared car.

6 "Peer-to-peer car-sharing" means the operation, use, or  
7 control of a motor vehicle by an individual other than the  
8 motor vehicle's owner through a peer-to-peer car-sharing  
9 program. "Peer-to-peer car-sharing", for the purposes of  
10 assessing a vehicle surcharge tax, does not mean the business  
11 of providing rental motor vehicles to the public as that  
12 phrase is used in section 251-3.

13 "Peer-to-peer car-sharing platform" means any person or  
14 business that owns or operates a peer-to-peer car-sharing  
15 program.

16 "Peer-to-peer car-sharing program" means:

17 (1) Any person who enables a shared car driver to  
18 identify, reserve, or use a shared car owned by a  
19 shared car owner; or

20 (2) Any person who enables a shared car owner to  
21 describe, list, or make available a shared car for



1 identification, reservation, or use by a shared car  
2 driver.

3 "Peer-to-peer car-sharing program" does not include:

- 4 (1) A transportation network company as defined in  
5 section 431:10C-701;
- 6 (2) A car-sharing organization as defined in section  
7 251-1;
- 8 (3) Any person registered and acting as a travel agency  
9 pursuant to chapter 468L; or
- 10 (4) Any person registered and acting as an activity desk  
11 pursuant to chapter 468M.

12 "Shared car" means a motor vehicle that is registered  
13 pursuant to chapter 286 and is not owned, controlled,  
14 operated, maintained, or managed by or registered, directly  
15 or indirectly through an affiliate, to the peer-to-peer car-  
16 sharing program and is available for sharing through a peer-  
17 to-peer car-sharing program. "Shared car" does not include a  
18 rental motor vehicle or vehicle as those terms are defined in  
19 section 437D-3.

20 "Shared car driver" means an individual who has been  
21 authorized to drive the shared car by the shared car owner



1 under a car-sharing program agreement. "Shared car driver"  
2 does not include lessee as defined in section 437D-3.

3 "Shared car owner" means the registered owner of a shared  
4 car. "Shared car owner" does not include lessor as defined  
5 in section 437D-3.

6 § -2 Notification of implications of lien. When a car  
7 owner registers as a shared car owner on a peer-to-peer  
8 car-sharing program and prior to when the shared car owner makes  
9 a shared car available for peer-to-peer car-sharing on the peer-  
10 to-peer car-sharing program, the peer-to-peer car-sharing  
11 program shall notify the shared car owner that, if the shared  
12 car has a lien against it, the use of the shared car through a  
13 peer-to-peer car-sharing program, including use without physical  
14 damage coverage, may violate the terms of the contract with the  
15 lienholder.

16 § -3 Recordkeeping; use of vehicle in car-sharing. A  
17 peer-to-peer car-sharing program shall collect and verify  
18 records pertaining to the use of a shared car for each car-  
19 sharing program agreement, including:



- 1 (1) Dates and times of the car-sharing start time and  
2 the car-sharing termination time in the car-sharing  
3 program agreement;
- 4 (2) Dates and times of the car-sharing start time and  
5 car-sharing termination time;
- 6 (3) Itemized descriptions and amounts of all fees and  
7 costs charged to the shared car driver;
- 8 (4) Itemized descriptions and amounts of all fees and  
9 costs paid by the shared car driver;
- 10 (5) Itemized descriptions and amounts of all fees and  
11 costs paid to the shared car owner;
- 12 (6) The name and contact information of the shared car  
13 owner and the shared car driver; and
- 14 (7) The insurance policy number, effective date,  
15 coverage, and coverage amounts of each insurance  
16 policy that identifies the peer-to-peer car-sharing  
17 program, shared car owner, or shared car driver as  
18 the insured.

19 The peer-to-peer car-sharing program shall retain the  
20 records for a time period of no less than six years. Upon  
21 request, the peer-to-peer car-sharing program shall provide





1 the information required by this section and any information  
2 relating to the peer-to-peer car-sharing agreement in its  
3 possession and control to the shared car owner, shared car  
4 owner's insurer, shared car driver, shared car driver's  
5 insurer, persons who have sustained injury or property damage  
6 involving a shared car, and police and other governmental  
7 entities to facilitate accident or claim coverage  
8 investigation.

9       **§ -4 Exemption; vicarious liability.** Consistent with  
10 title 49 United States Code section 30106, a peer-to-peer  
11 car-sharing program and shared car owner shall be exempt from  
12 vicarious liability under any state or local law that imposes  
13 liability solely based upon motor vehicle ownership.

14       **§ -5 Required disclosures and notices.** For each  
15 shared car participating in a car-sharing program agreement,  
16 a peer-to-peer car-sharing program shall:

17       (1) Provide, prior to the execution of a car-sharing  
18             program agreement, the shared car owner and shared  
19             car driver with the terms and conditions of the car-  
20             sharing program agreement;



1 (2) Disclose to the shared car driver, prior to the  
2 execution of a car-sharing program agreement, all  
3 costs or fees that are charged to the shared car  
4 driver under the car-sharing program agreement,  
5 including all costs or fees for mandatory insurance  
6 coverage charged by the peer-to-peer car-sharing  
7 program;

8 (3) Disclose to the shared car owner, prior to the  
9 execution of a car-sharing program agreement, all  
10 costs or fees that are charged to the shared car  
11 owner under the car-sharing program agreement,  
12 including fees or costs for mandatory insurance  
13 coverage charged by the peer-to-peer car-sharing  
14 program;

15 (4) Provide a twenty-four hour emergency telephone  
16 number for a person capable of facilitating roadside  
17 assistance for the shared car driver;

18 (5) Disclose any right of the peer-to-peer car-sharing  
19 program to seek indemnification from the shared car  
20 owner or shared car driver for economic loss  
21 sustained by the peer-to-peer car-sharing program



1 caused by a breach of the car-sharing program  
2 agreement; provided that the peer-to-peer car-  
3 sharing program shall require the shared car owner  
4 and shared car driver to specifically and separately  
5 acknowledge notice of the disclosure prior to  
6 execution of a car-sharing program agreement;

7 (6) Disclose that a motor vehicle insurance policy  
8 issued to the shared car owner for the shared car or  
9 to the shared car driver may not provide a defense  
10 or indemnification for any claim asserted by the  
11 peer-to-peer car-sharing program; provided that the  
12 peer-to-peer car-sharing program shall require the  
13 shared car owner and shared car driver to  
14 specifically and separately acknowledge notice of  
15 the disclosure prior to execution of a car-sharing  
16 program agreement;

17 (7) Disclose that the peer-to-peer car-sharing program's  
18 insurance coverage on the shared car owner and  
19 shared car driver is in effect only during each car-  
20 sharing period and that the shared car may not have  
21 insurance coverage for use of the shared car by the



1 shared car driver after the car-sharing termination  
2 time; provided that the peer-to-peer car-sharing  
3 program shall require the shared car owner and  
4 shared car driver to specifically and separately  
5 acknowledge notice of the disclosure prior to the  
6 execution of a car-sharing program agreement;

7 (8) Disclose any insurance or protection package costs  
8 that are charged to the shared car owner or shared  
9 car driver; provided that the peer-to-peer car-  
10 sharing program shall require the shared car owner  
11 and shared car driver to specifically and separately  
12 acknowledge notice of the disclosure prior to the  
13 execution of a car-sharing program agreement;

14 (9) Disclose to the shared car driver any conditions in  
15 which the shared car driver is required to maintain  
16 a motor vehicle insurance policy as the primary  
17 coverage for the shared car; and

18 (10) Disclose that a shared car owner shall be permitted  
19 to obtain insurance that provides coverage for loss  
20 of use of a shared car.



1       §   -6 Driver's license verification and data retention.

2   (a) A peer-to-peer car-sharing program shall not enter into a  
3 car-sharing program agreement with a shared car driver unless  
4 the shared car driver:

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

8       (2) Is a nonresident who:

9           (A) Has a driver's license issued by the state or  
10           country of the driver's residence that authorizes  
11           the shared car driver in that state or country to  
12           drive vehicles of the class of the shared car;  
13           and

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

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

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

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



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

4 § -7 **Responsibility for equipment.** A peer-to-peer  
5 car-sharing program shall have sole responsibility for any  
6 equipment, such as a global positioning system or other special  
7 equipment, that is put in or on the shared car to monitor or  
8 facilitate the car-sharing transaction, and shall agree to  
9 indemnify and hold harmless the shared car owner for any damage  
10 to or theft of the equipment during the car-sharing period not  
11 caused by the shared car owner. The peer-to-peer car-sharing  
12 program shall have the right to seek indemnification from the  
13 shared car driver for any loss or damage to the equipment that  
14 occurs during the car-sharing period.

15 § -8 **Motor vehicle safety recalls.** (a) At the time  
16 when a vehicle owner registers as a shared car owner on a  
17 peer-to-peer car-sharing program, prior to the time when the  
18 shared car owner makes a shared car available for peer-to-peer  
19 car-sharing on the peer-to-peer car-sharing program and no more  
20 than forty-eight hours before the car-sharing start time, the  
21 peer-to-peer car-sharing program shall:



- 1           (1) Verify that no safety recalls exist for the make and  
2           model of the shared car for which repairs have not  
3           been made;
- 4           (2) Notify the shared car owner of the requirements under  
5           subsection (b); and
- 6           (3) Not make the shared car available for use through a  
7           peer-to-peer car-sharing program if the shared car  
8           owner or peer-to-peer car-sharing program has received  
9           notice or is aware of a safety recall on the shared  
10          car, until the safety repair has been made.
- 11          (b) A shared car owner shall:
- 12          (1) Remove any shared car listed for use through a  
13          peer-to-peer car-sharing program upon receipt of a  
14          notice of a safety recall as soon as practicably  
15          possible but no longer than seventy-two hours after  
16          receipt of notice of a safety recall; and
- 17          (2) Notify the peer-to-peer car-sharing program of a  
18          safety recall when the shared car is in the possession  
19          of a shared car driver so that the peer-to-peer  
20          car-sharing program may notify the shared car driver  
21          and the shared car may be removed from use until the



1 shared car owner effects the necessary safety recall  
2 repair.

3 § -9 General excise tax; rental motor vehicle surcharge  
4 tax; collection. The activity of peer-to-peer car-sharing shall  
5 be subject to general excise tax under chapter 237 and the  
6 rental motor vehicle surcharge tax pursuant to section 251-2(a);  
7 provided that the peer-to-peer car-sharing program shall be  
8 responsible for collecting and remitting any taxes and  
9 surcharges to the department of taxation.

10 § -10 Relation to other laws. Chapter 437D shall not  
11 apply to peer-to-peer car-sharing."

12 SECTION 2. Section 251-2, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) There is levied and shall be assessed and collected  
15 each month a rental motor vehicle surcharge tax of \$5 a day, or  
16 any portion of a day that a rental motor vehicle is rented or  
17 leased. Beginning January 1, 2022, and each subsequent year on  
18 January 1 until December 31, 2027, the rental motor vehicle  
19 surcharge tax shall increase by \$0.50. The rental motor vehicle  
20 surcharge tax shall be levied upon the lessor; provided that the  
21 tax shall not be levied on the lessor if:





(1) The lessor is renting the vehicle to replace a vehicle of the lessee that:

(A) Is being repaired; or

(B) Has been stolen and is unrecovered or will not be repaired due to a total loss of the vehicle; and

(2) A record of the repair order, the stolen vehicle record, or total loss vehicle claim for the vehicle is retained either by the lessor for two years for verification purposes or by a motor vehicle repair dealer for two years as provided in section 437B-16.

In addition to the requirements imposed by section 251-4, a lessor shall disclose, to the department, the portion of the remittance attributed to the county in which the motor vehicle was operated under rental or lease. A peer-to-peer car-sharing program, as defined in chapter , shall be subject to the tax imposed by this subsection and be subject to the other requirements of this chapter."

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

"(a) Each person as a condition precedent to engaging or continuing in the business of providing rental motor vehicles to



1 the public, engaging or continuing in the tour vehicle operator  
2 business, ~~[or]~~ engaging or continuing in a car-sharing  
3 organization business, or engaging or continuing in a  
4 peer-to-peer car-sharing program as defined in section -1  
5 shall register with the director. A person required to so  
6 register shall make a one-time payment of \$20, upon receipt of  
7 which the director shall issue a certificate of registration in  
8 such form as the director determines, attesting that the  
9 registration has been made. The registration shall not be  
10 transferable and shall be valid only for the person in whose  
11 name it is issued and for the transaction of business at the  
12 place designated therein. The registration, or in lieu thereof  
13 a notice stating where the registration may be inspected and  
14 examined, shall at all times be conspicuously displayed at the  
15 place for which it is issued."

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2022.

APPROVED this 17 day of June , 2022



GOVERNOR OF THE STATE OF HAWAII



HB No. 1971, HD 2, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 03, 2022  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki  
Speaker  
House of Representatives

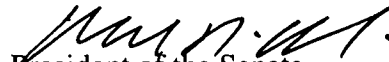



Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: May 3, 2022  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate  
of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2022.

  
President of the Senate

  
Clerk of the Senate