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1415 L Street Suite 1190 | Sacramento, CA 95814

916.447.7315 | [www.autoalliance.org](http://www.autoalliance.org)

March 29, 2019

Co-Chair Representative Adam Wool  
Co-Chair Representative Gabrielle LeDoux  
House Labor & Commerce Committee

**Re: HB 102 – Vehicle Rental Modernization Act: OPPOSE**

Dear Representatives Wool and LeDoux:

On behalf of the Alliance of Automobile Manufacturers (Alliance), I am writing to you today in opposition to House Bill 102, which inappropriately seeks to apply the taxation obligations designed to regulate the rental car industry to the newly formed peer-to-peer vehicle sharing companies. The Alliance is a trade association representing twelve of the world's leading car and light truck manufacturers, and is comprised of BMW Group, FCA US LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche Cars North America, Toyota, Volkswagen Group of America, and Volvo Car USA.

Peer-to-Peer car sharing programs provide vehicle owners an opportunity to maximize their investment in a vehicle, by providing an alternate source of revenue by sharing that vehicle on a car sharing platform. Such programs promote maximum utility for personal vehicles that may sit unused for hours, days, or weeks at a time. At the same time, Peer-to-Peer car sharing can offer a convenient and economical transportation option in underserved communities with limited access to public transportation or rental car services.

This is a completely new and emerging concept. At this time, it is unclear how readily vehicle owners will warm to this idea and what sort of consumer acceptance such a program will have among users. The Alliance encourages policymakers to resist being too proscriptive or prescriptive of emerging technologies and mobility efforts, and instead approach the debate with a light touch when defining the scope of regulation, so as not to stifle innovation or limit options for citizens. While not objecting to all regulation or taxation, we do not think that simply wedging this new transportation concept into a taxation scheme designed for a completely different business model is the best approach in this area.

For these reasons, and many more, the Alliance respectfully opposes HB 102.

If you have any questions or comments regarding the Alliance position, please contact me at (916) 447-7315. Thank you for your consideration.

Sincerely,

Curt Augustine  
Senior Director of Policy and Government Affairs  
Alliance of Automobile Manufacturers

cc: House Labor & Commerce Committee Members