



January 23, 2024

The Honorable Lyman Hoffman
Co-Chair,
Senate Finance Committee
State Capitol,
120 4th Street, Room 532,
Juneau, AK

The Honorable Bert Stedman
Co-Chair,
Senate Finance Committee
State Capitol
120 4th Street, Room 532,
Juneau, AK

The Honorable Donald Olson
Co-Chair,
Senate Finance Committee
State Capitol,
120 4th Street, Room 532,
Juneau, AK

Re: Oppose SB 127, “An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date.”

Dear Senator Hoffman, Senator Olson, Senator Stedman, and members of the Committee:

On behalf of Chamber of Progress, a tech industry coalition promoting technology’s progressive future, I write to urge you to **oppose SB 127**. This bill would hinder competition and limit consumer choices when it comes to rental car options. Instead, we encourage you to explore an alternative regulatory framework that has gained support from the incumbent rental car industry and peer to peer car sharing companies.

We are strong proponents of peer to peer car sharing because of its proven environmental and economic benefits. It encourages more efficient use of personal vehicles, cutting down on the need for individual car ownership, garages, and storage.¹ It also allows vehicle owners to generate additional

¹<https://mobilitylab.org/2013/09/06/why-should-local-governments-care-about-carsharing>

income to keep up with the rising cost of living. Finally, by providing an option for affordable, convenient transportation, peer-to-peer car sharing programs can help residents in transit deserts access jobs, grocery stores, and health care.

SB 127 would burden consumers who use peer to peer car sharing services, hindering competition and limiting consumer choice. By treating peer to peer car sharing companies like incumbent rental car operators for tax purposes, but not extending the same benefits rental car operators enjoy, this bill would result in disproportionate burdens on peer to peer car sharing companies. The bill would also enable the Department of Revenue to retroactively assess taxes on peer to peer transactions under a tax ordinance that was enacted before the peer to peer industry even existed.

Traditional rental car operators enjoy discounts and sales tax exemptions on fleet purchase. They are also allowed to pass certain business costs, like Vehicle Licensing Fees, directly onto their customers. Peer to peer car sharing companies do not enjoy the same benefits. **Imposing disproportionate tax burdens for peer to peer car sharing companies will make it harder for them to compete against the incumbent rental car industry and raise prices, ultimately limiting options for consumers.**

Instead of imposing unfair obligations on peer to peer car sharing companies, we encourage you to adopt a compromise regulatory framework. Peer to peer car sharing companies, incumbent rental car operators, and insurance regulators have agreed upon consensus model state legislation with the National Council of Insurance Legislators (NCOIL).² The consensus model creates reasonable insurance standards and fees for rental companies, keeping costs down for consumers and protecting competition within the industry.

To protect consumer choice, encourage competition, and protect Alaska residents' access to the benefits of peer-to-peer car sharing, we urge you to **oppose SB 127**. Instead, we encourage you to adopt the consensus framework approved by the incumbent rental car industry, NCOIL, and peer to peer car sharing companies.

² <https://ncoil.org/2020/02/03/ncoil-adopts-peer-to-peer-car-sharing-program-model-act/>

Thank you,

A handwritten signature in black ink, appearing to read 'R. Singleton', with a stylized flourish at the end.

Robert Singleton
Director of Policy and Public Affairs, US West