



September 20th, 2022

Committee on Regulatory Reform  
Anderson House Office Building  
124 North Capitol  
3-South  
PO Box 30014  
Lansing, MI 48090-7514

**RE: HB 6375 & HB 6376 - Unfavorable**

Dear Chair Hauck and members of the Regulatory Reform Committee,

Thank you for the opportunity to submit testimony in opposition to House bills 6375 and 6376. Together with other bills under consideration in the House of Representatives, these bills would undermine the state's burgeoning peer-to-peer car sharing marketplace, suppressing economic activity in Michigan communities, increasing the cost of transportation for your constituents amidst the highest inflationary period in over forty years, and depriving Michiganders of an important safe, convenient, and affordable mobility option.

Getaround is a global and digital marketplace that connects car owners with people who need safe, convenient and affordable vehicles to live and work. It's free to join, there are no monthly fees, and it's completely contactless: our patented Getaround Connect technology allows Guests to book cars on-demand without standing in line or meeting in person to pick up keys. Getaround provides insurance during trips, and our platform enables Hosts – car owners who share their cars on Getaround's platform – to supplement their incomes. Getaround launched in the Detroit area last fall.

When cars are affordable and accessible to everyone, communities benefit from the increased economic activity that comes with improved mobility. But for some, owning a car can be undesirable or cost-prohibitive, and many areas – particularly smaller cities and rural areas – are underserved by mass transit options and rental car companies. Car sharing with Getaround

means more cash in the pockets of both Hosts and Guests, and more money staying in their communities.

Peer-to-peer car sharing also has significant community benefits. Sharing a single car can take as many as 10 cars off the road, which means fewer accidents, less traffic, more available parking, and increased use of public transit and other commuting options. Car sharing also helps the environment by accelerating the adoption of more energy-efficient vehicles, and by limiting emissions: studies show that when car sharing is available, household emissions can be reduced by up to 40%.

As a leading peer-to-peer car sharing platform, Getaround supports laws that protect consumers, provide certainty in terms of insurance obligations, and allow our Guests, Hosts, and their communities to safely and confidently enjoy the benefits of peer-to-peer car sharing. Unfortunately, HB 6375 and HB 6376, together with other bills under consideration in the House, would represent a step in the wrong direction for Michigan by conflating peer-to-peer car sharing with traditional car rental. Peer-to-peer car sharing platforms and hosts are not rental car companies, and Michigan law should not treat them as if they are. Taxing peer-to-peer car sharing transactions at the same rates as traditional rental car company transactions would amount to embracing a false equivalence that would stifle Michigan's growing car sharing market.

Most importantly, unlike traditional rental car companies, Michigan's peer-to-peer car sharing hosts must pay sales tax when purchasing their vehicles. But the package of bills under consideration in the House, including HB 6375 and HB 6376, could effectively double-tax car sharing hosts: first when they buy their cars, and then again each time one of their vehicles is booked through a car sharing platform (car sharing hosts also pay income tax on car sharing transactions). This in turn would make their cars less affordable to share and reserve than rental cars. HB 6375, in addition, would allow municipal governments to impose additional taxes on peer-to-peer car sharing transactions, potentially creating a patchwork of regulation across the state and further increasing the cost of transportation for Michigan residents who rely on and enjoy the increased mobility that peer-to-peer car sharing provides in their communities.

In addition, the group of bills under consideration in the House feature insurance- and airport-related provisions that would, similarly, stymie the growing peer-to-peer car sharing

market in Michigan and raise the cost of transportation for its residents. We would welcome the opportunity to discuss these provisions with committee members, in the hopes of reaching agreement on the best path forward to protect consumers, ensure equity across industries, and preserve the value that peer-to-peer car sharing creates in Michigan communities.

We strongly recommend that the committee defer action on HB 6375 and HB 6376 until these issues can be addressed.

Sincerely,

Luke Entelis  
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Getaround, Inc.