



June 24, 2021

Chairman Joseph J. Solomon, Jr.
Rhode Island General Assembly
House Corporations Committee
82 Smith Street
Providence, RI 02903

RE:Turo support on H 6429 An Act Relating To Insurance – Peer-to-Peer Car Sharing Program

Dear Chairman Pearson and Committee Members,

Turo is the largest peer-to-peer car sharing marketplace, and we want to express our support for House Bill 6429. Turo provides the opportunity for car owners (“hosts”) to share their cars with their neighbors or with visitors to their communities. Hosts earn extra income from the sharing of their own assets to offset the high costs of car ownership or lessen the burden of credit card debt, student loans, or even medical bills.

Guests, who are also often local, enjoy the opportunity to choose an exact make, model, and price point to suit their specific needs or take them on their next adventure. Hosts and guests are directly connected via the Turo app or website, and make arrangements where the host, not Turo, decides pricing, mileage, delivery, and any extras.

In the last two years, Turo led the effort to collaborate with the American Property and Casualty Insurance Association (APCIA), and the National Association of Mutual Insurance Companies (NAMIC) to draft model language addressing insurance, safety, and consumer protections. In December of 2019, the National Council of Insurance Legislators (NCOIL) adopted this model language, offering the legislative framework for peer-to-peer car sharing. That model reflected here in Rhode Island as House Bill 6429.

Peer-to-peer car sharing and traditional car rental are categorically two different industries. For example, in Rhode Island, rental car companies are exempt from the 7% sales tax on vehicle purchases – a loophole worth more than \$14 million dollars each year. The hosts utilizing Turo’s marketplace in Rhode Island share their own personal cars and have paid state sales tax at the time of purchase as well as annual registration costs, and fees. In addition, car rental companies in Rhode Island do not pay vehicle licencing, title, registration, transfer fee costs, and excise taxes. Instead, they pass that on to the consumer in the form of a ‘rental surcharge’

of 8%. The rental companies get to keep 60% of the rental surcharge to pay for vehicle licencing, title, registration, transfer fee costs, and excise taxes.

Peer-to-peer car sharing should not be subject to the car rental surcharge of 8% simply because our hosts already pay for their titling and registration fees in addition to a sales tax of 7% when acquiring the vehicle. Turo on the other hand also collects and remits to the state the 7% sales tax on each transaction happening in the state of Rhode Island.

Additionally, in response to comments made regarding peer-to-peer car sharing at airports, we want to make it clear that airports already have the ability to govern the use of their premises without the need for changes in statute. Turo stands ready and willing to discuss an appropriate permit structure that properly considers the material differences between traditional rental car companies and peer-to-peer car sharing, which we have done successfully at airports across the country. For example, Turo does not own any vehicles. Instead, hosts make their personal vehicles available for sharing through the Turo marketplace. Peer-to-peer car sharing does not create infrastructure impacts on any airport since there is zero fleet storage, no traditional rental counter, no spaces needed to clean and prepare vehicles, and no employees on site. These different business models create vastly different impacts on infrastructure and must be considered as distinct and separate businesses. This clear differentiation between traditional rental companies and peer-to-peer car sharing is a major goal of the NCOIL model.

On behalf of myself, Turo, and Rhode Island hosts & guests, I appreciate Chairman Solomon and the committee's willingness to listen, and I kindly ask you to support House Bill 6429.

Best Regards,
Pablo Benavente
Senior Political &
Government Relations Manager
Turo, Inc.
pablo@turo.com