

SB705BeidleTestimony.pdf

Uploaded by: Beidle, Pamela

Position: FAV

PAMELA G. BEIDLE
Legislative District 32
Anne Arundel County

Finance Committee

Vice Chair
Executive Nominations Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 3, 2021

SB 705

State Airports – Commercial Activity – Rental Vehicles and Peer to Peer Car Sharing

Chairman Kelley, Vice Chair Feldman and members of the Committee;

Thank you for the opportunity to present SB705, State Airports – Commercial Activity – Rental Vehicles and Peer to Peer Car Sharing. SB705 requires that companies in the business of renting cars – whether they are a rental car company or a peer-to-peer car sharing platform – operate under the same set of rules at BWI Thurgood Marshall Airport.

In 2017, this committee created a statutory framework for Peer-to-Peer car sharing companies. That framework, which included insurance and various consumer protections, is nearly identical to the requirements set forth for traditional rental car companies. And, because Peer-to-Peer operators had ignored several cease-and-desist requests from MAA, this committee tried to make it clear in that legislation, that Peer-to-Peer companies conducting operations at BWI had to first enter into a concession contract.

Unfortunately, it is apparent, we were not clear enough. Because in the years since, Peer-to-Peer companies are still conducting operations at the airport without a concession agreement. In fact, I raised this very issue on the floor last year when P2P companies were asking this state to continue granting them preferential sales tax treatment.

Today, incumbent rental car companies operating at BWI are required to charge customers concession, facility, and transportation fees. Operationally, customers are required to take a shuttle bus from the airport terminal to the consolidated rental car facility – in an effort to keep rental activity away from the terminal. Yet, for years Peer-to-Peer operators have conducted commercial activity at BWI without charging the consumer any airport fees and have simultaneously utilized the terminal or on-site parking garage to conduct their activities.

This unfair advantage undercuts existing operators who employ hundreds of folks in my district and also results in lost revenue to the State.

SB705 helps ensure businesses competing for the same customers are competing on equal footing. Ultimately, we should not be in the business of picking winners and losers within the same industry.

For these reasons, I ask for a favorable report on SB705. Thank you for your consideration.

SB705 Testimony by Michael DeLorenzo NextCar Renta

Uploaded by: DeLorenzo, Michael

Position: FAV

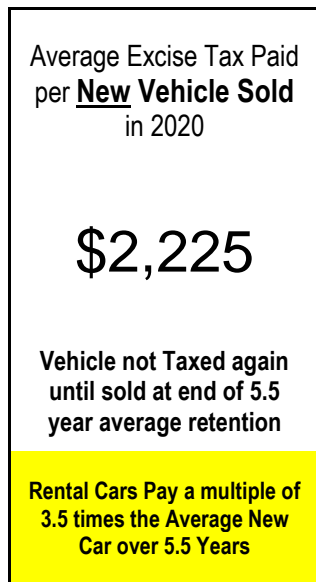
My Name is Michael DeLorenzo. I am President of the Maryland Business, NextCar Rental and Leasing, headquartered in Laurel Lakes.

NextCar was founded in Maryland by Maryland residents and has 120 employees working in 17 retail stores in the Baltimore-Washington-Annapolis-Frederick Market place.

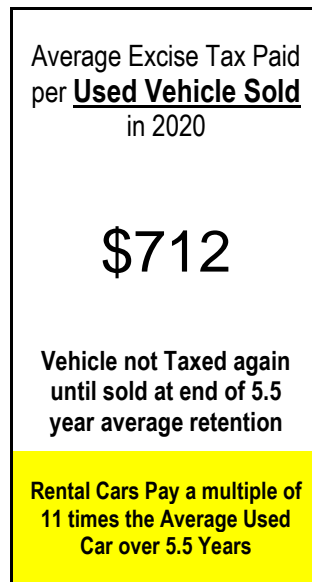
I am blessed because I love the business I have been in for the last 52 Years.

You have probably heard about all the recent claims that Car Rental companies are not paying Excise Taxes. I have prepared this little chart to show you about the Car Rental Taxes my industry pays instead of excise tax. As you can see rental cars pay a multiple of 6.6 times the average excise tax amount (see item C & D).

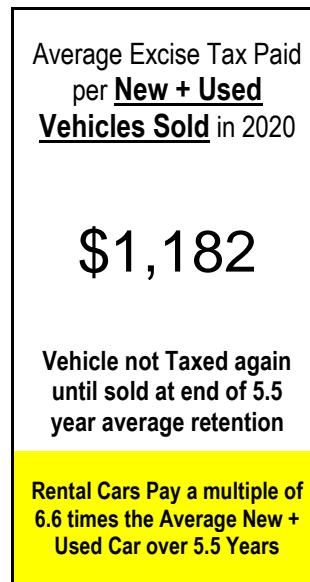
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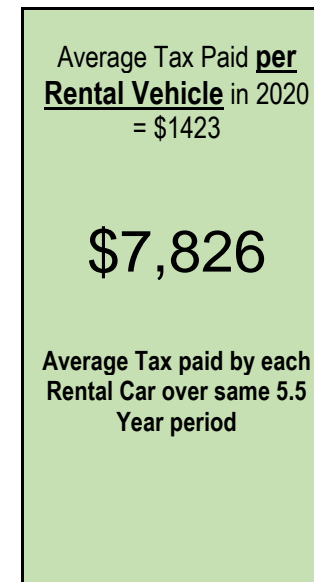
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C



D



Bill SB705 simply brings peer-to-peer car rental web sites into compliance with all the same regulations and rules that each car rental firm is required to comply with by the State of Maryland.

The California Superior Court and Massachusetts Supreme Court have already ruled that the peer-to-peer car sharing websites being run by California big tech companies are in fact car rental companies.

SB705 will simply give the administration the specific authority to treat peer-to-peer car rentals exactly the same as it treats traditional car rental companies. Without the expense of going to court.

This simple bill would bring to an end the attempts by some peer-to-peer website operators to do an end run around the very same regulations that I have been required to comply with over the last 52 years of renting cars here in Maryland.

There is a vacant facility at BWI Airport that is available by competitive bidding for any company that wants to do business there. That would include a peer-to-peer car rental operator.

They should be required to follow the same procedures as I was required to follow to obtain access to BWI's consumers.

Please no special treatment for out of state big tech. It just would not be fair!

Vote Favorable of SB705

SB705 - EHI Testimony - Favorable.pdf

Uploaded by: Dolloph, Andy

Position: FAV



EHI SUPPORT SB 705

Enterprise Holdings, Inc (EHI) is a family-owned and operated business with 100,000 employees companywide, operating in 100 countries. Enterprise, Alamo and National car rental brands hire more college students each year than any other employer in the US. **In Maryland alone, Enterprise has more than 150 retail locations and two corporate offices in Linthicum and Rockville with nearly 2,000 employees statewide.** On behalf of Enterprise Holdings, we ask this committee to **SUPPORT SB 705.**

Peer-to-Peer car sharing platforms continue to offer vehicle rentals at BWI without a concession contract. These companies compete for the same customers as traditional rental companies. The state should not grant new entrants into the marketplace with more favorable operating terms, fee arrangements and sales tax rates when compared to the rental car businesses that have been and continue to be conducting legal commercial activity at the airport and across Maryland.

The chart below addresses the discrepancy in fees and taxes associated with renting a vehicle from businesses operating legally at BWI and those seeking the same short-term use of a vehicle from a Peer-to-Peer car sharing company. SB 705 ensures equal operating treatment of industry participants, reflects the intent behind 2017 legislation that attempted to resolve this exact issue, and acknowledges the longstanding reasons why BWI wanted rental activity to take place away from the terminal. Therefore, we respectfully request a favorable report on SB 705.

BWI TRADITIONAL RENTAL VEHICLE**		
TAXES & FEES	• BASE RATE: Time & Distance 3 Day(s) @ \$ 40.00 / Day	\$ 120.00
	• CONCESSION FEE to MAA (11.11%)	\$ 14.43
	• CFC to MAA – CONRAC Bldg \$3.75/DAY	\$ 11.25
	• TFC- Shuttle Bus Cost \$2.90DAY	\$ 8.70
	• MARYLAND SALES TAX (11.5%)	\$ 17.75
RENTAL CAR CUSTOMER PAYS		\$ 172.13

Total MAA Revenue:	\$25.68	State Sales Tax Revenue:	\$17.75
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BWI P2P RENTAL VEHICLE**		
TAXES & FEES	• BASE RATE: Time & Distance 3 Day(s) @ \$ 40.00 / Day	\$ 120.00
	• CONCESSION FEE to MAA (0%)	\$ 0.00
	• CFC to MAA – CONRAC Bldg \$0/day	\$ 0.00
	• TFC- Shuttle Bus Cost \$0/day	\$ 0.00
	• MARYLAND SALES TAX (8.0%)	\$ 9.60
P2P RENTAL CAR CUSTOMER PAYS		\$ 129.60

Total MAA Revenue:	\$0.00	State Sales Tax Revenue:	\$9.60
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THE CURRENT TREATMENT IS UNFAIR TO RENTAL OPERATORS AND COSTS THE STATE REVENUE:

1. CUSTOMER PAYS \$42.53 MORE (33% increase)
2. MAA LOSES \$25.68 per transaction
3. STATE SALES TAX LOSES \$8.15 per transaction

**Based off same daily base rate.

MD_TechNet_SB705 P2P Car Sharing Airport 3.3.21.pd

Uploaded by: Gilrein, Christopher

Position: UNF



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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March 3, 2021

The Honorable Senator Delores Kelley, Chair
Senate Finance Committee
Miller Office Building, 3 East Wing
11 Bladen Street
Annapolis, Maryland 21401

Re: TechNet Opposition to Sb 705 – Rental Vehicles and Peer-to-Peer Car Sharing

Dear Chair Kelley and members of the Committee:

I write to respectfully express TechNet's opposition to SB 705, which seeks to regulate the operation and use of peer-to-peer car sharing platforms at Maryland's airports.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. Our diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over three and a half million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

Peer-to-peer car sharing platforms allow Maryland residents to offer up the use of their personal vehicles for a fee. They provide an innovative, flexible, and affordable mobility service in addition to opportunities for Marylanders to generate additional income. Car sharing also helps to reduce congestion and emissions, as the availability of on-demand vehicle access can lessen the need for some people to own a personal vehicle.

Unlike rental car companies, these platforms do not own or operate a fleet of vehicles; they simply provide the marketplace in which individuals can loan out their personal vehicle to others. HB 1304 seeks to treat these platforms the same way as companies that own and operate vehicle fleets, rental desks, and offices throughout the state.

Maryland determined that peer-to-peer car sharing is a separate and distinct business model from traditional car rental via Chapter 852 of 2018. That legislation established

a regulatory framework for this nascent industry – including its operations at the state’s airport. SB 705 would result in unnecessary and contradictory regulation.

Thank you for your consideration. We hope that the bill is not advanced by the Committee. Please do not hesitate to contact me if I can provide any additional information.

Sincerely,



Christopher Gilrein
Executive Director, Massachusetts and the Northeast
TechNet
cgilrein@technet.org

MD SB 705 - Getaround Written Testimony (Unfavorab

Uploaded by: Kelly, Gaston

Position: UNF



March 3, 2021

The Honorable Delores Kelley
Chair, Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB 705: State Airports - Commercial Activity - Rental Vehicles and Peer-to-Peer Car Sharing - Unfavorable

Dear Chair Kelley and Members of the Committee,

Thank you for the opportunity to provide our perspective on SB 705 and to express our opposition to this legislation.

Getaround is a connected and contactless car sharing marketplace. We use technology – a device called the Getaround Connect® installed in the car and a smartphone app – to connect safe, convenient, and affordable cars with people who need them to live and work, without ever having to coordinate schedules to meet in person and hand over keys. Though we currently do not operate in Maryland, we certainly would like to in the future.

On average, cars sit unused 22 hours a day – and that was before the pandemic. Car sharing, including through Getaround's car sharing platform, helps people earn extra money by allowing them to share their idle cars with members of their community. The extra money means a lot, especially in times like these.

Community members who choose to not own a car, cannot afford one, or need access to a different type of car than the one they own also benefit by getting on-demand access, by the hour or day, to convenient and affordable on-demand vehicles for trips where a car is the best option.

Car sharing also has environmental benefits. Studies show that sharing one car can take up to ten other cars off the road, which means fewer accidents, reduced traffic, and less space needed for roads and garages. The availability of shared vehicles can motivate car owners to use a wider range of mobility options rather than simply using their personal car for every trip. Car sharing enables some owners to give up their cars altogether. Car sharing can reduce household emissions by up to 40%.

We oppose SB 705 because Chapter 852 of 2018, which established a regulatory framework for peer-to-peer car sharing in Maryland, already stipulates that peer-to-peer car sharing companies operating at the airport are subjected to airport contracts and airport fees.

Further, SB 705 endeavors to treat car sharing the same as traditional car rental, when current law already and appropriately defines them separately.

Finally, the mere mention in a peer-to-peer car sharing listing of the airport, without more, e.g., as a point of interest or reference among other landmarks, should not require the car sharing platform to obtain a concessions agreement.

The growth of car sharing nationwide shows consumers want to add car sharing to their transportation options. But it is still a young and emerging industry and regulation that is unbalanced, inflexible, or misaligned may do far more harm than good. We appreciate the Legislature's interest in this issue and urge the Committee to issue an unfavorable report for SB 705.

Best regards,

A handwritten signature in black ink, appearing to read "Gaston Kelly". The signature is fluid and cursive, with the first name being more prominent.

Gaston Kelly
Public Policy Manager
Getaround, Inc.
gaston.kelly@getaround.com

SB 705 State Airports – Commercial Activity – Rent

Uploaded by: MANIS, NICK

Position: UNF

SENATE BILL 705

R2

1r1752
CF 1r2504

By: **Senators Beidle, Feldman, and Hershey**
Introduced and read first time: February 3, 2021
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **State Airports – Commercial Activity – Rental Vehicles and Peer-to-Peer Car**
3 **Sharing**

4 FOR the purpose of establishing certain standards and requirements governing the
5 provision of services and the granting of privileges by the Maryland Aviation
6 Administration with respect to commercial activity undertaken by rental vehicle
7 companies and peer-to-peer car sharing programs at State airports; altering the
8 defined term “commercial activity” as it relates to State airports to include certain
9 activities performed by rental vehicle companies and peer-to-peer car sharing
10 programs; making a certain stylistic change; and generally relating to commercial
11 activity by rental vehicle companies and peer-to-peer car sharing programs at State
12 airports.

13 BY repealing and reenacting, without amendments,
14 Article – Insurance
15 Section 19–520(a)(1), (8), and (9)
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Transportation
20 Section 5–408
21 Annotated Code of Maryland
22 (2020 Replacement Volume)

23 BY repealing and reenacting, without amendments,
24 Article – Transportation
25 Section 18–108(a) and 18.5–106
26 Annotated Code of Maryland
27 (2020 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 **Article – Insurance**

4 19–520.

5 (a) (1) In this section the following words have the meanings indicated.

6 (8) “Peer-to-peer car sharing” means the authorized use of a motor vehicle
7 by an individual other than the vehicle’s owner through a peer-to-peer car sharing
8 program.

9 (9) “Peer-to-peer car sharing program” means a platform that is in the
10 business of connecting vehicle owners with drivers to enable the sharing of motor vehicles
11 for financial consideration.

12 **Article – Transportation**

13 5–408.

14 (a) In its operation of an airport, airport facility, or air navigation facility owned
15 or controlled by this State, the Administration, with the approval of the Secretary and
16 subject to the direction of the Commission, may contract, lease, or otherwise arrange with
17 any person to:

18 (1) Provide the person with services furnished by the Administration or its
19 agents at the airport or facility; or

20 (2) Grant to the person the privilege of:

21 (i) Using or improving for commercial purposes any part of the
22 airport or facility; or

23 (ii) Supplying services, facilities, goods, commodities, or other things
24 at the airport or facility.

25 (b) (1) For the privileges granted, the Administration may establish any terms
26 and conditions and fix any charges, rentals, or fees that:

27 (i) Are reasonable and uniform for the same class of privilege or
28 service;

29 (ii) Are established with due regard to the property and
30 improvements used and the expenses of operation to this State; and

31 (iii) Do not deprive the public of its rightful, equal, and uniform use

1 of any part of the airport or facility.

2 (2) The Administration shall monitor the charges, fees, or prices of any
3 goods or services offered to the public by persons granted the privilege under this section.
4 Every contract, lease, or other arrangement shall provide that charges, fees, or prices:

5 (i) May not be increased without the prior approval of the
6 Administration; and

7 (ii) Are to be reasonable. In determining reasonableness the
8 Administration shall consider the charges, fees, or prices for the same goods or services at
9 comparable airports.

10 (3) The Administration shall:

11 (i) Monitor the employment practices under Title 20, Subtitle 6 of
12 the State Government Article of persons granted privileges under this section; and

13 (ii) Refer for investigation all alleged violations of § 20–606 of the
14 State Government Article to the Commission on Civil Rights, the Equal Employment
15 Opportunity Commission, or any appropriate State or federal administrative body.

16 (4) **IN CARRYING OUT ITS POWERS AND DUTIES UNDER THIS**
17 **SUBSECTION WITH RESPECT TO THE OFFER FOR RENTAL OR USE OF A MOTOR**
18 **VEHICLE BY A RENTAL VEHICLE COMPANY, AS DEFINED IN § 18–108 OF THIS**
19 **ARTICLE, OR A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED IN § 19–520 OF**
20 **THE INSURANCE ARTICLE, THE ADMINISTRATION SHALL:**

21 (I) **TREAT THE SERVICES AS BEING OF THE SAME CLASS;**

22 (II) **PROVIDE SERVICES AND GRANT PRIVILEGES IN A**
23 **CONSISTENT MANNER;**

24 (III) **ENSURE THAT THE TERMS AND CONDITIONS OF**
25 **AGREEMENTS, INCLUDING ALL ACCESS AND FEE REQUIREMENTS, ARE REASONABLE**
26 **AND UNIFORM WHEN COMPARING:**

27 1. **ON–AIRPORT RENTAL VEHICLE COMPANIES AND**
28 **ON–AIRPORT PEER–TO–PEER CAR SHARING PROGRAMS; AND**

29 2. **OFF–AIRPORT RENTAL VEHICLE COMPANIES AND**
30 **OFF–AIRPORT PEER–TO–PEER CAR SHARING PROGRAMS; AND**

31 (IV) **TAKE INTO CONSIDERATION THE ADMINISTRATION’S**
32 **LONG–TERM INVESTMENT IN THE CONSOLIDATED RENTAL VEHICLE FACILITY AND**

1 **ASSOCIATED STRUCTURES AND IMPROVEMENTS.**

2 (c) (1) (I) In this subsection, “commercial activity” means the sale,
3 merchandising, marketing, or promotion of any goods or services.

4 (II) “COMMERCIAL ACTIVITY” INCLUDES THE OFFER OR
5 ARRANGEMENT BY A RENTAL VEHICLE COMPANY OR A PEER-TO-PEER CAR SHARING
6 PROGRAM OF THE RENTAL OR USE OF A MOTOR VEHICLE BY:

7 1. LISTING, PUBLISHING, OR ADVERTISING THE RENTAL
8 OR USE OF A MOTOR VEHICLE BY MENTIONING THE FORMAL OR INFORMAL NAME OF
9 AN AIRPORT OPERATED BY THE ADMINISTRATION, INCLUDING THE USE OF “BWI”,
10 “BWI MARSHALL”, OR ANY SIMILAR DERIVATIVE;

11 2. LISTING, PUBLISHING, OR ADVERTISING THE RENTAL
12 OR USE OF A MOTOR VEHICLE PARKED ON OR LOCATED AT AIRPORT PROPERTY OR
13 FACILITIES;

14 3. FACILITATING THE USE OF MOTOR VEHICLES TO
15 TRANSPORT AIRPORT CUSTOMERS TO OR FROM AIRPORT PROPERTY OR FACILITIES,
16 REGARDLESS OF WHETHER:

17 A. USE IS INITIATED ON OR OFF AIRPORT PROPERTY OR
18 FACILITIES;

19 B. THE RENTAL START TIME OCCURS ON OR OFF
20 AIRPORT PROPERTY OR FACILITIES; OR

21 C. THE CAR SHARING START TIME OCCURS ON OR OFF
22 AIRPORT PROPERTY OR FACILITIES; OR

23 4. PROMOTING OR MARKETING MOTOR VEHICLES TO
24 TRANSPORT AIRPORT CUSTOMERS TO OR FROM AIRPORT PROPERTY OR FACILITIES,
25 REGARDLESS OF WHETHER:

26 A. THE TRANSPORTATION IS INITIATED ON OR OFF
27 AIRPORT PROPERTY OR FACILITIES;

28 B. THE RENTAL START TIME OCCURS ON OR OFF
29 AIRPORT PROPERTY OR AIRPORT FACILITIES; OR

30 C. THE CAR SHARING START TIME OCCURS ON OR OFF
31 AIRPORT PROPERTY OR AIRPORT FACILITIES.

1 (2) Commercial activity is [permitted] **ALLOWED** at an airport operated by
2 the Administration only when expressly authorized by and in a manner prescribed by the
3 Administration.

4 18–108.

5 (a) (1) In this section, “rental vehicle company” means a person that rents a
6 motor vehicle to a consumer.

7 (2) “Rental vehicle company” does not include a peer-to-peer car sharing
8 program, as defined under § 19–520 of the Insurance Article, and that is subject to Title
9 18.5 of this article.

10 18.5–106.

11 In accordance with § 5–408 of this article, a peer-to-peer car sharing program must
12 have a concession fee agreement with the Maryland Aviation Administration to operate at
13 an airport in the State.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2021.