



April 5, 2022

## **Proposed Package of Peer to Peer Car Sharing Bills Will Threaten Its Significant Benefits**

The Honorable Jason Wentworth  
Speaker  
Michigan House of Representatives  
Lansing, MI

Dear Speaker Wentworth and members of the House,

On behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to urge the House chamber to oppose HB 4915, HB 4916 and HB 4917. The three proposed bills pose a significant threat to the benefits that peer to peer car sharing provides to Michiganders.

Our organization works to ensure all Americans benefit from technological leaps. We are a strong proponent of peer to peer car sharing because of its environmental and economic benefits. The use of peer to peer car sharing ensures more efficient utilization of privately owned vehicles, facilitates more livable cities, makes Michigan a more equitable place to live, and allows car owners to earn extra income by renting out their vehicle.

**Peer to peer car sharing encourages more efficient use of privately owned vehicles.** On average a car owner's vehicle remains parked 95% of the time and occupies large portions of prime real estate.<sup>1</sup> For many cities across the United States, this space could be better served for developing more housing units, store-fronts or community centers. Peer to peer car sharing services put privately owned vehicles to more efficient use by repurposing underutilized cars and reducing the need for individual car ownership, garages and storage.

**Peer to peer car sharing increases food and transportation accessibility for Michiganders.** The Center on Budget and Policy Priorities reported that more than 600,000 Michiganders experience food insecurity.<sup>2</sup> For low income and predominantly minority communities, the odds are disproportionately higher. As a result, residents in low-income neighborhoods travel further distances to access healthy food options and are often limited in the amount of items they are able to carry. Access to peer to peer car sharing options provide Michigan residents the opportunity to shop in food-rich neighborhoods.

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<sup>1</sup>David Morris, *Today's Cars Are Parked 95% of the Time*, (Mar. 2022), <https://fortune.com/2016/03/13/cars-parked-95-percent-of-time/>

<sup>2</sup>Katelyn Kivel, *More Than 600,000 Michiganders Don't Have the Food They Need*, The Gander, (Oct. 2020), <https://gandernewsroom.com/2020/10/23/600000-michiganders-food/>

Peer to peer car sharing also helps to address inequitable transit gaps throughout the state. Traditional public transportation systems have historically contributed to inequality for disadvantaged minority groups. Research shows that black people are more likely to rely upon public transportation accounting for 60% of all public transit riders.<sup>3</sup> In addition, people of color are more likely to have commutes to work that are 60 minutes or longer, one way.<sup>4</sup> Peer to peer services balance the scales for Michigan residents by offering an alternative, more accessible and affordable means of transportation to get from one destination to another.

**Peer to peer car sharing creates an extra stream of income for Michigan residents.** Many families have been hit hard and suffered from major financial loss during the pandemic. Since several federal assistance programs expired in September 2021, supplemental income is needed now more than ever.<sup>5</sup> Peer to peer car sharing allows car owners to utilize the tools they have by renting out their vehicles to earn the money they need to pay their growing bills.

Over the past year, 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).

Unfortunately, the proposed bills - HB 4915, HB 4916 and HB 4917- negatively impact peer to peer car sharing and threaten its many benefits by:

- departing from the consensus model peer to peer legislation adopted by other states;
- subjecting private car sharing to greater taxation than traditional rental car services, because the latter services currently benefit from a tax election -- while vehicle owners paid sales tax when they purchased their vehicles; and
- hindering the ability of air travelers to Michigan from utilizing peer to peer car sharing, by limiting car sharing platforms' ability to negotiate with state airports.

We encourage you to oppose the bills so that peer to peer car sharing services can continue to protect the environment, close transit gaps, combat food deserts, and offer Michigan families the financial stability needed to recover post-pandemic.

Sincerely,



Jamie Pascal  
Director of Civic Innovation Policy  
Chamber of Progress

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<sup>3</sup>*Who Rides Public Transportation*, American Public Transportation Association, (Jan. 2017)  
<https://www.apta.com/research-technical-resources/research-reports/who-rides-public-transportation>

<sup>4</sup>*To Move Is To Thrive: Public Transit and Economic Opportunity for People of Color*, (Nov. 2017)  
<https://www.demos.org/research/move-thrive-public-transit-and-economic-opportunity-people-color>

<sup>5</sup>*Expiration of Federal Unemployment and Pandemic Benefits*, Department of Labor, (Dec. 2021)  
<https://dol.ny.gov/fedexp>