

Written Testimony  
Before The Ohio State Senate  
Transportation, Commerce and Workforce Committee

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By  
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Good afternoon Mister Chair and members of the committee. Thank you for the opportunity to testify today. My name is Nicholas Green, with the law firm of Orrick, Herrington & Sutcliffe LLP on behalf of Getaround to testify in opposition to the portions of House Bill 62 that pertain to peer-to-peer carsharing.

Getaround is a peer-to-peer carsharing marketplace platform that empowers members to safely share their personal vehicles by the hour and day. Getaround operates in multiple cities, and while not currently in Ohio, we certainly would like to be in the future. Our technology helps users find, book and unlock nearby vehicles on-demand using their smartphones. In short, our platform connects people whose cars are sitting idle and unused with people who need to use a car. It's the modern equivalent of borrowing a friend or family members' car.

Getaround's platform makes car ownership more affordable. Owning a car is expensive. Car payments, maintenance, insurance and parking all add up. For people who need to own a car, carsharing offsets ownership costs by allowing them to share the car when it would otherwise be sitting idle in a parking spot. An extra \$300 to \$600 a month would mean a lot to lower and middle-income Ohioans.

And it's not just car owners that benefit: carsharing provides convenient and affordable on-demand access to vehicles for the growing number of Americans who do not own cars, or for whom car ownership is cost prohibitive. Low and middle income folks benefit tremendously from convenient access to affordable transportation—and that's what carsharing, and especially carsharing through our platform provides.

As one of the nation's leading peer-to-peer carsharing platforms, Getaround supports consumer-friendly protections and laws that provide liability and insurance certainty. Where the law is unclear, we want and crave certainty so that we can orient our business accordingly and make sure that everyone—from our owners, to our users, to third-parties who encounter cars on the road—are protected.

But this budget amendment offered late in the House process is not the product of deliberation that will yield the type of thorough legislation that's required. It's incredibly important for the state to get this right: as the growth of peer-to-peer carsharing nationwide shows, consumers want to add carsharing to their transportation options. But it is still a young and emerging market and a

rushed series of regulations may do far more harm than good—and even worse, regulate the market out of existence before we even know what the mature market will look like.

Fundamentally, and despite calls for immediate action from companies that view themselves as competitors of peer-to-peer carsharing, there is no reason to rush this. Of the three major peer-to-peer carsharing platforms, two of them do not even operate in Ohio yet. Of the one that does, it's my understanding that there has never been any concerns about its operations that would be addressed by the legislation before you. In short, there's no reason to enact a peer-to-peer carsharing regulation and taxation bill this year rather than next, much less in a truncated transportation budget process. We would much prefer to work with all of the relevant stakeholders to come up with a bill that sensibly and thoroughly addresses carsharing.

This bill as proposed carries with it real risks of impairing this market before it even gets off the ground—and rather than achieving so-called “parity” with rental car companies, it may even put carsharing platforms and vehicle owners at a competitive *disadvantage* to the entrenched incumbents who have a vested interest in maintaining the status quo.

To provide a few examples where the House's bill needs further study and consideration, we are concerned about:

- (1) Placing responsibility with the carshare platform for providing insurance when the car is still parked, before the user has even begun to use it;
- (2) Requiring insurance coverage that exceeds what is required even of rental car companies, much less personal auto policies in Ohio, without any actual justification that is tied to any increase risks from carsharing;
- (3) Limiting peer-to-peer carsharing to vehicles owned by “individuals,” without accounting for the myriad ways that individuals own vehicles through trusts, estates, and family corporate entities, and thus also denying owners the right that rental companies enjoy to deduct the cost of ownership from income tax liabilities;
- (4) Requiring that carsharing platforms like Getaround collect and remit sales taxes but, unlike the robust marketplace facilitator and platform bills pending around the country, providing absolutely no procedures in terms of reliance on representations by owners, reporting requirements, audit obligations, or tax liability that are cornerstones of thoughtful marketplace facilitator laws.

It is also worth making a brief note of taxes. The rental car companies are quick to claim that they are just seeking “parity” with peer-to-peer carsharers. But their argument relies on a false equivalency, in which vehicle owners are acting like rental car companies. They are not. Rental car companies earn the majority of their revenue from airport transactions; the vast majority of Getaround transactions, by contrast, are local people making local trips. And unlike rental car companies, our vehicle owners don't enjoy an exemption from sales tax on the purchase of new

vehicles, nor can they claim tax deductions against federal income tax for costs like insurance, maintenance, or repairs. Tax obligations are not as simple as looking just at the transaction—it requires a holistic analysis of all of the tax liabilities that the vehicle owner and rental car companies incur. This budget as amended does not even begin to do that.

For these reasons, we oppose the portions of the budget pertaining to carsharing and ask the Committee to defer action on this issue until next session. In the meantime, we look forward to working with you and other stakeholders to develop a bill that makes sense for Ohio.