

**NetChoice** *Promoting Convenience, Choice, and Commerce on The Net*

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Rep. Norm Major, Chair  
Ways and Means Committee  
New Hampshire House of Representatives  
107 North Main Street  
Concord, New Hampshire 03301

January 28, 2018

RE: **Opposition to HB 1558 – creating new restrictions on car ownership**

Dear Chairman Major and members of the committee:

HB 1558 will discourage new income opportunities for Granite state residents and impose burdensome regulations that are antithetical to property rights that are core to New Hampshire values.

HB 1558 would impose barriers on car owners' ability to lend their car for a couple of days via Twitter, Turo, or NextDoor. Moreover, HB 1558 runs afoul of federal law by holding online platforms like Twitter, Turo, or NextDoor liable for taxes on any such car listed on their websites.

To that end, we suggest not advancing HB 1558 and instead having a robust conversation of the benefits of the peer-to-peer economy.

***Benefits of car-sharing to constituents***

Car-sharing services provide extra income to New Hampshire residents. Over 4,800 New Hampshire residents have signed up to use Turo, a leading car-sharing platform. And about half of New Hampshire car-shares on Turo occur between New Hampshire neighbors.

Consider, for example, New Hampshire families that need a pick-up truck to move furniture. Car-sharing services help connect families that need a truck with neighbors who have a truck available for use. This helps car-owners earn extra income by sharing their cars with their neighbors.

***HB 1558 limits the property rights of New Hampshire citizens***

Making it harder to use their car the way they want, HB 1558's limitations on New Hampshire residents seem counter to the state motto of: "Life Free or Die."

***Big rental car chains benefit most from limits on car-sharing***

Big rental car companies are backing legislation like HB 1558 because they view the emergence of car-sharing as a threat to their business model. These big companies want to create artificial barriers to competition and are using legislation like HB 1558 as a form of competition prevention.

### *Car-Sharing platforms are not rental car companies*

While the big car rental companies want legislators to treat car-sharing as car-rental, the two activities are markedly different. Unlike Enterprise or Hertz, online platforms don't own the cars that are shared. In fact, the car owners are users of the service, not the service itself.

Moreover, big car rental companies take advantage of tax loopholes and corporate and business tax incentives. Such deductions are rarely available to a New Hampshire car owner who shares their car.

### *HB 1558's requirements on Online Platforms would run afoul of federal laws*

The internet is an open platform that enables people from all parts of New Hampshire to share content and engage in lawful conduct. While some nations discourage such user-generated content, the United States created fertile ground for business models that have transformed the world.

Moreover, this innovation is protected by Section 230 of the federal Communications Decency Act. Section 230 operates as the backbone for our favorite e-Commerce sites. Without Section 230 we might not have platforms like eBay, Kickstarter, Yelp, HomeAway, or YouTube. Put simply, Section 230 says platforms can't be held strictly liable for content posted by others.

However, HB 1558 ignores Section 230 and instead imposes requirements on websites that merely operate much like a bulletin-board. This not only threatens a core tenet of the internet but is at odds with federal law – resulting in the likely injunction of HB 1558.

To that end, we ask that you not move HB 1558. Nonetheless, we welcome the opportunity to work with you on reasonable regulations that allow all to prosper.

Sincerely,



Carl Szabo

Vice President and General Counsel, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. [www.netchoice.org](http://www.netchoice.org)