

The Maine Heritage Policy Center Testimony in Opposition to LD 1615 “An Act To Enact Laws Governing Private Vehicle Rentals”

Senator Sanborn, Representative Tepler and distinguished members of the Committee on Health Coverage, Insurance and Financial Services, my name is Adam Crepeau and I serve as a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to testify in opposition to LD 1615.

Over the last few years, similar bills have been proposed to limit and regulate home sharing and ride sharing services in the state of Maine. With the advancement of technology and social networking, individuals are becoming more empowered to find alternative ways to earn a living or collect additional income. However, these new advancements are becoming the target of government intervention in the name of “leveling the playing field” or making society “safer.” While The Maine Heritage Policy Center believes in safety and equality of opportunity, this bill would stifle individuals who simply want to rent their car to others. Instead of creating arbitrary regulations that strangle the sharing economy, we are in favor of allowing the free market to decide which industries win and lose.

LD 1615 would treat individuals who want to share their vehicles with others as rental car companies. While this may be an attempt to level the playing field, there is a significant difference between an individual who seeks to temporarily rent their private vehicle versus a company that operates a fleet of rental vehicles. For many individuals, renting their private vehicle is not a large-scale operation -- LD 1615 is akin to taxing and regulating lemonade stands to level the playing field with large juice producers. A person’s vehicle is their private property (on which they’ve already paid taxes) and they should be able to rent it out without being required to jump through red tape. After all, this bill would only apply to individuals that share three vehicles or less to prospective renters.

Some people share their vehicles with others to earn income that will cover some of their monthly expenses. For example, Chris Williamson of Arizona rents his new car to others to pay for the vehicle’s monthly payment.¹ Putting undue regulations on providers of private rental vehicles serves to stifle the sharing economy and maintain the status quo. As long as government is in the business of picking winners and losers, the economy will never advance to a point in which individuals will be able to take charge of their own destiny.

Lawmakers need to ask themselves: Why is this legislation being proposed, and will it do anything to help Mainers or will it only serve special interests? Due to the harmful nature of LD 1615, The Maine Heritage Policy Center urges the committee to vote, “Ought Not to Pass” on this bill. Thank you.

¹ <https://www.pressherald.com/2019/05/02/car-sharing-apps-popularity-drives-debate-about-taxes/>