



## **Proposed Fee for Peer-to-Peer Vehicle Sharing Transactions at Phoenix Sky Harbor International Airport**

In accordance with Arizona Revised Statutes Section 9-499.15 (A.R.S. § 9-499.15), this report provides notice that the City of Phoenix Aviation Department (Aviation) proposes to establish a peer-to-peer vehicle sharing fee on operators' gross revenue per month for vehicle sharing transactions.

### **Background**

Peer-to-peer vehicle sharing involves an individual privately-owned vehicle being rented to another individual through a peer-to-peer business company that provides a platform for vehicle owners to rent their privately owned vehicles for a fee.

Aviation launched a one-year pilot program for vehicle sharing operators that allowed Aviation to better understand how peer-to-peer vehicle sharing operations would work at Phoenix Sky Harbor International Airport (PHX).

Under the pilot program, Aviation entered into separate temporary license agreements with ANIHI NEWCO, LLC. d/b/a Avail in January 2022 and Turo Inc. d/b/a Turo, in May 2022. Avail elected to cancel its agreement in March 2023 as the company ended operations at PHX in December 2022. Turo opted to continue operations on a month-to-month basis after the pilot period ended until a new agreement could be executed.

Turo's reportable revenue for the twelve months from June 2022 to May 2023, was \$24,830,760, resulting in \$2,483,076 in revenue for the Aviation Enterprise Fund. Avail's reportable revenue for eleven months from February 2022 to December 2022 was \$327,984, resulting in \$33,750 in revenue for the Aviation Enterprise Fund. Future revenue from Turo's continuing operations at PHX is estimated to be \$2,400,000 annually. The additional revenue generated for the Aviation Enterprise Fund will be used to pay ongoing operating expenses as well as help fund ongoing capital development at PHX.

In accordance with A.R.S. § 28-9614 Public airports; shared vehicle transaction regulations, the Aviation Department proposes to establish a 10% fee on peer-to-peer vehicle sharing operators' gross revenue for vehicle sharing transactions that are conducted at PHX or that use a permitted shuttle service provider to access the shared vehicle off of PHX premises where the shared vehicle driver selects an off-airport location as the delivery location for the shared vehicle.

Peer-to-peer vehicle sharing operator fees will be effective no less than 30 days after Phoenix City Council approves the ordinance.