

TESTIMONY

OF

JOHN T. YURCONIC

CHAIRMAN

PENNSYLVANIA ONLINE MESSENGERS ASSOCIATION

PRESENTED TO THE

PENNSYLVANIA HOUSE TRANSPORTATION COMMITTEE

AUGUST 13, 2019

Mr. Chairman, my name is John Yurconic and I volunteer as the Chairman of the Pennsylvania Online Messengers Association (PAOLMA). On behalf of over 125 Pennsylvania small businesses in 59 Pennsylvania counties which serve the motoring public and PennDOT, I want to thank you, Chairman Carroll, and the members of the Committee for inviting us to present testimony regarding HB 1509 sponsored by Representative Barry Jozwiak. The Association supports an immediate repeal of the provisions of Act 89 of 2013 that eliminated the visible registration sticker on vehicle license plates as embodied in Title 75. HB 1509 implements such a repeal while offering other efficiencies by creating the 2-in-1 sticker on the license plate.

In addition to my work with the Association, I am President of The Yurconic Agency which owns and operates 11 retail messenger service stores available to consumers in Berks, Carbon, Lehigh, Northampton, and Schuylkill counties.

Online Messengers are private businesses contracted with PennDOT to provide driver licensing and vehicle registration services for customers via an online connection with the Department. The Messenger collects and remits the normal state fee and charges a service fee for, in many cases, providing the PennDOT product immediately across the counter to the consumer. Our stores provide a wide variety of services and products including notary services,

driver record request, driver's license renewals, duplicates, photo ID cards, vehicle title transfers, vehicle registration renewals, license plate issuance, and much more.

Online messengers have enjoyed a productive and rewarding partnership with the Department of Transportation. The guidance of, and collaboration with, PennDOT has allowed us to collectively serve consumers and communities across the Commonwealth. We appreciate the professionalism of our relationship with PennDOT. This is a successful service delivery model that benefits the public. We are clearly thankful for the cooperation we receive from the Department.

The Association has advocated continuously since 2012 for the General Assembly and PennDOT to implement legislation and programs that:

1. protect public and roadway safety;
2. provide consumer convenience and accessibility;
3. reduce cost to the consumer and to the taxpayer; and
4. add efficiencies to the PennDOT issuance of important consumer products.

We need to review three historical facts regarding the passage of Act 89 in 2013 relating to the removal of stickers from vehicle license plates. First, then-PennDOT Secretary Barry Schoch was on record with the General Assembly stating that removing registration stickers from license plates would save the department \$1.5 Million in costs annually. This \$1.5 Million in savings was derived from the 2012 Transportation Funding Advisory Committee (TFAC) study conducted by Penn State University as a report of suggested changes to the Motor Vehicle Code that would save money, update the law, and enhance the motoring experience in Pennsylvania.

Online Messengers also forewarned, as did others in the law enforcement community, that certain unintended consequences would result from the removal of the stickers. Most notably, law enforcement would no longer have the visual indicator of the sticker to identify vehicles out of registration. This would, and has, resulted in an increase of unregistered vehicles on Pennsylvania roads. It was suggested that the \$1.5 Million in annual savings realized by eliminating the stickers would be used to create a grant funding program for municipal police departments to purchase automated license plate readers (ALPR). No program was ever created, no funds were ever granted to municipalities for such purpose, and now, 6 years later, local law enforcement, because of lack of funding, has limited access to the readers and still has no visual means to identify unregistered vehicles.

ALPR technology costs approximately \$18,000 per unit. The City of Pittsburgh Police Department alone has over 200 patrol cars. The city would need over \$3.6 Million to equip their cars. Even with a grant program, with approximately 7,388 patrol cars in Pennsylvania it would

cost \$133 Million to fully equip municipal fleets and would take years for local municipal forces to obtain the funding necessary to purchase and implement the cameras statewide. Some Pennsylvania cities have motorcycle patrol units also. The cameras are currently NOT adaptable to motorcycles so many patrol officers would have no manner in which to identify unregistered vehicles.

If cameras are installed, they will take hundreds of thousands of images. Those images will need to be cataloged and stored. Municipal police departments collecting that data will have to design and build internal information technology centers (backroom operations) in their departments. This will cost even the tiniest municipalities hundreds of thousands of dollars to build, operate, and maintain without any source of funding. Security of that data and its privacy will also require operating dollars in these municipalities. The use of these images presents significant constitutional issues with regard to privacy. If collected with other driver data, this could lead to issues involving search and seizure, probable cause, etc. The images and data collected could also be susceptible to Right-to-Know requests that might lead to obtainable driver information.

One final historical note, this Committee and the full House of Representatives (by a 155-36 vote) passed HB 1154 in 2015. The bill, co-sponsored by former Pittsburgh Police Chief and State Representative Dom Costa and Representative Jozwiak, repealed Act 89 and returned the sticker to the license plate.

The Association supports HB 1509 because it brings the visual indicator, the sticker, back on the license plate. Law enforcement will know if a vehicle is registered. Others will as well. Our retail customers very frequently tell us that the sticker was their own visual reminder each year when it was time to renew their registration. Your constituents use the sticker as a reminder to remain compliant with the law.

It is acknowledged that upon a traffic stop for an expired sticker many vehicles are found to be uninsured. Motorists intentionally avoiding registration often do not carry insurance on their vehicles. The cost of these uninsured motorists means increased insurance costs for those law-abiding citizens who are insuring their vehicles. New Jersey and Connecticut are the only two states in America (other than Pennsylvania) which do not issue stickers. Between 2007 and 2015, without a license plate registration sticker, New Jersey experienced a dramatic increase in uninsured motorist-- climbing from 8% to 14.9% (from the Insurance Information Institute).

It has been reported that three other jurisdictions (New York, Texas, and the District of Columbia) do not issue stickers. Each of these states do have stickers required on the vehicle windshield not the license plate, and Texas is now one of two states, along with North Carolina, using a 3-in-1 sticker.

Our Association would recommend one enhancement to the stickers if returned to the license plates. Pennsylvania should consider individualizing each sticker with the corresponding license plate number on the sticker. To do so would dramatically reduce the theft of stickers from plates because the sticker is only useful to its corresponding plate.

Finally, from a public safety perspective, having the inspection sticker on the license plate provides comfort and safety to law enforcement, many of whom tell us that approaching a vehicle stop from the front of the vehicle to review inspection stickers on the driver-side windshield is a dangerous threat because drivers have direct line of sight to the approaching officer if they want to engage a weapon.

Pennsylvania has suffered verifiable and substantial financial consequences since stickers were removed from license plates on January 1, 2017. At a time when this Committee, transportation stakeholders, the Pennsylvania Turnpike Commission, the Pennsylvania State Police, and others continue to study, review, debate, and look for solutions to adequately fund much needed infrastructure and public safety improvements, we have followed a policy enacted in Act 89 that is costing us millions in lost revenue. Our customers regularly ask the question to us “if they don't give us stickers for the plate, how will they know whether we registered our car”?

In 2016, according to statistics published on the PennDOT website, there were **12,066,651** total vehicle registrations in all vehicle classifications. Stickers were no longer required on license plates as of January 1, 2017. In 2017, **11,832,317** total vehicle registrations occurred. This was an actual net loss of **234,334** registrations between 2016 and 2017. This resulted in an approximate revenue loss of **\$11 Million**.

The 2017 losses are stunning given recent registration trends. In 2010, Pennsylvania had **11,373,291** total registrations. By 2016 that number had grown to **12,066,651** with an annual increase in each of the intervening years. During those 6 years Pennsylvania realized an increase of **693,360** registrations for an annual average increase of **115,560**. In 2017 Pennsylvania had the significant ACTUAL loss (234,334) plus the lost benefit of the average trend (115,560) which totaled approximately \$22.2 Million in lost revenue.

While 2018 rebounded with an increase in actual registrations over the very depressed numbers of 2017, when combined with the projected trend (115, 560), Pennsylvania still failed to realize approximately **\$11 Million** more revenue in 2018.

Are there a variety of reason for these losses? Probably. But the removal of the sticker has absolutely allowed vehicle owners to either intentionally ignore registering because of the lack of an external identification on the license plate, or some have simply forgotten to meet their deadlines for registration (the sticker was their reminder).

The conclusion? Due to the decision made in 2013 to realize an annual savings of \$1.5 Million by eliminating stickers from the license plates, Pennsylvania has had actual and projected two-year revenue losses in 2017 and 2018 of **\$33,061,528** since elimination of registration stickers. These losses are purely on actual registrations and do not reflect any losses from the lessened public demand for duplicate registrations, renewals, and fines for violations of non-compliance.

In closing, please know that our Association is committed to improving the consumer experience with PennDOT products and services. We continue to recommend that:

- online messengers be permitted to bear the cost to print stickers at the retail counter to save administrative costs;
- Driver License Photo Centers should continue to be co-located with online messenger centers where practical so that some costs are passed onto the businesses instead of incurred by the Commonwealth.

Other states practice policies which Pennsylvania might also consider, such as:

- surcharge fees for late renewals;
- surcharge fees for in-person renewing at DMV.

The Pennsylvania Online Messengers Association supports HB 1509 because the return of the sticker to the license plate will:

- assure properly registered vehicles are operating on Pennsylvania roads;
- improve the ability to monitor uninsured vehicles and assure that law abiding consumers won't pay more for damages involving uninsured motorists;
- help Pennsylvania avoid increases in the number of uninsured motorists;
- streamline the inspection and registration process for Pennsylvania vehicle owners;
- allow PennDOT to collect all entitled revenues realized from having ALL vehicles properly registered, and direct those funds to much needed road, bridge, and transit projects; and
- allow the small businesswomen and men who operate retail centers in partnership with PennDOT to remain viable in their communities and contribute to their local economies.

Mr. Chairman, thank you again for this opportunity to testify. We look forward to working with you on the passage of HB 1509.