



Testimony of
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Pennsylvania Department of Transportation
Public Hearing on HB 317 and HB 1509
House Transportation Committee
August 13, 2019

Good afternoon Chairman Hennessey, Chairman Carroll and members of the committee. My name is Kurt Myers, and I am the Deputy Secretary for PennDOT's Driver and Vehicle Services. On behalf of Secretary of Transportation Leslie Richards, I appreciate the opportunity to testify today on House Bill 317 and HB 1509.

HB 317

According to the co-sponsorship memorandum, HB 317 aims to impose restrictions on the use of data collected from ALPRs in order to protect the privacy of Pennsylvanians. PennDOT fully recognizes the importance of balancing public protection with individual privacy. Further, PennDOT believes that the proposed legislation recognizes the need to standardize the use of emergent technology and facilitates Pennsylvania moving forward with modernizing its approach toward vehicle registration and law enforcement by creating a grant program for ALPR. However, with that said, we have identified some issues with the proposed legislation as drafted.

Our major concern lies with the language that authorizes law enforcement to sell or trade the data collected. Specifically, the bill allows for law enforcement agencies to sell or trade captured data to other law enforcement agencies or criminal justice agencies in the performance of their official duties. While it is appropriate for law enforcement agencies to share captured data within the criminal justice community, PennDOT believes it is inappropriate for law enforcement agencies to sell or trade captured data that consists of personal information about private citizens within the law enforcement or criminal justice community.

The bill contains contradictory provisions regarding the use of captured data. Under Section 7003(b)(1), law enforcement and government agencies' captured data may not be sold, traded, disseminated or

exchanged for any purpose. Further, Section 7003(b)(1) provides that captured data is confidential and may be used only by a law enforcement agency carrying out its function. However, in Section 7003(b)(3), the bill allows for law enforcement agencies to sell, trade, disseminate or exchange captured data to other law enforcement agencies or criminal justice agencies in the performance of their official duties. The department is unaware of a practice of law enforcement selling or trading data within the law enforcement or criminal justice community and recommends deleting “sell, trade” from (b)(3). Further, the legislation as currently written also allows for this sale or trade of captured data even by third parties who contract to store captured data. Third parties who contract with law enforcement or criminal justice agencies to store captured data as described in (a)(2) should be added to (b)(3) so that they, too, are prohibited from selling or trading captured data.

In addition to our concerns regarding selling or trading captured data, we have some additional suggestions that we believe will strengthen the bill. Section 7004 requires captured data to be destroyed within one year of a recorded event, or within one year after final judgement of a case, unless the captured data is being used in an active or ongoing criminal investigation. The use of “judgement” here is problematic because a case may be resolved in a way that does not involve a judgement. We suggest that the legislation be amended to use the more inclusive word “disposition” instead. It should also be noted that Section 7004(d) requires the notification of the Pennsylvania Commission on Crime and Delinquency of the destruction of only "recorded images" rather than "captured data." The phrase "captured data" is used consistently throughout the bill, and the use of the phrase “recorded images” in that section may have been an unintended error. Additionally, Section 7005 requires a copy of training courses for ALPR usage for parking enforcement and secure area access control, but it is unclear where this copy is to be kept or who is to keep it.

In closing, PennDOT supports the intent of this legislation. However, we believe the recommendations we have outlined today are needed to help strengthen the legislation to protect the privacy of the captured data and the privacy of Pennsylvanians.

HB 1509

As you know, HB 1509 would resurrect the requirement for PennDOT to issue a registration sticker as well as repeal the provision allowing customers to elect to pay for a two-year registration. Let me start by saying that the decision to eliminate the vehicle registration sticker in 2016 wasn't taken lightly, but three years later I can confidently say that it was a good decision for the commonwealth. The elimination of registration stickers has saved the department millions, has not negatively impacted the number of registered vehicles, has enhanced the customer experience, and has not hindered the

performance of law enforcement. The department is realizing what was predicted in a 2011 Penn State study on the impact of eliminating the sticker, which concluded that “based on an examination of available data from all 50 states over several years, a comparison of outcomes reveals that there is no statistical evidence that the elimination of stickers has any statistically significant impact on the number of vehicle registrations, the ability of police to make drug arrests, or on the number of motor vehicle thefts.” This, combined with the reported cost savings due to sticker elimination, demonstrates that the elimination of stickers passes the cost-benefit test for the Commonwealth of Pennsylvania. Additionally, it is important to note that several other U.S. jurisdictions (New Jersey and Connecticut to name two), as well as Quebec, discontinued the issuance of license plate registration stickers several years ago. None of these jurisdictions, to the best of my knowledge, is seeking to return to the old system of issuing registration stickers. Simply put, a registration sticker does not confirm a vehicle is or isn’t registered; registration may be verified only by accessing the vehicle registration database.

PennDOT’s primary goal in eliminating the sticker was to enhance the customer experience through convenience and modernization of our processes. Our customers can now print their registration card from their home printer when they renew online, and many customers have embraced the option to renew a registration for two years. Additionally, enabling customers to print registration cards has eliminated the inconvenience to trucking companies trying to get a sticker to the location of a truck that may be across the country. Customers have been clear; they like the increased convenience caused by the elimination of the registration sticker.

Claims have been made by a small minority that the elimination of the registration stickers has reduced vehicle registrations, reduced revenue, impeded law enforcement, hindered PennDOT, and increased numbers of uninsured vehicles. The facts just don’t support any of these claims. Before reviewing the actual legislation, I would like to discuss the claims that have generated this legislation.

As noted earlier, claims have been made that yearly vehicle registrations have decreased with the elimination of registration stickers. Our records indicate that this claim is not accurate. There is no empirical data that suggests that there is a correlation between stickers and registration rates. The most recent data from the 2018 Report of Registrations indicates that, as of December 31, 2018, the total number of registrations in 2018 is higher than the total registrations in 2017. In 2017, there were 11,832,317. In 2018, there were 12,036,372. Again, this is a point in time figure and, as I noted, the numbers truly fluctuate from day to day. More important than the actual numbers of registered vehicles are the revenue that they produce for the Motor License Fund. Based on PennDOT’s revenue records, the

department collected approximately \$718 million in FY16-17 and \$727 million in FY17-18. Empirical data shows that actual revenue has stayed relatively consistent as well as the number of vehicles registered. Furthermore, PennDOT has experienced improved efficiencies since the elimination of the registration stickers that produced cost savings to date of approximately \$7.1 million.

Some have also suggested that the absence of a registration sticker has hindered the performance of both law enforcement and PennDOT, along with being a significant threat to safety. There is no empirical data that supports these claims. PennDOT has had extensive communications with law enforcement regarding PA's elimination of the registration sticker. PennDOT staff has worked with the Pennsylvania State Police (PSP) regarding the communications to PA law enforcement as well as law enforcement in other states. PSP has assisted PennDOT in sending out messages about the elimination of registration stickers via law enforcement communication system channels.

PSP has stated that the elimination of the registration sticker has not impacted its ability to enforce vehicle code violations. Data from the Administrative Office of Pennsylvania Courts (AOPC) shows that citations for unregistered vehicles have increased. But before concluding that this must be because of no longer having the stickers, I would ask you to consider the fact that more and more law enforcement agencies are using license plate reader technology. This technology is highly efficient at detecting unregistered vehicles. In fact, its increased use is one of the reasons for HB 317. I would encourage you to talk to your local law enforcement to let them explain the efficiencies created by license plate readers.

There has been the suggestion that the number of uninsured motorists has increased. PennDOT's most recent data indicates that approximately 8% of vehicles are uninsured. That is well below the estimated national average of 13%. We have seen nothing in our data to suggest there has been any increase in uninsured vehicles.

Regarding the legislation before the committee today, HB 1509 conflicts with existing state laws and would require major changes to multiple sections of the Vehicle Code that are not identified, let alone addressed, in the bill. Further, the legislation conflicts with existing PennDOT procedures and would seriously disrupt the existing program of registration, inspection, and titling of motor vehicles. These changes would not benefit the public or PennDOT. The bill would:

- eliminate online and mail registration renewals;
- make it impossible to renew a registration when the vehicle is out of state;
- eliminate optional biennial registration, which many vehicle owners utilize;

- require motor carriers to track down each vehicle wherever it is throughout the country to put a sticker on the plate;
- affect the issuance of temporary registration credentials;
- be costly to customers and the Commonwealth;
- inconvenience vehicle owners by tying registrations to inspections;
- not work for unregistered farm vehicles because they do not have a registration plate; and,
- stop the approximately 45% of customers who renew registrations online who currently print their permanent registration credentials at home from being able to do so.

HB 1509 would further require the Department to verify that a vehicle has been inspected before renewing the vehicle's registration. Upon renewal of registration, a registration sticker would be issued for the registrant to affix to the registration plate. The safety and emission stickers would still be issued for vehicles that pass safety and emission inspections. This would be detrimental to vehicle owners as the cost of inspection, repair, and registration would all be due at the same time resulting in higher out-of-pocket costs and added inconvenience.

In addition to vehicle owners, HB 1509 would have negative consequences for other PennDOT business partners and stakeholders. Authorized agents and dealers would be unable to issue temporary registration and be required to physically verify the certificate of inspection. Further, the visual inspection verification requirement would also effectively eliminate Internet registration renewal transactions and mail registration transactions, which is 85 percent of registration renewals completed by customers. HB 1509 would also impact the 17,000 inspection stations, as the stations are not electronically connected with the Department and an electronic system would be required. The bill would create impediments for military personnel stationed outside of the Commonwealth, who would be required to return to Pennsylvania for an inspection to renew registration. Finally, the legislation would reverse the efficiencies and cost savings that were realized by the motor carrier industry with the elimination of the registration sticker.

In conclusion, the fact is the vast majority of our customers are honest citizens who pay their registration fees, buy their insurance, and get their vehicles inspected each year. More and more customers are choosing to renew for two years, and this bill would even eliminate that option.

Are there individuals who flaunt those requirements? The answer is yes; just as there were before the registration sticker was eliminated. HB 1509 will not change that fact. What the bill will do is make a very easy process complex; take away customer convenience; increase the cost of doing business and

eliminate savings; and inconvenience millions of customers. In short, this legislation is a solution to a problem that does not exist.

Thank you for the opportunity to testify before you today. I would be happy to take your questions at this time.