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April 1, 2014

The Honorable Bonnie Lowenthal
Chair, Assembly Transportation Committee
California State Assembly
1020 N Street, Room 112
Sacramento, CA 95814

AB 2197 (Mullin) — Support

Dear Chair Lowenthal,

The Metropolitan Transportation Commission respectfully seeks your support for Assembly Bill 2197 (Mullin), which we are co-sponsoring with the Golden Gate Bridge, Highway & Transportation District. To put an end to the unfair “free ride” that many vehicle owners are currently enjoying on the backs of law-abiding toll payers AB 2197 establishes a temporary license plate program in California similar to that which is in effect in over two dozen states. While the vast majority of the region’s toll bridge users pay their fair share, there were 1.4 million instances in FY 2012-13 in which a vehicle drove across a Bay Area bridge using the FasTrak® lanes without payment *or* plates, costing the region \$8 million in uncollected tolls. That same year, Southern California toll roads and express lanes lost \$4 million due to vehicles without plates. Given the number of new express lanes under development statewide and the growth in all-electronic tolling, this is a growing problem that calls for legislative action as soon as possible.

While current law stipulates that a vehicle owner must install their permanent license plates upon receipt or within 90 days of purchase (whichever is sooner), law enforcement cannot determine from a distance when a vehicle should have its plates on as the “report of sale” document in the front window can hardly be read from a distance. Unfortunately, the fact is that many drivers take advantage of this loophole and drive without a plate for months or even years at a time. If pulled over and found to have exceeded the 90-day period, a person can pay the “fix-it ticket” penalty of about \$25 (it varies by county), remove the plates the next day and take their chances. Reducing the timeframe from 90 days to 75 days, as proposed by AB 1864 (Daly), while well intentioned, would be of little benefit.

As proposed in AB 2197, the temporary license plate program would build on California’s successful Business Partner Automation (BPA) Program, an 11-year old program run by the Department of Motor Vehicles (DMV) in which private companies that meet various requirements set by DMV to qualify as

“First Line Service Providers” are authorized to work directly with motor vehicle dealers to process registration and other paperwork electronically. Under AB 2197, new and independent motor vehicle dealers would be required to enter information related to the newly-purchased vehicle and vehicle owner into a temporary tag database, which would be built by a third party using off-the-shelf technology. The temporary tag system would assign a unique tag number to the vehicle and create a temporary tag printable on a standard laser printer using weatherproof paper approved by DMV. Law enforcement and toll agencies would have access to the temporary tag database in the same way that they are granted access to the permanent motor vehicle registration database.

AB 2197 can be implemented with minimal cost to the state, consumers or the motor vehicle dealers that would ultimately be responsible for implementing the program. Typically, states authorize a transaction fee for each temporary plate to cover the cost of developing and maintaining the system. AB 2197 allows for competition between the different BPA vendors, ensuring that costs remain reasonable. With the planned amendments to be made in advance of the hearing, AB 2197 will follow this approach, authorizing the DMV to establish a transaction fee that new and independent dealers will be authorized to charge for temporary license plates. A portion of this fee can be used to cover the per-plate transaction costs set by the First Line Service Providers, as well as the cost of hiring a vendor to develop and maintain the database and any costs to DMV. In other states the fee for setting up and maintaining these programs has ranged from about \$2 - \$10 per temporary tag.

In closing, it’s important to note that California is a national outlier with respect to how long we allow vehicles to be driven “anonymously,” despite the substantial risk it poses to public safety. AB 2197 is modeled on the most successful temporary license plate programs and is consistent with the 2013 adopted policy of the American Association of Motor Vehicle Administrators which states, “AAMVA endorses a uniform temporary license plate system which is maintained in a database that can be queried, that accurately and timely reflects the vehicle description and registrant information.” We encourage you to lead your colleagues in supporting this important policy change which will have numerous public benefits.

If you have any questions regarding our support for this bill, please contact Rebecca Long, MTC Senior Legislative Analyst at 510-817-5889 or one of our Sacramento representatives: Justin Fanslau or Scott Wetch at 916-446-3413 or Duncan McFetridge at 916-444-1380.

Sincerely,



Steve Heminger
Executive Director

cc: Members, Assembly Transportation Committee
The Honorable Kevin Mullin
The Honorable Mark DeSaulnier, Chair, Senate Transportation Committee
The Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Mr. Brian Kelly, California State Transportation Agency Secretary
Ms. Barbara Rooney, Legislative Affairs Director, Department of Motor Vehicles

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