



Enterprise Holdings
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RE: SUPPORT SB863 – MOTOR VEHICLES – RENTAL FLEET VEHICLES – REGISTRATION

Chairman Smith and members of the Senate Judicial Proceedings Committee,

On behalf of Enterprise RAC Company of Baltimore LLC which is the wholly owned subsidiary of Enterprise Holdings we respectfully requests a favorable report for SB863 Enterprise operates the Enterprise, National and Alamo Car rental Brands throughout Maryland. We have a network of over 100 locations, over 1500 employees (with a payroll north of 83M) and over 20,000 rental cars throughout the state of Maryland. Our total economic impact to the state of Maryland is \$177M.

Enterprise appreciates your careful consideration of SB863, which provides MVA with a framework to grant rental fleet owners greater logistical flexibility when registering and renewing their vehicles.

To date, our Maryland fleet consists of an estimated 20,000 vehicles. When registering new vehicles for our rental fleet we use an Electronic Registration and Titling system such as DealerTrack, we assign a hard plate and sticker number to each vehicle and print a registration card. The expiration date is then entered in our internal tracking system. Both the serialized sticker and expiration month sticker are applied to each plate, packaged with the registration card and proof of insurance. The plates are then installed on the vehicle.

The challenge comes when it is time to renew the registration. We assign a new sticker number to the plate and distribute it to the rental locations. **Many times, due to the transient nature of our fleet, vehicles are returned to a different location (which may also be out of state).** This complication requires us to locate the vehicle and provide secondary distribution to the new location – delaying the sticker application to the plate. In some cases, this process may happen multiple times. During this time, it may appear that a vehicle is being operated without a current registration due to delayed sticker application, when in fact, the registration is current. **Additionally, if stickers are misplaced, we are required to cancel and issue a substitute sticker to be distributed in the same manner previously outlined. Doing so sidelines the use of that rental vehicle costing the state revenue (11.5% sales tax on every rental transaction).**

Moving to a modernized fleet plate program would eliminate the administrative burden of assigning and applying stickers for new vehicles and the subsequent tracking of each vehicle's location to ensure the renewal stickers are shipped to the correct location and applied to the plate. Fleet plates would create efficiencies for the rental car industry and ensure consistent compliance with state registration regulations.

For these reasons we respectfully request a favorable report on SB863.