

SB 863 Testimony.pdf

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

TESTIMONY

SB 863: Motor Vehicles - Rental Fleet Vehicles – Registration

Good afternoon, Chairman Smith, Vice Chair, and members of the Senate Judicial Proceedings Committee.

I am pleased to sponsor **SB 863, *Motor Vehicles – Rental Fleet Vehicles – Registration***. This bill provides the Motor Vehicle Administration (MVA) with the necessary framework to allow rental fleet vehicle owners to:

1. Utilize stickerless vehicle registration.
2. Obtain dedicated plates for their fleet vehicles.

This bill modernizes our vehicle laws to accommodate the unique operational needs of rental fleets. As you can imagine, rental fleets are inherently dynamic, frequently moving across state lines. Traditional vehicle registration methods, which rely on physical stickers placed on plates, are ill-suited for such a fluid system. Applying and tracking stickers for thousands of vehicles spread across multiple jurisdictions creates unnecessary logistical challenges, increasing administrative burdens for both rental companies and state agencies.

The passage of this bill would provide a modern and efficient solution. Fleet plates would serve as a uniform and easily identifiable marker for rental vehicles, simplifying law enforcement identification and enhancing compliance monitoring. Additionally, eliminating the need for physical stickers reduces the risk of loss, damage, or delays associated with mailing, receiving, and applying registration tags. This streamlined approach allows rental companies to redeploy vehicles swiftly based on market demand.

Beyond operational efficiency, this initiative offers significant financial benefits. The state could realize cost savings by eliminating the production and mailing of physical registration stickers. Furthermore, the proposal includes a fee for the initial issuance of dedicated fleet plates for vehicles registered under this system creating a new revenue stream for the state, however small it may be.

In conclusion, transitioning to stickerless registration and dedicated fleet plates for rental car companies aligns with modern transportation needs, reduces logistical complexities, and creates a win-win scenario for both the rental industry and the state. For these reasons, I respectfully request a favorable report on **SB 863**.

SB863_Enterprise_fav.pdf

Uploaded by: John DeRose

Position: FAV



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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.

SB0863 - MVA- LOI – Motor Vehicles – Rental Fleet

Uploaded by: Matt Mickler

Position: INFO

March 5, 2025

The Honorable Will Smith
Chair, Judicial Proceedings Committee
2 Miller Senate Office Building
Annapolis, MD 21401

RE: Letter of Information – Senate Bill 863 – Motor Vehicles – Rental Fleet Vehicles – Registration

Dear Chair Smith and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 863 and offers the following information for the Committee’s consideration.

SB 863 would require the Maryland Motor Vehicle Administration (MVA) to issue distinctive registration plates to motor vehicles owned and registered to rental companies with at least five vehicles in their fleet. It further eliminates the registration tab required to display on the rear tag indicating when the registration expires and requires, to the extent practicable, that the registration expiration date for each vehicle be the same.

Historically, the MVA offered distinctive registration plates for rental vehicles, starting the plates with “DR” followed by five numbers. That was discontinued under emergency legislation in 1994 following events where tourists were targeted in high-profile incidents in Florida based on their identifying registration plates. Despite these potential risks, several states have developed distinctive plates or ways to identify rental fleet vehicles. At present, at least three states offer a distinctive plate for rental vehicles. These include Colorado, Indiana, and Illinois. Michigan began to offer these plates in 2024 with previously registered vehicles left as currently registered at time of transition. Louisiana also distributes plates with “Commercial” stamped across the bottom of a fleet rental vehicle registration plate, while Arizona, Georgia, and Ohio issue a sticker that indicates the vehicle is a fleet rental on its registration tab. Alternatively, Florida indicates this status with a distinctive “PM” on the registration tab standing for “permanent” and issues these strictly to fleet rental vehicles.

The MVA offers customers over 1,000 distinct plate options and will work with its supplier to design and offer one for rental agencies that would otherwise qualify under HB 1464. The registration process will otherwise remain much the same for first-time registration and subsequent renewals, though new plates will need to be issued at the time of renewal for existing registered fleet vehicles.

SB 863 could further add flexibility and cost savings, including for those costs associated with postage and mailings, by allowing at-home or business printing of the registration card. It adds

The Honorable Will Smith
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logistical and potential financial savings for the rental agency as well as it must locate the vehicle that may be in use or in another State and subject to a new rental agreement at any time while attempting to deliver the physical registration card to the vehicle.

For these reasons, the Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 863.

Respectfully submitted,

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