

Testimony LD 284 and Others

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Enterprise Rent-A-Car Company of Boston, LLC

Joint Standing Committee on Transportation

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Senator Diamond, Representative Martin and distinguished members of the Joint Standing Committee on Transportation

I am William Lazzarino, Vice President of Finance representing Enterprise Rent-A-Car Company of Boston, LLC, who operates the Enterprise, Alamo and National brands in Maine, in support of LD284 as well as the other bills supporting modernization of Maine's inspection statutes. Enterprise has over 200 employees who live and work in Maine and our fleet has been 4,000 vehicles in the State pre-COVID.

38 other states do not require inspections. We do process many of our own state inspections at our service center and find very few concerns with our vehicles. As a fleet provider to the public, we perform regular maintenance, vehicle cleanliness and condition reviews regularly. We regularly cycle out our vehicles, running a newer and lower mileage fleet. Issues with vehicles typically do not appear to later in their life cycle.

A benefit of not requiring state inspection to the State of Maine would be to retain registrations that otherwise would be changed to another state, as 75% of the vehicles which we register locally leave the state and do not return. Annually we receive abatements on excise tax for unused time of approximately \$500,000/ year and Maine could retain the vehicles that leave and are registered in other states. This occurs because 38 other states have less restrictive registration processes. Maine would save the registrations and earn additional excise tax on renewals kept in other states.

I see a the opportunity for Maine to modernize their registration system further to retain additional registrations as well. It would require fleet plates with permanent stickers, eliminating the state inspection process as it stands today or at least increasing the timeframe to 3 years for inspections, along with a 3<sup>rd</sup> party Maine authorized online registration system, so we could move the plates to other vehicles and pay the excise and registrations remotely online. This would eliminate foot traffic in Registries and vehicles travelling to each Town or City to register fleet vehicles.

Maine also loses roughly \$80,000-\$120,000 in potential sales tax revenue due to the inspection and registration processes. Inspecting and registering vehicles requires downtime, time when the vehicles

are not generating revenue. The license plate sticker process and inspection moves can take 4-5 days and this downtime during peak seasons represents 10% lost on revenue from rentals. A permanent sticker on a fleet plate with no need for another state inspection would eliminate this downtime and generating revenue. This 4-5 day is burdensome on our business as well, costing us in asset depreciation, parking, interest, etc., easily costing us \$40,000 in costs which we cannot recuperate.

Maine's inspection process still requires the use of 3-ply books to track and it's a very outdated and manual process. Updating to a 3-year inspection would not update the systems, but fewer books, stickers and paperwork needed.

Passing LD 284 creating a 3-year inspection and retain excise tax and registration for the State. Taking the bill one step further and modernizing the current registration process by creating a separate fleet plate and an Electronic Vehicle Registration system for fleet companies would be beneficial to both the State of Maine and to rental car companies by being able to work directly with the Maine BMV and self-issue our license plates and eliminate additional drivers on the roads running to and from local BMV's as we would submit our paperwork electronically, allocating the fleet to the Towns and Cities electronically.

Our intent for this process would not be to decrease our payments to the BMV, but rather to eliminate a lot of the bottlenecks in the process that are causing the State, Towns, and Cities, to lose revenue, reduce vehicles unnecessarily on the road, and be more efficient. All Registration fees will continue to be paid on each car. This change would in no way affect the amount of the additional excise tax that is collected and paid to the Towns and Cities where we register our fleet.

Thank you for your time. I would encourage your support this bill. If you have any questions or need any additional information, please feel free to contact me directly.

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