

Testimony LD 284 and others

An Act to Provide That Inspections of New Motor Vehicles are Valid for 2 Years

Sen. Diamond, Rep. Martin and distinguished members of the Joint Standing Committee on Transportation, I am Robert Tardy a resident of Palmyra today representing Enterprise Holdings Inc. in support of LD 284 and the biennial plethora of other bills seeking to modernize Maine's inspection statutes. Enterprise has 5 airport locations and 19 locations not located at airports in Maine. I point this out because nearly 70% of our rentals are to Maine residents. Annually EHI remits approximately \$4.5 million in sales tax revenue to the state and hundreds of thousands of dollars to municipalities in excise tax.

Why a two year or longer or no inspection requirement? I would point out that rental vehicles are serviced after every rental---washed, vacuumed, checked out for dings, wear and tear, and checked for things that have been left behind---drugs, firearms, cell phones etc. Thus they receive a level of care and maintenance that goes way beyond that of most private vehicles.

My experience with Enterprise is that most vehicles remain in the fleet for 18 months and are then wholesaled. My last two vehicles were Enterprise cars and both with less than 18,000 miles per year of service.

The problem with a one year inspection sticker is that a one way rental out of state near renewal time is that we could re-register online and the Maine municipality would get the excise tax but we cannot inspect the vehicle in most other states. That vehicle may never come back to Maine or it may be weeks before it returns to Maine and we can't see having a customer driving around the country with an expired sticker---thus it gets registered in another state---likely one of the many states that do not require inspections. I would suggest that going with a 3 year from new inspection at least for rental cars along with semi-perm plates for rental cars would save in the neighborhood of \$300K annually if not much more by not having to reimburse companies for unused excise tax resulting from a vehicle being taken out of service before expiration of its registration.

There are several other states moving in this direction---Michigan, Illinois, Kansas, and Florida to name a few. A system that makes registration in Maine

easier means rental companies will register and reregister more vehicles in Maine with more excise tax going to our municipalities. With a three year inspection sticker we will have the dollars in the multimodal account to fund LD227 Sen. Joe Baldacci's feasibility study on extending passenger rail service north to the Bangor area. Ironically as I recall it was former Sen. John Baldacci's bill that created the multimodal fund when we went from 5% to 10% sales tax on car rentals during our tenure way back when on the Taxation Committee. When it comes to technology I rely on my grandchildren so if needed I will make sure someone from corporate is available for work session.

While my testimony is focused on rental cars I would point out that I agree entirely that it should apply to all new vehicles In that regard I would point out that my 2016 Ford F150 receives a 21 point inspection when it gets an oil change every 5000 miles. If this is unique to Ford vehicles then I would suggest that Ford products be included in the 2 yr inspection and leave the other mongrel brands out.