



OHIO
AUTOMOBILE
DEALERS
ASSOCIATION

Testimony Before the Ohio House Finance Committee on House Bill 62

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February 28, 2019

Good morning Mr. Chairman, Vice Chairman Scherer, Ranking Member Cera and members of the committee. On behalf of our association's over 830 franchised motor vehicle dealers, I appreciate the opportunity to appear before you today. As a reminder, our dealers employ over 42,000 people in Ohio, collect over \$1 billion annually in sales tax on behalf of the state and local governments, and pay a considerable amount in commercial activity and other business-related taxes. In addition, dealers are very active in their communities on various charitable and civic fronts.

I am here today to ask you to address the following areas as you prepare your response to the Administration's proposal in HB 62:

Alternative Fuel Vehicles

In response to suggestions to levy additional fees on owners of alternative vehicles to 'pay their fair share' for infrastructure funding, should you choose this path all we ask is that any solution be reasonable and not make Ohio stand out compared to other states so that sales are not negatively impacted.

Front License Plate Elimination

As you work to find cost savings in your pursuit to generate additional infrastructure revenue, we ask that you eliminate the requirement for the front license plate. Previous savings estimates of eliminating the front plate were roughly \$1.5 million. While we understand this won't solve all of Ohio's infrastructure needs, it's another piece of the puzzle, similar to the alternative fuel vehicle pursuit. And if you recall in response to a question posed last week to Director Marchbanks regarding what a similar cost savings number means for infrastructure, he testified

that after speaking with the County Engineers Association that it would help with four bridges. As we see it, in the current debate, every dollar counts.

In addition to cost savings, there are a host of other reasons to eliminate the front license plate.

- Reduces vehicle safety and convenience technology impairment
 - o Today's vehicles are coming with more and more safety features and technology integrated into the bumpers. There are now cameras, sensors, and computers housing things like lane assist, parking guides, adaptive cruise control and so on. This is only going to become more challenging as safety and autonomous vehicle technology improves. It is becoming more and more difficult to install front plates without impairing the safety features on these vehicles.
 - o For example, one manufacturer requires the dealer to tape the front plate on the car and then test the vehicle to see if safety features are impaired before actually drilling holes in what is now more like a computer than a front bumper.

(SEE EXHIBIT 1)

EXHIBIT 1

2017 - GA - ALFA GIULIA - 2.0 I14 DI TURBO ENGINE W/ESS COMPLT

FRONT

1. Remove the driver's side recovery hook cover (1)

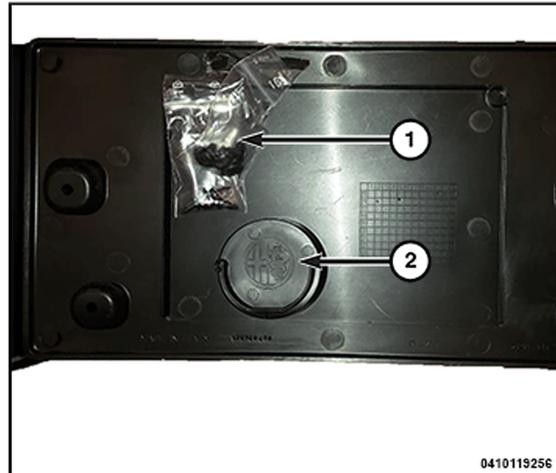


2. Release the cover from the fascia by pulling the tether (1) from the retainer.

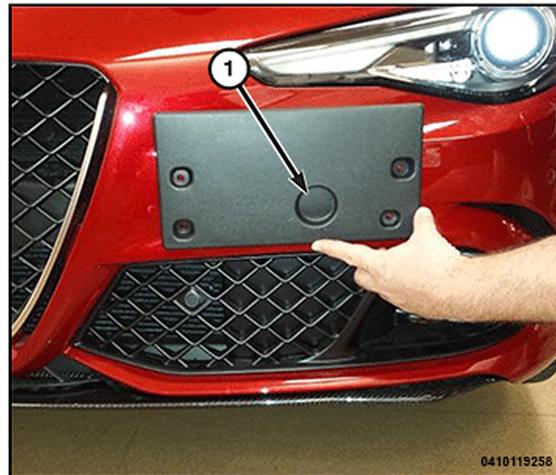


EXHIBIT 1 CONTINUED

3. Remove the two bags (1) that contain the attachment screws from the back of the license plate bracket.



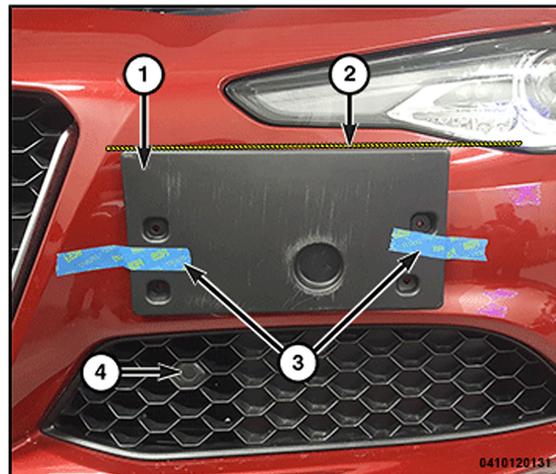
4. Align the license plate bracket (1) onto the front fascia by aligning the protrusion on the back of the bracket with the alignment hole on the fascia.



5. Secure the license plate bracket using strips of adhesive tape (3).

6. Verify that the alignment is level (2) against the front of fascia profile.

7. Turn the key-on and check that the front parking sensors (4) do not detect any obstacles. If obstacles are detected, reposition the license plate bracket and repeat the check.



8. Attach the license plate bracket to the fascia by securing it using the four supplied self-tapping screws.

- None of our contiguous states require a front license plate
 - Dealers often trade vehicles amongst themselves (in a wholesale fashion) to satisfy customer requests. This has become more and more difficult because none of our neighboring states require a front license plate. When a neighboring state dealer finds out that the car they are dealer trading for from Ohio has two holes in the front bumper, the deal often falls apart.
 - It also causes problems on the retail side on both new and used cars. Customers in Kentucky or Indiana don't want holes in the front bumper of the vehicle. Our Cincinnati area dealers as an example deal with this every day. When the customer realizes that there are holes in the front bumper, they often walk away. Eliminating the front plate requirement will aid interstate commerce.
- Reduces risk for dealers when ordering vehicles from manufacturers.
 - Some manufacturers require the dealer to decide at the time they stock the vehicle if they want a bracket for a front license plate. As an example, Audi has 14 models in the next 2 years that require the dealer to decide at the time they stock the car, if they want the bumper with the front plate bracket or not. Should they stock a vehicle and a customer comes to buy it, but needs or wants the opposite of what has been installed, the change to accommodate that customer is basically a new bumper/grille costing in excess of \$300. (SEE EXHIBIT 2)

EXHIBIT 2



Dealer Communication

To: DP, GM, CPO, Parts, Sales, Service, Warranty

From: Audi Product Management

MY19 Front License Plate Installation Procedure

Dear Colleagues,

Audi of America understands the complexity of factory-ordering a front license plate holder or a license plate filler panel with each vehicle and the difficulty of dealer trading across states with different plate requirements. We have taken steps to reduce the complexity and make trades across states easier.

Beginning with MY19 C8 (A6 and A7), AoA is moving towards including the necessary materials in every vehicle to satisfy both a front license plate and “filler panel” markets. Future product improvement or all-new car models will no longer use a front license plate “holder/bracket” due to the new design geometry of the grille. However, due to the three-dimensionality of the grille, SUV models will continue to require a plate “holder/bracket”.

Here is a basic breakdown of the solution for each model.

Solution	MY19	MY20
Factory order required	A3, A4, A5, Q5, Q7, Q8, TT, R8	A3, Q5, A8, TT, R8
Decide at delivery	Q3, A6, A7, e-tron	Q3, A4, A5, A6, A7, e-tron
Under evaluation	---	Q7, Q8

A detailed overview of how to mount a front license plate can be found within iAudi via this [link](#).

For more dealer communications, visit the [Communications](#) page on iAudi.

- Saves consumers money
 - Even on non-luxury vehicles the front plate requirement raises costs for consumers. On vehicles where a bracket needs to be added at the time of the sale, the cost generally starts at \$25 and goes up from there depending on the vehicle. Eliminating the front plate requirement would save consumers this expense.
- Overwhelmingly, our customers (both in and out of Ohio) support eliminating the front license plate requirement. A significant reason for this is that the design of many vehicles makes it challenging to install a plate (SEE EXHIBIT 3).

EXHIBIT 3



- Simplifies and clarifies legal issues associated with front license plates
 - o Often when customers buy a new vehicle in Ohio, they tell our members to not install the front plate. When they are subsequently pulled over, their first phone call to complain about their ticket is to our member who did not install it at their request. Our dealers have paid numerous tickets trying to help make customers happy even when they were the ones who requested that the dealership not install a bracket in the first place.

For these reasons we urge you to eliminate the front plate requirement.

Vehicle Recall Notice at Time of Vehicle Registration Renewal

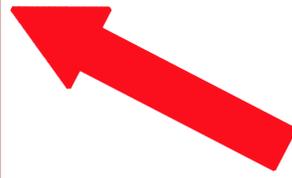
It's no secret vehicles are often subject to recalls. One challenge has been convincing (and at times identifying) owners to bring their vehicles in to get repaired free of charge at their local dealership. In particular, vehicles with open recalls that have changed owners multiple times make it difficult to track down the current owner, as BMV is the only entity with this information as everyone, no matter where you purchased or serviced your vehicle has to register it.

The state of Maryland is making progress improving recall completion rates by enlightening owners at the time they renew their license plates that they have an open recall which can be fixed free of charge at a dealership. In a little less than a year since the program has been in place in Maryland, it has helped remedy over 120,000 open recalls

(SEE EXHIBIT 4)

EXHIBIT 4

Initial Notification Month	Total Vehicles for Renewal	Non-Verifiable VINs	Total Vehicles Checked for Recalls	Vehicles with No Recalls	Vehicles with Recalls	Recall Count	Total Recalls Remedied (as of 01/24/19)
April 2018	215,328	41,636	173,692	135,826	37,866	52,039	17,084
May 2018	217,357	34,279	183,078	143,617	39,461	53,928	17,581
June 2018	213,477	25,942	186,535	145,989	40,546	55,657	18,002
July 2018	218,260	25,869	192,391	150,941	41,450	56,336	17,767
August 2018	208,434	26,281	182,153	146,501	35,652	48,958	12,733
September 2018	199,279	24,929	174,350	140,668	33,682	46,601	11,124
October 2018	179,289	19,187	160,102	129,223	30,889	42,707	8,760
November 2018	182,136	16,179	165,957	132,630	33,327	44,994	8,953
December 2018	179,012	16,698	162,314	130,687	31,627	43,120	6,346
January 2019	165,701	16,223	149,478	120,660	28,818	39,054	3,884
February 2019	210,603	26775	183,878	146,962	37,766	51,703	17
TOTALS:	2,188,876	274,998	1,913,878	1,522,794	391,084	535,097	122,251



We are working with the Ohio BMV now to pursue a similar pro-safety program in Ohio, and will be returning to this body with a proposal, which we hope will make it into the legislation you have before you.

This concludes my testimony. I will be happy to answer any questions.