

Original: 2147

**Commonwealth of Pennsylvania  
Department of Transportation  
Office of Chief Counsel**

**Date:** September 19, 2000

**HAND DELIVERED**

**Subject:** 67 Pa. Code § 47.4  
Registration Validation Stickers

**To:** Christopher L. Markham, Regulatory Analyst  
Independent Regulatory Review Commission

**From:** Robert J. Shea, Assistant Chief Counsel  
Office of Chief Counsel, PennDOT



Pursuant to our conversation of yesterday, enclosed please find a copy of the task force report referenced in the preamble of the amendments for the above-cited regulations. Also enclosed is a roster of the task force members.

As a point of information, the statistics used in the report were later determined to be less than accurate. This is primarily attributable to the tight timeframe (approximately two months) afforded by Act 23 of 1999 for submission of the report to the General Assembly. That timeframe necessitated some statistical extrapolations that are described in the report. The statistics used in the preamble are the actual numbers as they have been tracked over the past year, hence the discrepancy between them and the report.

I also must point out that the report did not take into consideration the very high number of registration validation stickers reported lost or stolen apart from those that were already attached to a registration plate. Looking at those numbers causes one to conclude that the problem is indeed more serious than portrayed in the report. By changing the location of the sticker, as provided in the amendments to Section 47.4, the Department is able to address the theft of unattached stickers from the mail and other sources by incorporating additional information onto the stickers such as the registration plate number of the subject vehicle. In short, stickers in the problem areas will take on a unique identity and lose the fungible characteristic that makes them valuable in a black market setting.

Please call me at your convenience if you have any questions or need any further information. Otherwise, I will see you on Friday at 3:00 p.m.

2200/RJS/mpt  
(717) 787-5299

Enclosures

cc: Betty L. Serian (w/o enclosures)  
Kurt Myers (w/o enclosures)  
Matthew X. Haeckler (w/o enclosures)  
Jan M. Tamanini (w/o enclosures)

RECEIVED  
2000 SEP 20 PM 3:31  
INDEPENDENT REGULATORY  
REVIEW COMMISSION

# Vehicle Registration Sticker Task Force

Name	Organization	Phone #	Fax #
Michael Corrigan	PennDOT	717 787-5144	717 705-1330
Bob Kline	PennDOT	717 705-1098	717 783-3778
Randy Swartz	PennDOT	717 787-2780	717 772-0876
Gwen Carter	Allstate	610 240-3230	610 240 3249
Julia Hearthway	ATPA	610 631-5164	610 631-5944
Paul E. Holl	ATPA	215 362-1015	215 362-8530
James J. Fitzpatrick	Phila DA Office	215 686-8745	215 686-8765
Roy A. Miller	ATPA/IFPA	717 975-9074	717 975-9089
John Gallagher	Phila Police Dept	215 686-3022	215 686-3025
John Long	AAA Mid Atlantic	215 864-5275	215 864-7906
William R. Fraley	PA State Police	717 783-5517	717 783-7690
Linley Oberrnan	PennDOT	717 787-7740	717 787-9042
Jean Allen	Allstate	610-240-3241	610 240-3249
Timothy Hogan	US Postal Inspectors	215 931-5973	215 931-5979
Donald L. Busey	PAA	717 255-8311	717 255-8356
Vincent Rossi	Senator Fumo's Office	717 787-5662	717 783-5210
Joel Goodwin	PennDOT	717 783-3736	717 787-9042
Janice Peresolak	PennDOT	717 787-3495	717 787-9042
John T. Whelan	State Farm Ins.	215 784-1898	215 784-1883
Colleen Healey	AAA Mid-Atlantic	215 864-5458	215 864-7906
Nathan Duhovis	PIADA	717 238-9002	717 238-3870
Edward Katz	Penbrook PD	717 232-3733	717 233-8589
Bill Ryan	IFPA/OAG	717 787-2100	717 783-5431
Jeff Murison	Sen. Corman Sen. Salvatore	717 787-1377	717 772-3146
Amy Corl	Pa. Chiefs of Police	717 236-1059	717 236-0226

Post-It Fax Note		7671	Date	10/11/94
To: Janice Peresolak		From: Linley Oberrnan		
Co/Dept.		Co.		
Phone #		Phone #		
Fax #		Fax #		

**Summary Report**  
**License Plate Registration Validation Stickers**  
**Findings and Recommendations**

**Prepared for the House and Senate Transportation  
Committees as Required in Act 1999-No.23**

**By**

**Pennsylvania Department of Transportation**

**Pennsylvania State Police**

**September 1, 1999**

## **Stolen Registration Stickers Issues**

### **Introduction**

The theft and illegal reuse of license plate registration validation stickers (hereinafter referred to as registration stickers), primarily in the Philadelphia area, has become a high profile issue and concern for customers, law enforcement and PennDOT. Criminals are either cutting the stickers off the corner of the plates or stealing the entire plate and removing the registration sticker later. While registration sticker theft has always occurred to some degree, the requirement for automobile insurance as a condition for registration renewal and the high cost of insurance in the Philadelphia area, we believe, has resulted in an increased theft of registration stickers and the resultant escalated attention to the problem. A registration sticker theft is a criminal offense, as is the use of a stolen registration sticker that has been fraudulently obtained.

### **Background**

- Act 1999-No.23 (House Bill 10) included a provision for the Department of Transportation (PennDOT) and the Pennsylvania State Police (PSP) to jointly study the issue of the problems involving registration stickers and to present a report with findings and recommendations to the Transportation Committees by September 1, 1999. (Attachment 1)
- PennDOT and the PSP created a task force in early July to address the issue. Membership consisted of representatives from PennDOT, law enforcement, consumer advocacy groups, the insurance industry, as well as legislative aides. The task force met several times this summer. It considered solutions, developed pros and cons for nearly two dozen ideas and narrowed the list for further research. The task force agreed that the solutions must be for statewide implementation and have low impact on our citizens. While the law did not require an outreach program, PennDOT and the PSP believed a task force approach would be beneficial and provide a wide range of ideas and concerns.
- Surveys were conducted with the PSP and municipal police to solicit their opinions and concerns, especially regarding the use of registration stickers for enforcement.
- Parking lot surveys were conducted to supplement data and statistics, as maintained by PennDOT.
- An extensive survey of other states was conducted to determine the scope of this issue nationally and to ascertain other states' approaches to this problem.

### **The Scope of the Problem**

- Based on PennDOT's vehicle database information, there were approximately 38,000 license plates replaced last year as a result of being stolen or defaced. Slightly over 20,000, or about one-half of these replacements were in the five county Philadelphia area. Of course, not all of these are the result of the registration sticker theft; however, our impact calculations have been done using the full figures in order to determine the absolute maximum extent of the problem. Overall, the stolen and defaced replacement rate is less than one half of one percent of the total Pennsylvania vehicle population. In the Philadelphia area, it is one percent of the vehicle population. PennDOT's database also contains the information on lost plates. Some plates that are reported as lost may actually be stolen. Again, to insure the scope of the problem is not understated, we assumed one quarter of the reported lost plates are stolen rather than lost. This adds 8,500 plates to the Philadelphia area's totals and approximately 33,000 plates to the statewide total. The overall replacement rate including these lost plates is 1.5 percent for the Philadelphia area and 8/10 of one percent statewide. In summary, this problem constitutes a small percentage of the vehicle population. Based on a \$7.50 replacement cost prescribed by the Vehicle Code, the costs of replacement of these plates for the customers are \$218,925 in the Philadelphia area and an additional \$315,772 for the remainder of the state (\$534,698 total).
- According to the Philadelphia Police, much of this problem is drug-related and will, therefore, spread to other areas of the Commonwealth. Fortunately, the facts do not support this supposition. This problem has not spread over the last seven years since this issue first surfaced. In parking lot surveys, we found no clipped plates in the Erie, Pittsburgh, Johnstown and Harrisburg areas. Only in Philadelphia did we find this happening. It can be logically assumed this is because insurance rates are less in the remainder of the Commonwealth. In other words, there is not a market for the stolen registration stickers in other areas outside of the Philadelphia area.

### **Options Fully Considered**

Of the nearly two dozen ideas, the following four options were studied in greater detail. All of the options are listed in Attachment 2.

#### **1. No sticker option**

Obviously, this option would completely eliminate the problem of stolen registration stickers. However, the new problems created by this alternative are extreme. Enforcement of the registration laws would be minimal. In order to determine the impacts to law enforcement regarding this option, a survey was conducted. The survey of the police in Pennsylvania showed 93% of local enforcement and 100% of the PSP stop vehicles displaying expired registration stickers. 50% of local law enforcement and 44% of the PSP use them frequently in making vehicle stops. According to 89% of local law enforcement and 100% of the PSP, the elimination of

the registration sticker has some or an extreme negative impact.

This option, too, has serious financial impacts on the Motor License Fund. Without a registration sticker, there would be no way to visually identify a vehicle with an expired registration. This could be a further inducement to those individuals prone to non-compliance with statutes and regulations to not renew the registration. With only a 5% drop in registration, a \$16 million loss would be realized. It would also be easier to not maintain insurance. Therefore, it is believed this option would increase non-registered and non-insured vehicles.

## **2. Tie registration renewal more closely with inspection option**

This option would require the customer to have a newly renewed registration credential prior to inspection. The current process allows for proof of registration to be a current valid registration card. This card may have been recently renewed or may expire shortly. This option would require all cards to be newly renewed for a period to cover the complete inspection time frame. Upon further review, it is believed that this option cannot solve the theft problem until technology provides the ability to have an inspection sticker that cannot be counterfeited, thereby eliminating a vehicle owner from purchasing the stolen registration sticker and a counterfeit inspection sticker in lieu of insurance, registration, and inspection.

## **3. Windshield sticker option**

This option places the renewal credential in the windshield, similar to the inspection sticker. Three states, which also have plates on both the front and rear of the vehicle, use this system - New York, New Jersey and Texas. New Jersey is planning to change its system and issue a plate sticker beginning in November, 1999. The major advantage of this option is in its deterrence of sticker theft. However, there are also major drawbacks.

- a. Vehicle registration is tied to the license plate (owner) and not to the vehicle. When a change of ownership occurs, a new sticker would need to be issued to coincide with the new owner's registration. The magnitude of this is extreme since there are approximately 2.5 million transfers each year. The sticker could not be removed since we would have a 'void' feature to prevent stolen windshield stickers. Therefore, a new windshield sticker would need to be issued when the old registration is transferred to a new vehicle. If the old sticker is not removed from the first vehicle, the vehicle could be driven displaying a 'valid' registration sticker without a renewal payment by the new owner and without submitting for ownership transfer and payment of sales tax to PennDOT.
- b. It would be necessary to put stickers on vehicles that do not have stickers today, such as government vehicles and other permanent registration vehicles.

Unlike those states that have two plates, law enforcement would not be able to identify a permanently registered vehicle without looking at the rear of the vehicle. Therefore, upon approach on the highway, the officer could think the vehicle was unregistered. To eliminate this confusion, vehicles of these types would now have to be issued stickers.

- c. The cost of these stickers is significantly greater than the plate sticker. Increased costs are estimated at more than \$2.5million per year. This includes the increased cost for the sticker itself, as well as the increased number of stickers needed to accommodate the 2.5 million vehicle transfers and vehicles that currently do not require a sticker.
- d. The customer would be required to scrape the sticker off the windshield each year to replace it with a new one. This could be difficult for some citizens; for example, older owner and those that are physically challenged. The customer could pay a local garage or dealer to remove the sticker, but this also increases the cost of this solution at an estimated additional \$4,000,000 per year based on \$5 for 10% of the population.
- e. Sticker clutter would occur with possibly four to five stickers on the windshield: registration, safety inspection, emission inspection, weight class for trucks over 5,000 pounds and turnpike EZ pass stickers..
- f. To see the line of stickers on a stopped vehicle, law enforcement officers, when approaching from the rear, would have to go beyond the driver's side window. This can be hazardous to the officer's safety, because it places the officer in a more vulnerable position.
- g. Enforcement is reduced during hours of darkness due to the lack of visibility.
- h. Even though the Philadelphia Police strongly favor this option, 65% of local law enforcement statewide indicated some or extreme negative impact if this were adopted.
- i. PennDOT would need to maintain two delivery systems and two inventories (windshield and plate stickers) one would be for vehicles that do not have windshields, such as trailers, and the other would be for vehicles with windshields.
- j. Counterfeiting may increase. Safety inspection and emission inspection stickers are being counterfeited even with imbedded security features. (PennDOT is working with manufacturers on a better inspection sticker, which will be more difficult to counterfeit.)

The costs of this solution, both monetary and in customer aggravation, are significantly more than the costs of the current problem.

#### **4. Improved method for registration plate sticker**

This option is a recommendation to improve the tamper-proof properties of the sticker on the plate. The current sticker will "void" if it is removed. However, because PennDOT has instructed customers to merely place the new sticker on top of the old one, this feature is rendered useless. A thief can remove the cluster of built-up stickers and then slice off the top two. The voided sticker is covered with the newer, valid sticker. The major portion of the problem could be solved by advising the customer to remove old stickers and place the new sticker directly on the plate.

PennDOT is also working with a manufacturer on a new type of sticker. However, even though this seems promising, the concept is still in research and development and cannot help solve the problem in the short term.

This option will require an educational effort and the costs of the registration stickers under development will increase to an amount that is unknown at this time. Each penny of additional cost equates to \$80,000 per year.

There is the possibility that thieves will still cut the plate corner bearing the registration sticker and glue the metal to another metal plate. This occurrence will not be detected at long range but can be seen by law enforcement following a stop.

An additional feature of this option would be to significantly increase the penalty for using an unauthorized registration sticker such as metal on metal.

#### **Recommendations**

The following four items are recommended to reduce the impact of the theft of registration stickers:

1. Implement the improved method of sticker placement.
  - Educate customers to remove old stickers and place new sticker directly on the plate.
  - Place the registration sticker on the top corner of the plate to make it more difficult to cut the plate for the sticker. PennDOT has relocated the indentation for the sticker to the top corner on the newly designed plates to be used in the reissuance program.
2. Work with manufacturers providing new technology to improve the registration sticker.
3. Implement a significant fine, such as \$1000, for operating a vehicle with an unauthorized registration sticker on the plate.



4. Provide a free replacement for a defaced plate, similar to the free replacement within 90 days for a 'never received' product currently authorized in the Vehicle Code. This will cover more than those that are affected by the clipped plate; but it will encourage customers to replace illegible plates - which is a secondary benefit.

These recommendations were made based on the data and facts researched by staff of PennDOT and the PSP with the assistance of a task force comprised of representatives of various entities. The primary goal was to recommend solutions that could be implemented statewide and would not adversely impact customers throughout the entire Commonwealth. It was also important that the costs of the solutions were commensurate with the extent of the problem.

### **Questions Regarding the Report**

Questions regarding the report may be directed to the following members of PennDOT and the PSP.

#### **PennDOT -**

Betty Serian, Deputy Secretary for Safety Administration	717-787-3928
Linley Oberman, Director, Office of Risk Management	717-787-7740
Kurt Myers, Director, Bureau of Motor Vehicles	717-705-1594

#### **PSP -**

Major Kathryn Doult, Director, Bureau of Patrol	717-783-5517
Lieutenant William Fraley, Safety Program Division, Bureau of Patrol	717-783-5517