



STATE OF RHODE ISLAND

**DIVISION OF MOTOR VEHICLES**  
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March 2, 2021

The Honorable Marvin L. Abney  
Chair, House Committee on Finance  
State House  
Providence, RI 02903

**RE: 2021 H-5791- AN ACT RELATING TO MOTOR AND OTHER VEHICLES  
– REGISTRATION OF VEHICLES**

Dear Chairperson Abney:

The Division of Motor Vehicles ("DMV") writes to express concerns with House Bill 5791, An Act Relating to Motor and Other Vehicles-Registration of Vehicles.

The proposed bill authorizes the DMV to issue a one (1) year renewal registration for vehicles leased for a period of thirty-six (36) months for the last year of the lease and modify the fee for said renewal.

First, implementation of the proposed change would require structural changes in the DMV's computer system, RIMS, because registration expiration dates are not editable or optional. Significant RIMS programming would be required to build expiration date rules for leased vehicles across all 47 plate types. This would be a major change that would require a substantial diversion of resources currently dedicated to developing enhanced online transaction capabilities as part of our ongoing efforts to provide customers alternatives to appearing in-person at the DMV during the pandemic. As such, the DMV respectfully requests an amendment to the bill's effective date from upon passage to one (1) year after passage.

Second, the proposed change would require modification to the current title and registration process of leased vehicles. The DMV does not require a lease agreement to be submitted by motor vehicle dealers or motorists at the time of initial registration. Therefore, the DMV does not track the lease term of any leased vehicles. This would cause difficulties in implementing the proposed bill as the DMV would not know for how long to renew the leased vehicle and it could not easily ascertain the lease term from the current lessee at the time of renewal as the large majority of registrations are renewed online or through the mail. Even if the DMV were to require the submission of lease agreements at the time

The Honorable Marvin L. Abney  
March 2, 2021  
2021 H-5791  
Page 2

of initial registration, further RIMS programming would be necessary to add fields to the registration transaction to track the lease term and then perform calculations to ensure the proper renewal period and registration fee were assessed at the time of renewal.

Third, by allowing leased vehicles to be renewed for only the last year of a 3-year lease term, presumably because the vehicle's ownership will be transferred at the end of the lease, lessees would be afforded a benefit that is not provided to other registrants. All other motorists would continue to be required to renew vehicles with passenger plates for a full 2 years even if they know they are going to move out-of-state or sell the vehicle at the end of the first year.

Finally, the proposed change would lead to a reduction in registration fees and DOT surcharge fees collected on the renewal of leased vehicles.

The DMV looks forward to working with the sponsor going forward to draft revisions to the proposed bill that are mutually agreeable.

Thank you for your consideration.

Sincerely,



Walter R. Craddock, Esq., CFP®  
Administrator

Cc: Honorable Gregory J. Costantino  
Honorable Members of the House Committee on Finance  
Nicole McCarty, Chief Legal Counsel