

A Silicon Valley Technology Startup

2023 Proposal Outline

Recoup lost revenue from delinquent vehicle registrations

Automated, self-funding, and works with existing technology and remittance systems

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This proposal lays out an initiative for dealing with California's **persistent problem** of vehicles on the road with expired vehicle registration tags.

The **primary goal** of this effort is to assist state agencies in **recouping** lost revenue. The proposed solution is **self-funding**, **automated**, and designed to work with **existing technology** and **remittance systems**.

Problem

The law (VEH 5204(a) <u>APPENDIX 1</u>) requires vehicles to display current registration stickers on the rear license plate. The persistent flouting of this law means revenue for the state is negatively affected annually by an estimated **\$425 million**.

The CHP cites the most common reasons for vehicles not being correctly registered as:

- 1. Owners are **unaware** of the registration laws in California
- 2. Owners are evading paying taxes and registration fees
- 3. Their vehicle fails to meet the State air pollution standards
- 4. Their automobile is **uninsured** (According to the Insurance Information Institute -One in six uninsured <u>APPENDIX 2</u>)

Two more culprits adding to this loss include:

- 1. Out-of-state vehicles not registering their vehicle when relocating to California
- 2. **PNO** (planned non-operational) vehicles are still illegally on the road

According to Sacramento tax attorney Steve Sims, more than **one out of every ten** vehicles becomes delinquent, estimated to be worth **\$425 million annually**. <u>APPENDIX 3</u> What if there were **easy-to-implement technology** to help plug this leak and make the low-priority duty of ticketing these lawbreakers **substantially easier**?

Outcome

Addressing these issues will provide the following benefits:

- Recover \$50 million from the \$425 annual loss
- Improved use of limited law enforcement resources
- Increased adherence to existing laws
- Rein in delinquent vehicle registration cheats
- Improve air quality by reducing air pollution caused by faulty **SMOG** vehicles.
- Improve safety for all road users by reducing the number of uninsured vehicles

OKR

Objective:Target the CHP goal'to enforce the provisions of the California VehicleCode.' Specifically VEH 5204(a) - Display of valid tabs.Key Result:Help recover \$50 millionBy When:12 months

Solution

Our approach **augments** an **existing program** with custom-built technology. CHP REG is the **crowdsourced** program administered by the CHP to address out-of-state vehicle registration cheats. Since its inception, the program has helped recover over **\$30 million**. The tagSnapper initiative simplifies the reporting process. **Just take a photograph** with our custom-built mobile phone app. Our expanding network of vigilant tagSnappers photograph expired license plates from around California. Each photograph is instantly uploaded to our servers with pertinent metadata. We process the data associated with each image overnight to generate a daily data table. <u>APPENDIX 4</u>



Imagine how much easier it is than making notes on an offending vehicle and later entering details on a website - one text field at a time.

When something is **simpler** to do, it is easier to **follow through**.

 37.29372, -121.91063, 8.4m

 Jan 20, 2023 6:38:38 PM

The photograph represents the evidence portion of the value proposition.

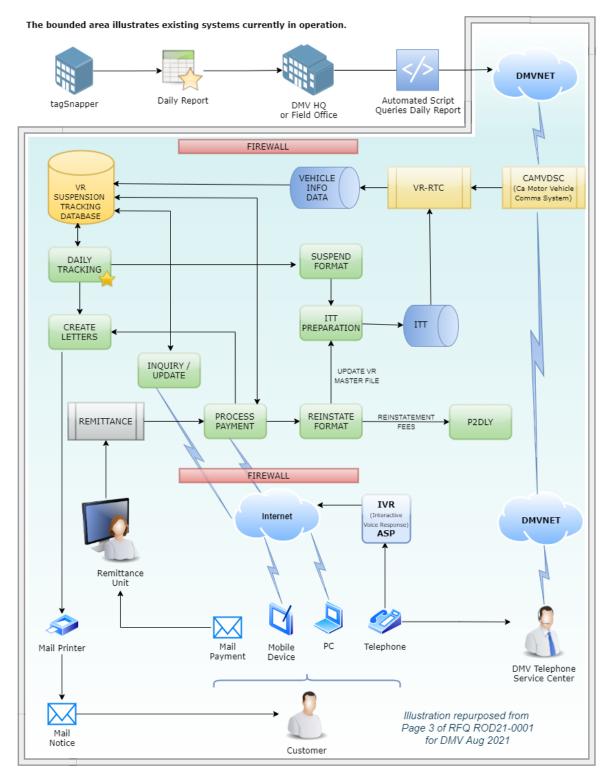
What allows the tagSnapper initiative to be **automated** is the daily data table. Our process **ensures** only data related to **clear photographs** of expired license plates are submitted. Removal of previously reported license plates is automatic. The data relating to each expired vehicle sighting is as follows:

- License plate number
- Month and year of the expired tag
- Date, Time, and Physical Address of photograph
- Make, Model and Color of the vehicle
- How old the registration tag is in days
- URL of a high-resolution image of the license plate

The out-of-state report contains information required for reporting on the CHP REG program, plus a photograph.

Automation

The illustration below shows how the tagSnapper **initiative integrates** with **existing technology** and **remittance systems**.



The daily submission of our report triggers an automated program on the DMV computer system.

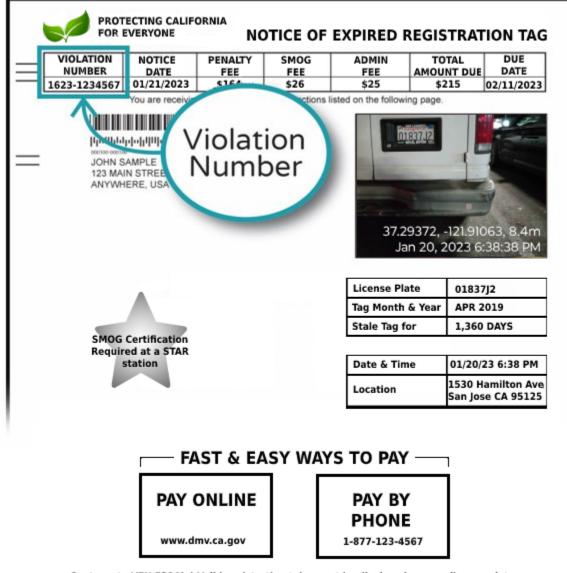
The programming script searches the database to establish the cause(s) of each expired tag.

The use of this information is to:

- 1. Determine the appropriate actions that the owner must take to correct the violation
- 2. Calculate the payment due

The owner receives a notice similar to a toll-bridge crossing violation.

The DMV records are updated as the owner resolves the issue.



Contrary to VEH 5204(a) Valid registration tabs must be displayed on rear license plate.

Self-funding

The administration fee added to the amount due funds the tagSnapper initiative and to expand the program. What this means is that existing budgets are unaffected.

Ready to Report

Our technology and systems are ready to report **hundreds** of vehicles **immediately**, ramping up to **thousands daily within the first year**.

The table below estimates the average

• delinquent amounts (excluding late fees) at \$120 per vehicle

	Revenue	Recouped	Cost		
No. of Daily Reports	Per Week	Per Month	Per Week	Per Month	
200	\$168,000	\$720,000	\$1,600	\$6,900	
1,000	\$840,000	\$3,600,000	\$8,050	\$34,500	
2,000	\$1,689,000	\$7,200,000	\$16,100	\$69,000	

• print and mail expense at \$1.15 per notice

Call to Action

As proof of concept, we propose a trial run/pilot in one county. Please suggest a couple of alternate times that are convenient for you to discuss the initiative further.

Summary



Appendix

1. Vehicle Code 5204 CVC.

"Current month and year tabs shall be attached to the rear license plate assigned to the vehicle for the last preceding registration year in which license plates were issued."

10.43.010 Registration of vehicles.

No person shall leave standing upon a city street or public parking facility, any vehicle defined in Division 1 of the California Vehicle Code requiring registration, unless it is registered and the appropriate fees paid, and the proof of such valid registration is properly displayed, in compliance with California Vehicle Code regulations. (Ord. 1359 § 2 (part), 2013).

10.43.030 Display of tabs.

No person shall leave standing upon a city street or public parking facility any vehicle defined in Division 1 of the California Vehicle Code requiring registration, without proper display of proof of valid registration, as defined in Section <u>5204</u>(a) of the California Vehicle Code. This requirement does not apply to fleet vehicles, as defined in Section <u>5204</u>(b) of the California Vehicle Code. (Ord. 1359 § 2 (part), 2013).

2. Insurance Information Institute

Percentage of uninsured drivers, as measured by the ratio of uninsured motorists (UM) claims to bodily injury (BI) claims frequencies.

Estimated Percentage Of Uninsured Motorists By State, 2019

3. Sourced information from Sacramento tax attorney Steve Sims

The DMV mails nearly 33 million vehicle registration renewal notices to Californians every year. Approximately 3.73 million of these vehicle registration accounts, worth an estimated \$425 million, become delinquent.

4. Daily datatable report

Expired Tags Report 04/22/2021

ID	State	Licence Plate	Month	Year	Delinquent	DateTime	Make/Model	Color	Approximate Location	Image ID
3345	CALIFORNIA	5U81955	11	2020	143	2021-04-21 at 07:03:37	Chevrolet Pickup truck	Brown	Cherryview Ln, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_070337.jpeg
3346	CALIFORNIA	7GHM973	7	2019	631	2021-04-21 at 07:04:11	Subaru Impreza	Green	5095 Almaden Expy, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_070411.jpeg
3347	CALIFORNIA	7BCR924	7	2020	265	2021-04-21 at 07:04:49	Hyundai Santa Fe	White	5095 Almaden Expy, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_070449.jpeg
3348	CALIFORNIA	7PTX462	1	2020	447	2021-04-21 at 07:14:17	Ford C-MAX	Red	5095 Almaden Expy, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_071417.jpeg
3349	CALIFORNIA	7ZMW477	11	2020	143	2021-04-21 at 07:14:32	Hyundai Elantra	Red	5095 Almaden Expy, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_071432.jpeg
3351	CALIFORNIA	8AKC999	9	2020	204	2021-04-21 at 07:20:48	Honda Pilot	White	40 Almaden Plaza Way, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_072048.jpeg
3352	CALIFORNIA	7WSW139	1	2021	81	2021-04-21 at 07:21:10	Honda Accord Sport	White	46 Almaden Plaza Way, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_072110.jpeg
3353	CALIFORNIA	5LXV996	1	2021	81	2021-04-21 at 07:29:37	Toyota 4Runner	White	46 Almaden Plaza Way, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_072937.jpeg
3354	CALIFORNIA	8JPN498	3	2021	21	2021-04-21 at 07:39:09	Toyota Camry	White	46 Almaden Plaza Way, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_073909.jpeg
3355	CALIFORNIA	8GTK674	12	2020	112	2021-04-21 at 07:39:24	BMW 530e	White	46 Almaden Plaza Way, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_073924.jpeg
3358	CALIFORNIA	8FJZ262	7	2019	631	2021-04-21 at 07:44:01	Ford Mustang	Silver	1130 Blossom Hill Rd, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_074401.jpeg
3359	CALIFORNIA	6WRN638	7	2020	265	2021-04-21 at 08:15:45	Nissan Sentra	Silver	Almaden Expy, San Jose, CA 95118	http://www.exp-tag.com/ nambia/111_20210421_081545.jpeg