



Legislation Text

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Res. No. 451

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation increasing penalties on drivers who improperly register vehicles in another state.

By Council Members Holden and Yeger

Whereas, Drivers are required to register their vehicles with the New York State Department of Motor Vehicles within 30 days of moving into the state; and

Whereas, Many residents of New York choose to illegally register their vehicle in other states, often in an attempt to take advantage of lower insurance rates and lower sales tax rates; and

Whereas, According to a Streetsblog analysis of New York City Police Department collision data, as of September 2021, there were 11,000 people injured (nearly 34% of all people injured in crashes thus far in 2021) and 62 people killed in crashes involving cars registered elsewhere in 2021; and

Whereas, According to the Streetsblog analysis, out-of-state cars make up a growing proportion of vehicles involved in crashes in New York City, with 2021 estimates, as of September of that year, showing that about 19% of total crashes involved out-of-state cars; and

Whereas, A 2017 *Crain's* report, citing a 2011 New York State Senate study, reported that New York residents who drive cars registered out of state cost the city \$73 million in unpaid parking tickets, deprive the state of \$1 million annually in fees for license plates, titles, and vehicle registrations, as well as up to \$93 million in sales tax revenue, and cost insurers \$19 million each year in underpriced premiums; and

Whereas, This number is most likely much higher in 2022, as according to the United States Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers rose 7.5% from January 2021 to January 2022, with new vehicles seeing a 12.2% increase in price, and used cars and trucks seeing a 40.5% increase,

ultimately impacting the revenue that New York would collect on otherwise properly registered vehicles and the premiums required by insurers; and

Whereas, New York residents who improperly avoid taxes, fees, and insurance costs by registering their vehicles in other states unfairly shift that burden to fellow New Yorkers who follow the rules; and

Whereas, Various bills that would enhance enforcement of improper out-of-state registration and increase associated penalties have been introduced in the State Legislature in recent years, including legislation that would make listing a false address on a car insurance or vehicle registration form a felony and legislation that would grant the Superintendent of Financial Services the authority to investigate such fraudulent acts; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation increasing penalties on drivers who improperly register vehicles in another state.

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LS #1192
01/17/2024

Session 12
KK
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3/14/22