

March 9, 2023

The Honorable Jimmy Higdon
Chair, Senate Transportation Committee
702 Capital Ave
Annex Room 204
Frankfort, KY 40601

The Honorable John Blanton
Chair, House Transportation Committee
702 Capital Ave
Annex Room 307A
Frankfort, KY 40601

Re: Senate Bill 129 – an act relating to automated license plate readers

Dear Chairmen Higdon and Blanton:

I write on behalf of the American Financial Services Association (AFSA)¹ to express our concerns with Senate Bill 129, which would set broad restrictions on the use of automated license plate readers (ALPRs). As currently written, Senate Bill 129 limits the use of ALPR technology solely to a public safety purpose or in activities related to toll collection, but ignores many other legitimate business uses for the technology that have broad benefits for consumers.

We understand the legislatures aim to ensure the privacy of Kentucky residents' data. However, we have major concerns with the bill, as it would restrict any use of ALPR data by a private entity. Our particular interest in ALPR technology relates to the vehicle finance industry's use of it to rapidly identify and recover vehicles in default for a period of months with owners who are not responding to good-faith efforts to contact them. ALPR technology can be used to facilitate the repossession process and keep costs down, allowing vehicle finance companies to keep the cost of credit affordable for borrowers. While repossession is always a last resort, without this important technology, rising costs due to difficulties associated with repossession could, unfortunately, need to be passed along to borrowers and result in higher borrowing costs for Kentucky's consumers.

We do not believe that the legislature intended to restrict ALPR uses by private entities where data is used for specific purposes and broad consumer benefit. In order to maintain access to safe and affordable credit, we request that the bill be amended so that these restrictions only apply to governmental entities. Alternatively, we request that the legislature provide exemptions for legitimate business activities from the bill's provisions. Attached with this letter are proposed amendments that would maintain the legislature's aim of safeguarding consumer privacy while allowing private entities such as those in the vehicle finance industry to use ALPR technology for their business activities.

We urge you to consider our request for clarity and not move forward with this legislation as drafted. Without such clarity, unintended restrictions on the use of ALPR data for vehicle finance purposes would have harmful effects for consumers seeking access to credit. Thank you in advance for your

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance. AFSA members do not provide payday or vehicle title loans.

consideration of our comments. If you have any questions or would like to discuss this further, please do not hesitate to contact me at (202) 469-3181 or mkownacki@afsamail.org.

Sincerely,

A handwritten signature in blue ink that reads "Matthew Kownacki". The signature is written in a cursive style with a period at the end.

Matthew Kownacki
Director, State Research and Policy
American Financial Services Association
919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517