

May 3, 2023

The Honorable Jamie Andrade, Jr.
Chair
House Transportation: Vehicles & Safety Committee
238-W Stratton Office Building
Springfield, IL 62706

Re: House Bill 3326 – automated license plate readers

Dear Chairman Andrade:

I write on behalf of the American Financial Services Association (AFSA)¹ to express our concerns with House Bill 3326, which would set broad restrictions on the use of automated license plate readers (ALPRs). As drafted, HB 3326 limits the sharing of ALPR data to only law enforcement entities. While we understand the legislature's goal of protecting Illinois residents' privacy and preventing the exposure of sensitive medical or immigration information, the bill ignores many other legitimate business uses for the technology that have broad benefits for consumers. For this reason, we respectfully request your support for an amendment to protect these important uses.

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 Illinois consumers.

We do not believe that the legislature intended to restrict ALPR uses by private entities where data is used for specific purposes unrelated to medical or immigration information and would broadly benefit consumers. In order to maintain access to safe and affordable credit, we request that the bill be amended to clarify the definition of ALPR as follows:

"Automated license plate read" or "ALPR" includes a device that is owned or operated by a person who is not a government entity to the extent that data collected by the reader is knowingly shared with a law enforcement agency for any purpose prohibited under subsection (d).

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.

We believe these changes 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 legitimate 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 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, flowing style.

Matthew Kownacki
Director, State Research and Policy
American Financial Services Association
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