

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 702** HLS 16RS 207
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: April 4, 2016 5:21 PM	Author: HARRIS, J.
Dept./Agy.: Public Safety/Office of Motor Vehicles	Analyst: Zachary Rau
Subject: REAL ID compliant driver's licenses	

MTR VEHICLE/DRIVER LIC OR SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides for the issuance of REAL ID compliant driver's licenses and special identification cards

Proposed law specifies that any person applying for a driver's license or special identification card pursuant to present law may elect to apply for a license that complies with the standards of REAL ID. Proposed law provides that if a person is eligible for a license or special identification card to be issued pursuant to present law and meets all requirements of the U.S. Dept. of Homeland Security for a REAL ID compliant credential, that person shall be issued a license or special identification card which bears a U.S. Dept. of Homeland Security approved security marking reflecting that such credential meets REAL ID standards. Proposed law specifies that if a person applying for a driver's license or special identification card pursuant to present law does not elect to apply for a license or special identification card that complies with REAL ID standards and that person is otherwise eligible to be issued a license or special identification card pursuant to the provisions of present law, that person shall be issued a license or special identification card which indicates the license or special identification card is not in compliance with REAL ID. Proposed law requires REAL ID information to be viewable in locations issuing credentials.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is a nominal anticipated material effect on governmental expenditures as a result of this measure. Provisions to include components compatible with REAL ID have been negotiated into the Office of Motor Vehicles' contract with Morphotrust. As a result, the department states this portion of the proposed legislation will not have a material impact on governmental expenditures. However, the proposed legislation requires the Office of Motor Vehicles (OMV) to produce signage describing REAL ID compliant credentials, as well as what data is collected, how the data will be collected, who has access to said data, how the data will be used, and that persons are not required to obtain a REAL ID compliant credential. OMV reports that they will absorb these costs internally by generating the signage electronically, and distributing them to OMV locations statewide electronically for printing and hanging at a nominal expense.

For informational purposes, the Department of Public Safety's (DPS) contract with Morphotrust allows the department to pay a rate of \$1.78 per credential until statewide implementation of all components of the contract, portions of which facilitate implementation of REAL ID. The funds associated with this expenditure are SGR. Upon successful statewide implementation of all contract components, the per-credential rate increases by \$0.17, from \$1.78 to \$1.95. Outstanding components of DPS' contract with Morphotrust include statewide electronic document imaging and photo capture functionality ("Photo First" functionality). Furthermore, the department indicates that it will be able to absorb a portion of the per-credential increase within its existing budget authority upon completion of the contract via efficiencies created by other contract components.

DPS also indicates the proposed law may require approximately 250 hours of overtime for the Office of Technology Services at a cost of approximately \$16,993 in SGF. The legislation will require programming and database modifications performed by IT Applications Analysts to finalize program coding for driver's license transactions and interfaces, integrate photos and scan documents into the OMV Electronic Document Imaging System, and test and deploy the system. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that the Department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the Department may require additional resources.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
 Legislative Fiscal Officer