

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1587

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Marshall, R.G.

3. Committee: Militia, Police and Public Safety

4. Title: **Real ID Act, federal; State will not participate in compliance of any provision.**

5. Summary: This provides that the Commonwealth will not participate in the compliance of any provision of the federal Real ID Act and of any other federal law, regulation, or policy that would compromise the economic privacy or biometric data of any resident of the Commonwealth.

6. Fiscal impact estimates: Preliminary.

6a. Expenditure impact: Since it prohibits compliance with the federal Real ID Act, this bill would eliminate the appropriation that would be needed for compliance.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	-	-	-
2010	(5,200,000)	-	NGF
2011	(5,200,000)	-	NGF
2012	(5,200,000)	-	NGF
2013	(5,200,000)	-	NGF
2014	(5,200,000)	-	NGF
2015	(5,200,000)	-	NGF

6b. Revenue impact: Indeterminate. See Item #8.

7. Budget amendment necessary: Yes, Item 441.

8. Fiscal implications: This bill would mandate noncompliance with the federal Real ID Act. Since the agency's budget includes an appropriation of \$5.2 million per year for compliance with Real ID, this bill would require a budget amendment to eliminate that appropriation.

The revenue impact of this bill likely would be much higher than its impact on expenditures, but it is impossible to quantify the revenue impact precisely. The bill would prohibit agencies from complying with any provision of federal law that would compromise an individual's biometric or economic privacy, including the use of an individual's social security number or fingerprints. Such a prohibition would have a statewide impact, including agencies in the Public Safety, Transportation, and Health and Human Resources Secretariats. The proscription could affect numerous state agencies involved in the administration of

federal programs, from licensing of commercial drivers to the Department of Medical Assistance Services' administration of Medicaid. Because the bill would require agencies not to comply with some provisions in federal programs, federal funds for some programs could be put in jeopardy, while other programs might have to be dismantled altogether.

For example, it is unclear whether this bill would permit the Department of Motor Vehicles (DMV) to continue licensing commercial drivers. Federal rules require DMV to collect social security numbers from applicants for a commercial driver's license. However, this bill's provisions regarding economic privacy would prohibit DMV from gathering social security numbers. For commercial drivers seeking an endorsement to transport hazardous materials, federal rules further require DMV to collect fingerprints. However, this bill's provisions regarding the privacy of biometric data would prohibit DMV from gathering fingerprints. If DMV were prohibited from complying with federal licensing requirements, then some 200,000 commercial drivers would lose their Virginia license. This would have a substantial impact on revenue, both directly (from the loss of licensing fees) and indirectly (from the negative impact on commercial activity in the Commonwealth).

- 9. Specific agency or political subdivisions affected:** Department of Motor Vehicles, Department of Transportation, Department of Social Services, Department of Medical Assistance Services, and many other state agencies that employ fingerprinting or social security numbers in their processes.

10. Technical amendment necessary: No.

11. Other comments: This bill is a companion to SB 1431.

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cc: Secretary of Transportation