

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB 580

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Bloxom

3. Committee: Transportation

4. Title: Driver Privilege Card

5. Summary: This bill authorizes the issuance of new driver privilege cards by the Department of Motor Vehicles to an individual who has (i) reported income from Virginia sources on an individual tax return filed with the Commonwealth in the preceding 12 months and (ii) is not in violation of the insurance requirements of Article 8 (§ 46.2-705 et seq.) (Registration of Uninsured Motor Vehicles) of Chapter 6 of Title 46.2. The bill provides that driver privilege cards shall confer the same privileges and shall be subject to the same provisions as driver's licenses and permits; however, driver privilege cards shall not (a) confer voting privileges, (b) permit an individual to waive any part of the driver examination, or (c) have their issuance be contingent upon the applicant's ability to produce proof of legal presence in the United States. The bill provides for the term "driver's license" to consistently refer to all driver's licenses, permits, driver privilege cards, and special identification cards issued by the Commonwealth or the comparable law of another jurisdiction. The bill allows the issuance of a limited-duration driver's license and special identification card to an applicant presenting valid documentary evidence that a federal court or federal agency having jurisdiction over immigration has authorized the applicant to be in the United States for a period of at least 30 days from the date of application. The bill authorizes the Tax Commissioner to provide to the Commissioner of the Department of Motor Vehicles information sufficient to verify that an applicant for a driver privilege card or permit has reported income from Virginia sources on an individual tax return filed with the Commonwealth in the preceding 12 months. The bill has a delayed effective date of January 1, 2019. Individuals applying for this credential using false information are subject to the same Class 5 felony penalties as those individuals applying for regular driver's licenses.

6. Budget Amendment Necessary: Yes, Item 439 and Item 391.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	-	-	-
2019	\$5,854,592	88	Motor Vehicle Special Fund
2019	\$50,000	-	General Fund
2020	\$3,970,763	66	Motor Vehicle Special Fund
2021	\$4,757,037	75	Motor Vehicle Special Fund
2022	\$4,419,691	70	Motor Vehicle Special Fund
2023	\$2,905,956	42	Motor Vehicle Special Fund
2024	\$2,527,545	37	Motor Vehicle Special Fund

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	-	-
2019	\$11,460,783	Motor Vehicle Special Fund
2020	\$8,343,465	Motor Vehicle Special Fund
2021	\$9,082,804	Motor Vehicle Special Fund
2022	\$8,633,297	Motor Vehicle Special Fund
2023	\$4,339,847	Motor Vehicle Special Fund
2024	\$3,759,274	Motor Vehicle Special Fund

- 8. Fiscal Implications:** During the 2016 Session of the Virginia General Assembly, five bills involved the provision of driving credentials to resident immigrants. As a result, the Chairman of the House Transportation Committee directed the Department of Motor Vehicles (DMV) to study the impact of potentially issuing credentials to immigrant residents, including undocumented individuals. Initial assumptions were that the Commonwealth should not be negatively financially impacted by creating Driver Privilege Cards (DPCs) and the cost of an original DPC should cover costs incurred in the first year of implementation. Initial costs are comprised of DMV staffing at customer service centers, training, DMV law enforcement, system programming including the costs for DMV's card vendor to design a new DPC credential, and an electronic verification process with the Virginia Department of Taxation. As was identified in 7a, DMV will need an additional 88 FTEs in the first year of implementation with staffing needs decreasing in later years as the customers move into the renewal cycle. Without these staff, DMV will experience increased wait times following implementation of the bill.

Guided by information from the Pew Research Center, with an annual projected growth rate, it is estimated that the number of undocumented individuals eligible to drive will rise to 325,698 in 2019. Based upon the experiences of other states concerning what percentage of their estimated undocumented populations applied for DPCs in the first few years of implementation, the following is assumed:

Estimate of number of undocumented immigrants who would apply for DPC each year (based on rates in comparable states)				
Year	Original DPCs		Renewal DPCs	
1	35 percent	113,994 applicants	0 percent	0 applicants
2	25 percent	82,988 applicants	0 percent	0 applicants
3	20 percent	67,655 applicants	100 percent	113,994 applicants
4	20 percent	68,694 applicants	100 percent	82,988 applicants

The 2016 Driving Credentials for Resident Immigrants Study estimated an original DPC to cost \$51. This fee would cover DMV's costs within the first year of implementation, as well as a one-time start-up payment of \$50,000 to the Department of Taxation for a real-time electronic verification system. Finally, the *Code of Virginia* currently specifies that the minimum fee for a license renewal is \$20. As a result, the Driving Credentials for Resident Immigrants Study recommended that an original DPC cost \$51, while a renewal would cost \$20.

However, this bill includes a \$100 fee for an original DPC, and a \$20 fee for a reissue. As a result, DMV will experience a revenue increase above its costs of approximately \$5.6 million in the first year of implementation. In later years, the credential fees could be expected to generate between \$1.2 million and \$4.3 million in net revenue annually for DMV, if everyone who is eligible for a DPC applies for one. The revenue total also includes a two-dollar re-exam fee for customers who initially do not pass the knowledge exam and return to take the test. The re-exam amount is calculated using historical failure rates.

Figures included in this fiscal impact statement have been updated to reflect population growth and an enactment date of January 1, 2019. As such, they vary slightly from numbers provided for past years' fiscal impact statements on similar legislation.

For someone convicted of a Class 5 felony for providing false information to obtain this credential, a judge has the option of sentencing him to up to one year in jail, or 1 to 10 years in prison. Therefore, this proposal could result in an increase in the number of persons sentenced to jail or prison.

There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Ultimately, the presiding judge will decide if there is to be any time served in jail; however, any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanor or otherwise local responsible prisoner held in a jail and \$12.00 a day for each state responsible inmate. It also funds a considerable portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2017), the estimated total state support for local jails averaged \$34.58 per inmate, per day in FY 2016.

Due to the lack of data, the Virginia Criminal Sentencing Commission has concluded, pursuant to §30-19.1:4 of the Code of Virginia, that the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined. In such cases, Chapter 836 of the 2017 Acts of Assembly requires that a minimum impact of \$50,000 be assigned to the bill.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Department of Taxation.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to HB 1318 and SB 621.

The Department of Motor Vehicles attempted to find data about the potential economic benefits of DPCs, including increased job opportunities and better paying jobs for DPC holders. However, DPCs are such a recent development that data is nonexistent concerning their economic impacts. A 2011 study by the Oregon Department of Transportation and the Federal Highway Administration and a 2013 American Association of Motor Vehicle

Administrators (AAMVA) Suspended Driver's License Report both conclude that having a driving credential improves the holder's job prospects. As such, DPCs are likely to provide economic benefits to the Commonwealth, although not quantifiable.

In addition, issuing DPCs may have an impact on judicial efficiency. Judges often see the same drivers without licenses multiple times in court. Since the driver does not have a license, variations in recording the driver's name or the driver simply providing a different name for each offense may result in the judge treating each incident as if the driver is a first-time offender. This restricts the judge's ability to apply the stricter penalties usually assigned to repeat offenders.

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cc: Secretary of Transportation