

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** SB34S1

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Surovell

**3. Committee:** Finance and Appropriations

**4. Title:** Driver privilege cards; penalty

**5. Summary:** This bill removes the citizenship and legal presence requirements for obtaining a driver's license or special identification card. The bill requires the Department of Motor Vehicles to cancel any (i) REAL ID-compliant driver's license or special identification card and (ii) commercial driver's license or commercial learner's permit if the Department is notified by a federal agency that the individual to whom such document was issued is not in compliance with the citizenship and lawful residency requirements for such license, card, or permit. The bill has a delayed effective date of January 1, 2021.

**6. Budget Amendment Necessary:** Yes. Item 402

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2020	-	--	-
2021	\$50,000	0	General Fund
2021	\$7,343,258	95	Motor Vehicle Special Fund
2022	\$5,607,954	95	Motor Vehicle Special Fund
2023	\$355,879	95	Motor Vehicle Special Fund
2024	\$360,472	-	Motor Vehicle Special Fund
2025	\$365,192	-	Motor Vehicle Special Fund
2026	\$370,062	-	Motor Vehicle Special Fund

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$4,146,533	Motor Vehicle Special Fund
2022	\$5,761,538	Motor Vehicle Special Fund
2023	\$1,512,986	Motor Vehicle Special Fund
2024	\$1,513,932	Motor Vehicle Special Fund
2025	\$1,514,910	Motor Vehicle Special Fund
2026	\$1,515,918	Motor Vehicle Special Fund

- 8. Fiscal Implications:** Based on data from the Pew Research Institute (2016 data updated for annualized growth), it is anticipated that there will be nearly 290,000 residents who would be eligible to obtain Virginia credentials as of FY 2021. Of these, 272,500 individuals or 94 percent would be of age to obtain a driver's license. An additional two percent (5,800) may instead seek a special identification card. It is fully expected that 90 percent of these potential new customers, or a total of 252,000 customers, would come to the Department of Motor Vehicles (DMV) to obtain a credential within the first 18 months.

Revenue includes fees from the standard non-REAL ID compliant driver's licenses and original standard identification cards and exams. The revenue estimates are adjusted for the anticipated loss that occurs from the elimination of noncompliant limited duration driver's licenses and shifting those customers to a standard driver's license.

In addition, the bill imposes a five dollar reexamination fee for both the knowledge and skills retesting for all driver's licenses, motorcycle licenses, and commercial driver's licenses. Currently, an average of 49 percent of applicants fail the knowledge tests and 12 percent fail the skills tests. Though DMV would experience a loss in revenue during the first biennium from implementing the provisions of this bill, it is anticipated that by FY 2024, this deficit would be completely offset through inclusion of the reexamination fee revenue.

Costs include salaries and programming costs. To accommodate the influx of new customers within this relatively short period of time, 95 new positions will be required over the first two calendar years. Update of the agency's information systems is anticipated to require 1,195 hours at a cost of \$71,162. DMV anticipates being able to reduce the positions following the initial 18-month period through normal attrition.

Someone providing false information to obtain this credential can be convicted of a Class 5 felony. A judge has the option of sentencing this person to up to one year in jail, or one 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 estimate reliably 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. According to the Compensation Board's most recent Jail Cost Report (November 2019), the estimated total state support for local jails averaged \$34.07 per inmate, per day in FY 2018.

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 854 of the 2019 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, court system.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.