

## Department of Planning and Budget

### 2022 Fiscal Impact Statement

**1. Bill Number:** HB506

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:** Mullin

**3. Committee:** Transportation

**4. Title:** Department of Motor Vehicles; electronic credentials.

**5. Summary:** This bill requires the Department of Motor Vehicles to issue electronic credentials and to create and operate a verification system for such credentials. Current law authorizes the Department to issue such credentials and operate a verification system but does not require the Department to do so.

**6. Budget Amendment Necessary:** No.

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

**8. Fiscal Implications:** The Electronic Credentials Act was added to the Code of Virginia in 2017 (§ 46.2-226). This act enables the Department of Motor Vehicles (DMV) to issue electronic credentials to persons who hold a valid physical credential issued by DMV. The agency was not ready to issue electronic credentials at the time, so the language offered the flexibility for DMV to begin issuing electronic credentials once the underlying information technology structure and program were ready.

This bill would require that DMV issue electronic credentials to customers who hold a physical credential that DMV is authorized to issue, upon written request by the person holding the credential. Additionally, DMV would be required to create and operate a verification system. The bill does not adjust the annual \$10 fee originally set for electronic credentials.

DMV has recently awarded the contract for the DMV Secure Credential Solution to its vendor. The core component of the Secure Credential Solution is to deploy an enhanced image capture and card manufacturing solution, anticipated to be completed by the end of fiscal year 2023. In addition, the Secure Credential Solution contract includes an optional component for deploying a Mobile Driver's License (mDL) solution. DMV intends to work with the vendor to deploy the optional mDL solution in parallel with the core Secure Credential Solution.

DMV has reserved sufficient funding within its budget to provide for the costs to deploy the mDL solution as provided in the vendor contract. However, without a delayed enactment date, this cost would rise due to the likely need to hire contractors.

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

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

**11. Other Comments:** None.