

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB263 (First Edition)

SHORT TITLE: Drivers License Expires When Visa Expires

SPONSOR(S): Senator Brock, *et al*

	FISCAL IMPACT				
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
HIGHWAY FUND					
Expenditures		\$94,200	\$94,200	\$94,200	\$94,200
Printing Licenses					
Software Changes	\$27,080				
Revenues					
Fewer Licenses Issued	(\$356,250)	(\$475,000)	(\$475,000)	(475,000)	(\$475,000)
 PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Highway Fund; Division of Motor Vehicles					
 EFFECTIVE DATE: October 1, 2003					

BILL SUMMARY: Amends G.S. 20-7(f) to require that drivers licenses issued by the Division of Motor Vehicles shall be issued for a shorter duration when the applicant holds a valid alien registration of limited duration issued by the Department of Homeland Security. Provides that any license issued to a non-citizen shall automatically expire when the applicant's presence is no longer authorized under federal law. Deletes provision providing that the Division may not accept an application more than 180 days prior to license expiration.

ASSUMPTIONS AND METHODOLOGY: The Division of Motor Vehicles notes that it does not have access to data indicating how many non-citizens are in North Carolina with authorized

status from the Department of Homeland Security or the nature of those authorizations. Some non-citizens may hold permanent work permits while others may have visas that expire in six months or one year. The fiscal estimates rely on assumptions based on data that are available.

Driver License Costs

To calculate the fiscal impact, the Division assumes that there are 450,000 legally authorized non-citizens in the State and that two-thirds of them (300,000) hold drivers licenses (assuming the same ratio of drivers to non-drivers as in the total population). Currently, drivers renew their licenses every five years. Under this bill, the renewal period for the non-citizens would be shorter, depending on the nature of their alien registration. Assuming that these non-citizens would require driver license renewal every two years, on average, they would require 2.5 licenses in a five year period, rather than one. The additional cost every five years for each of the non-citizens would be 1.5 additional licenses (2.5 minus 1) times \$1.05 (the cost to DMV of printing a new license), or \$1.57. For 300,000 non-citizens the cost would then be 300,000 times \$1.57, or \$471,000 every five years. The annual average cost would then be \$94,200. DMV states that this cost would begin in FY04-05 as drivers start to come in for renewals. Drivers pay for drivers licenses at the rate of \$2.50 per year, so more frequent renewals for shorter periods would not bring in additional revenues.

Management Information System Costs

DMV states that implementation of the bill would require “moderate” changes to SADLS (State Automated Driver License System). DMV estimates that the changes would require 310 professional hours at an average cost of \$80 per hour, or \$24,800, plus ITS charges of \$2,280, for a total cost of \$27,080.

Lost Revenues

There would be a revenue loss from people no longer eligible for a drivers license. The Division notes that in the first year of acceptance of Individual Taxpayer Identification Numbers for those without social security numbers, about 76,000 people completed an affidavit stating that they were ineligible for a social security number. If half of those are in the United States without proper authorization, then this would be 38,000 fewer drivers licenses issued per year at \$12.50 each, for an annual revenue loss of \$475,000. (With the bill taking effect on October 1, 2003, the first year loss would be three-fourths of that amount, or \$356,250.)

SOURCE OF DATA: Division of Motor Vehicles

TECHNICAL CONSIDERATIONS:

The Division notes several ambiguities in the bill:

1. How the Division should handle visas issued by the State Department. According to DMV, the Department of Homeland Security website states that the State Department is the entity “chiefly responsible for determining eligibility and issuing visas for entry to the U.S. Visas are not issued through the Department of Homeland Security.”
2. What is to be considered “valid alien registration”? How should the Division handle conflicts between a valid document and information in the INS database.
3. The appropriate expiration date for the drivers license of a person with permanent resident status.

4. The INS issues Resident Alien Cards that expire and may be renewed. Does the expiration date of the card indicate that “the applicant’s presence is no longer authorized under federal law” as of that date?

5. The bill requires that the Division verify certain information with the Department of Homeland Security. The Division notes that the INS made a decision not to allow any additional states to have access to their database to verify customers. Access therefore would have to be made by phone or in writing. States that do access the INS database pay \$.28 per query.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Robert Weiss

APPROVED BY: James D. Johnson, Director Fiscal Research Division

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