

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note



BILL NUMBER: Senate Bill 419 (First Edition)

SHORT TITLE: Increased Security For Drivers Licenses.

SPONSOR(S): Senator Berger of Rockingham

FISCAL IMPACT				
Yes (X)	No ()	No Estimate Available ()		
<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES				
EXPENDITURES Significant Fiscal Impact Expected – See Assumptions and Methodology				
POSITIONS (cumulative):				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles (DMV)				
EFFECTIVE DATE: January 1, 2006				

BILL SUMMARY: Current GS 20-7(b1) requires that applicants for a drivers license, identification card, or learners permit provide two forms of identification, including one with applicant’s residence address. Act amends GS 20-7(b1) to require that other form of identification demonstrate that applicant is either citizen of US or an alien lawfully admitted for permanent or temporary residence in US. Further amends section to require that application request verification if applicant is ineligible for social security number and to specify that applicant must provide evidence of US citizenship or that applicant is lawfully in US. Requires verification of each required document by Division of Motor Vehicles (DMV) and prohibits DMV from accepting foreign documents, except foreign passports. Requires that DMV submit annual report of applications accepted and denied to Governor and General Assembly. Deletes GS 20-7(b3)(5) and (6), removing preprinted business letterhead or other documents deemed reliable by DMV as acceptable proof of residency; and GS 20-7(b4)(8) and (9), removing certain documents issued by foreign consulates from list of reliable indicators of residency. Amends GS 20-7(f) to require that driver’s license must expire when applicant’s presence in US is no longer authorized and requires that DMV issue temporary 10-day license to applicants lacking a social security number while DMV verify applicant’s information. Adds new GS 20-7(n)(11) and (12) and GS 20-7(s) to impose additional drivers license security requirements. Enacts new GS 20-44.31 to require that

Commissioner of Motor Vehicles ensure that State participates in interstate compact concerning sharing of driver's license data, known as "Driver License Agreement." Effective January 1, 2006
Source: Bill Digest S.B. 419 (03/07/0200).

ASSUMPTIONS AND METHODOLOGY: The costs of implementing the Real ID Act and SB 419 have not yet been determined. The North Carolina Division of Motor Vehicles (DMV) has submitted the following:

S419 parallels the recently passed federal legislation entitled the US REAL ID Act which was signed into law in May 2005 and which requires states to be in compliance with the law within three years (May 2008). S419, however, has an effective date of January 2006 and does not require federal rulemaking to implement. If passed and signed into law, DMV would proceed with establishing policy and procedure to implement the law. DMV would establish policies and procedures consistent with our best estimate of what rules and regulations will be adopted by the U.S. Department of Homeland Security (US DHS), which is authorized by the US REAL ID Act to promulgate the rules. US DHS has not indicated when it will issue its proposed rules for state DMVs (will be issued). If North Carolina proceeded with implementation of its own version of REAL ID Act without substantial direction from the U.S. Department of Homeland Security, the State would run the risk of having to alter its course at whatever point US DHS promulgates its rules.

The provision of the bill that will create the greatest change in the issuance of driver licenses and ID cards is Section 3(b1), which states –

Section 3 (b1) – “Before issuing a drivers license or identification card to an applicant, the Division shall verify, with the issuing agency, the issuance, validity, and completeness of each document required to be presented by an applicant pursuant to this subsection”

Because there are so many technical and policy issues to be finalized, the Division cannot offer a detailed assessment at this time.

After discussing the requirements of the federal law (and by extension S419) with the American Association of Motor Vehicle Administrators, other state motor vehicle agencies, and the Department's Information Technology staff, we realize that the requirements of the federal law and the proposed S419 will require a virtual rewrite of our mainframe computer systems, including the State Automated Driver License System (SADLS) and the other mainframe system that are linked to it as part of the Division's enterprise database (this includes STARS, LITES, etc.). The projected cost of rewriting these mainframe systems will need to come from DOT's IT staff and the State Information Technology Service (ITS).

The computer system changes needed to implement the key provisions of this law by January 1, 2006 would be impossible to complete in that time frame.

SOURCES OF DATA: Division of Motor Vehicles, American Association of Motor Vehicle Administrators (AAMVA), other state Motor Vehicle Agencies, and DOT IT staff

TECHNICAL CONSIDERATIONS: See above

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Signed Copy Located in the NCGA Principal Clerk's Offices