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FISCAL IMPACT REPORT

ORIGINAL DATE
SPONSOR HJC **LAST UPDATED** 2/12/15 **HB** CS/32/HJCS

SHORT TITLE Restrict Driver's Licenses Issuance **SB** _____

ANALYST Sanogo/Malone

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	(\$416.5)	(\$416.5)	Recurring	Various

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$180.0	\$0.0	\$0.0	\$180.0	Nonrecurring	TRD-MVD Operating Budget
	\$0.0	(\$432.5)	(\$432.4)	(\$865.0)	Recurring	TRD-MVD Operating Budget
	\$32.0	\$0.0	\$0.0	\$32.0	Nonrecurring	TRD-ITD Operating Budget

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with: HB79, which also limits issuing driver's licenses to foreign nationals.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General Office (AGO)

Department of Public Safety (DPS)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

The House Judiciary Committee substitute for HB 32 amends and enacts statutory sections within the Motor Vehicle Code, Section 66 Article 1 NMSA 1978, to establish requirements for the issuance of driver's licenses and ID cards.

The proposed legislation requires an applicant who is a foreign national to provide proof of authorized admission into the United States and to supply unique, identifying information as outlined in Section 1, Subsection D of the bill. A driver's license or ID issued to a foreign national shall not be renewed unless the applicant provides evidence of authorized continued stay in the United States; no driver's license or ID issued to a foreign national shall remain valid if such authorization is revoked or terminated.

The bill amends Section 66-5-47 NMSA 1978 to specify the documents that will constitute proof of an applicant's age, removing the catchall "or other evidence which the secretary deems sufficient."

The bill amends Sections 66-5-409 and 66-8-1.1 NMSA 1978 to increase the penalties associated with fraud, providing false statements, or misuse related to licenses and IDs.

The bill contains a severability clause.

The effective date of this legislation is July 1, 2015.

FISCAL IMPLICATIONS

TRD has provided the estimated cost of issuing new licenses, in connection with similar legislative proposals. In FY15, the administrative and compliance costs to Motor Vehicle Division (MVD) for full compliance by the implementation date of REAL ID would include:

- Design and production of two new licenses (REAL ID compliant and DACA non-compliant) - \$175,000
- Training and administrative expenses - \$5,000
- Total MVD Administrative and Compliance Fiscal Impact = \$180,000

TRD estimates that implementation of the bill would also have an FY15 fiscal impact for the Information Technology Division (ITD) in the following programs, with the estimated hours below:

- Remove ITIN from allowable identification documents
- Turn on Real ID processing – This has already been developed and is in the process of being tested.
- Create "non-Real ID" foreign national process
- Create renewal process for foreign national customers (ID Cards included)
- Estimated Tapestry Development Hours: 400
- Estimated Tapestry Testing Hours: 240

- Total ITD Fiscal Impact: 640 hours @ \$50/hour = \$32,000

TRD’s analysis of HB 32 also included an estimate of the current cost to MVD to produce foreign national’s driver’s licenses (below).

Estimated Annual Total FN Transactions	15,000	
MVD overall cost per transaction		\$ 13.50
FNDL overhead per TFID	230,000	
FNDL overhead per transaction		\$ 15.33
average FN cost per transaction		\$ 28.83
Total Annual Savings (if no FN Transactions)		\$ 432,500
Total for FY 15-17		\$ 865,000

Finally, TRD’s analysis of HB 32 included an estimate of the loss of revenue from ceasing to distribute licenses to foreign nationals (below).

Estimated Revenue Impact			
	Average Cost	Estimated Number	Total Cost/yr
1st time FNDLs	30.78	12,710	\$ 391,220
1st time Provisional Licenses	18.00	491	\$ 8,840
Permits	7.00	514	\$ 3,600
IDs	10.00	1,285	\$ 12,850
Total Annually		15,000	\$ 416,510

FNDL average cost is based on 80% 4-yr DLs at \$34 and 20% 2-yr DLs at \$18.

Using this analysis, the net impact from preventing the issuance of driver’s licenses to certain foreign nationals would be negative \$212 thousand in FY15 and positive \$16 thousand for FY16 onwards. AOC notes that there will be a minimal administrative cost for statewide update, distribution, and documentation of statutory changes.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

CONFLICT

This bill conflicts with HB 79 (also amending and enacting statutes within the Motor Vehicle Code governing the issuance or driver’s licenses and ID cards to foreign nationals and declaring an emergency). This bill also conflicts with HB 30, as both bills amend Section 66-5-405 NMSA 1978.

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