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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Lara</u>	<b>LAST UPDATED</b> <u>3/2/2023</u>
	<b>ORIGINAL DATE</b> <u>2/20/2023</u>
<b>SHORT TITLE</b> <u>No ID Card Fee For Homeless Individuals</u>	<b>BILL NUMBER</b> <u>House Bill 389/aHTRC</u>
	<b>ANALYST</b> <u>Hanika-Ortiz</u>

### REVENUE\* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
\$0.0	(\$13.0)	(Indeterminate, minimal)	Recurring every four years	NMDOT Road Fund
\$0.0	(\$13.0)	(Indeterminate, minimal)	Recurring every four years	TRD Operating Fund

Parentheses ( ) indicate revenue decreases.

\*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD (IT staff)	No fiscal impact	\$26.7	\$26.7	\$53.4	Recurring	MVD-Suspense Fund

Parentheses ( ) indicate expenditure decreases.

Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)

Taxation and Revenue Department (TRD)

Human Services Department (HSD)

## SUMMARY

### Synopsis of HTRC Amendment to House Bill 389

The House Taxation and Revenue Committee Amendment to HB389 changes the description of “homeless individual” to mean an individual who lacks a fixed, regular, and adequate nighttime residence (federal public law definition) and whose homelessness can be verified through a self-attestation or through an attestation by a governmental or nonprofit agency that provides homeless services; a school homeless liaison, counselor or nurse; or a licensed social worker.

According to a recent LFC program evaluation unit memo on homelessness, there were 2,600 homeless individuals on a single night in New Mexico in 2022. Assuming those 2,600 individuals applied for an ID card, the possible revenue loss to the road fund and TRD from eliminating the fee totals \$26 thousand for the four-year ID card. This loss is reflected in the revenue table. However, the net effect is likely positive, because determinations to qualify individuals for federal and state support may become more efficient, and resources made available to them more quickly.

### **Synopsis of Original House Bill 389**

House Bill 389 (HB389) amends Section 66-5-408 NMSA 1978 to remove the fee requirement for issuance of an identification card from TRD to an individual experiencing homelessness.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

### **FISCAL IMPLICATIONS**

It is unknown how many identification cards (ID) will be issued to individuals experiencing homelessness. TRD said funds that will be affected are as follows; based on the cost for a four-year ID card broken down into the base \$5 fee, \$3 cost-recouping fee, and \$2 administrative fee. The cost for an eight-year ID card is broken down to the base \$10 fee, \$6 cost-recouping fee, and \$2 administrative fee. In both cases, the base fees are distributed to the New Mexico Department of Transportation road fund, while the cost-recouping and administrative fees are distributed to the TRD operating fund. In addition, the cost for TRD to implement these changes is \$26.7 thousand.

### **SIGNIFICANT ISSUES**

HB389 requires the Motor Vehicles Department (MVD) to not charge a fee to an individual experiencing homelessness that is seeking an identification card issued by MVD.

HSD said the bill will enable the department to make eligibility determinations for several state and federally funded programs much quicker for individuals in need. Identification must be provided to eligibility workers at the department to complete the eligibility process. Lack of identification can cause delays and often customers do not have the money to pay for an ID.

There will be costs borne by MVD based on the per-card cost for each credential issued at no-fee. Also, TRD noted the bill does not remove the requirement for proof of residency for standard or Real ID licenses. It only removes the fee for individuals experiencing homelessness.

### **OTHER SUBSTANTIVE ISSUES**

A Pew Foundation article cites a survey indicating that 54 percent of people experiencing homelessness without a photo ID were denied access to housing services, 53 percent were denied food stamps, and 45 percent were denied access to medical services. The article also notes the recommendation to waive fees and ease documentation requirements for the homeless to get IDs (<https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/05/15/without-id-homeless-trapped-in-vicious-cycle>).