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FISCAL IMPACT STATEMENT

LS 6728 | **NOTE PREPARED:** Feb 16, 2015
BILL NUMBER: HB 1631 | **BILL AMENDED:** Jan 29, 2015

SUBJECT: Identification Cards Without a Photograph.

FIRST AUTHOR: Rep. Morris | **BILL STATUS:** As Passed House
FIRST SPONSOR: Sen. Holdman

FUNDS AFFECTED: GENERAL | **IMPACT:** State & Local
X DEDICATED
X FEDERAL

Summary of Legislation: (Amended) This bill has the following provisions:

(1) Requires the Bureau of Motor Vehicles (BMV) to issue a photo-exempt identification card (card) that does not bear the image of the holder.
(2) Requires that an application for a card, among other requirements, must contain a digital image of the applicant.
(3) Provides that an individual may not have a card and a driver's license or identification card at a time.
(4) Provides that a retailer that in good faith accepts a card as proof of identification for a retail transaction is immune from civil liability that may occur as a result of the acceptance.
(5) Sets a fee of $11.50 for the issuance, renewal, amendment, or replacement of a card.
(6) Makes technical corrections and corresponding changes.

Effective Date: (Amended) January 1, 2016.

Explanation of State Expenditures: (Revised) *Summary*: At a minimum, this bill could increase BMV Commission Fund expenditures by $15,000 during FY 2015 to provide a photoless identification card that meets the requirements of the bill.

The bill could also increase Level 6 felony convictions in the state for individuals who knowingly or intentionally use false information or make a false statement to receive a photoless identification card.

Additional Information:

System Costs: At a minimum, this bill will increase one-time BMV expenditures by $15,000 to issue a new credential that does not bear the holder's photograph. These costs would be experienced during the latter part of FY 2015 to make necessary changes to credential-issuing programming and equipment by the effective date of the legislation.

The BMV could experience additional costs and/or workload depending on administrative decisions on how to verify an individual's identity and sincerely held religious beliefs for purposes of receiving a photoless identification card.

Penalty Provision: A Level 6 felony is punishable by a prison term ranging from 6 months to 30 months depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was $19,497 in FY 2014. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately $3,210 annually, or $8.77 daily, per prisoner. The estimated average cost of housing a juvenile in a state juvenile facility was $89,956 in FY 2014

Explanation of State Revenues: (Revised) *Summary*: According to the BMV, this bill could affect the state's compliance with the federal REAL ID Act and could reduce federal grant funds the state receives. Potential federal fund decreases will depend on the decisions of the federal Department of Homeland Security.

The bill could also increase state revenue from photoless identification card fees and from fines assessed against individuals who commit Class C infractions, Class B misdemeanors, and Level 6 felonies. Actual increases in revenue are indeterminable.

Additional Information:

(Revised) *Revenue from Photoless Identification Card Fees*: Fees collected for a photoless identification card are distributed the same as the fees collected for a standard identification card. The demand for photoless identification cards is unknown. The current revenue distribution from identification card fees is included in the table below.

Fund Distribution	Distribution Amount
Motor Vehicle Highway Account	$2.75
BMV Technology Fund	$0.50
Anti-Terrorism Programs	$1.25
BMV Commission	$7.00
Total	**$11.50**

(Revised) *Federal REAL ID Act*: The federal REAL ID Act requires any form of state-issued identification to include a photograph of the card holder. Certain exemptions are allowed for individuals who swear or affirm sincerely held religious beliefs that prohibit them from being photographed. This same affirmation

is required by the bill as a condition of receiving a photo-less identification card.

The BMV reports that if the state begins issuing identification cards without photographs, the state would no longer be compliant with the REAL ID Act and could lose federal grant funds. The table below provides information on federal REAL ID grant funds the state was awarded between FFY 2008 and FFY 2011. The BMV reports that although the state has not received grant funds between FFY 2012 and FFY 2014, the state continues to draw down funds from previously awarded grants.

Year	REAL ID Driver's License Security Grant Revenue
FFY 2008	$3,149,637
FFY 2009	$1,169,839
FFY 2010	$1,098,276
FFY 2011	$1,107,680
4-Year Total	**$6,525,432**

(Revised) *Penalty Provisions*: This bill can also increase the number of criminal convictions in the state for Class C infractions, Class B misdemeanors, and Level 6 felonies.

The bill specifies that an individual may not hold a photoless identification card and either a driver's license or an identification card. Violation of these provisions is punishable as a Class C infraction. The maximum judgment for a Class C infraction is $500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Additionally, the bill creates penalties which are punishable as Class B misdemeanors related to photoless identification cards. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is $1,000 and for a Level 6 felony is $10,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision*: A Class B misdemeanor is punishable by up to 180 days in jail.

If more defendants are detained in county jails prior to their court hearings for Level 6 felonies, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision*: If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: BMV, Department of Corrections.

Local Agencies Affected: Trial courts, local law enforcement agencies.

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