



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 133

PRINTERS NO. 811

PRIME SPONSOR: Ward

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
Motor License Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Amends the REAL ID Nonparticipation Act to provide for issuance of voluntary travel IDs. This legislation would take effect immediately.

ANALYSIS: This legislation amends the REAL ID Nonparticipation Act to provide for issuance of voluntary travel IDs, the cost of the IDs, as well as reports to the General Assembly.

Name Change: This legislation changes the name of the act from the REAL ID Nonparticipation Act to the Pennsylvania REAL ID Act.

Participation in the REAL ID Act of 2005: Neither the Governor nor PennDOT or any other Commonwealth agency would be permitted to participate in the federal REAL ID Act of 2005 or regulations under that act. However, PennDOT or any other Commonwealth agency would be authorized to comply only to the extent necessary to allow PennDOT to issue, upon request, a voluntary travel ID to an eligible applicant who meets the criteria necessary for issuance of the voluntary travel ID and to prominently mark on each driver's license or identification card that it does not comply with the REAL ID Act, as applicable.

Compliance by Residents of Pennsylvania: This legislation establishes that no PA resident may be compelled to apply for a voluntary travel ID.

Cost of Implementation: The legislation allows PennDOT to use federal funding for implementation of the REAL ID Act. PennDOT shall also charge a fee for a voluntary travel ID to fully cover the costs related to the issuance and maintenance of a voluntary travel ID.

Report to General Assembly: This legislation requires PennDOT to issue an annual report to designated members of the legislature (within 90 days of the bill's effective date, and thereafter by July 1 of each year), containing the following information:

- All estimated initial/recurring costs to establish a two-tier system (i.e., either voluntary travel ID or noncompliant driver's license/photo ID);
- Total number of voluntary travel IDs applied for and issued.
- Federal funding for implementation of the federal REAL ID Act.

Publication: PennDOT shall publish the date it will commence issuance of voluntary travel IDs in the PA Bulletin.

FISCAL IMPACT: PennDOT maintains that it cannot provide an estimate of the costs to implement the requirements to become Real ID compliant. PennDOT indicates that they would have to negotiate with the Department of Homeland Security on the outstanding compliance issues.

In review of available information from other states that have become compliant or are in the process of becoming REAL ID compliant, average annual costs range from \$2 million in Montana to \$36.8 million in California. The average annual cost for those surveyed states is \$13.9 million per year and those costs include additional personnel, new equipment, and systems changes necessary for REAL ID compliance. Please see below for the aforementioned figures:

State	(\$ in thousands)		
	Total Cost	# of Years	Average Annual Cost
California	\$220,600	6	\$36,767
Florida	\$56,900	5	\$11,380
Illinois	\$57,300	4	\$14,325
Montana	\$8,000	4	\$2,000
Oklahoma	\$12,000	2	\$6,000
South Carolina	\$26,000	2	\$13,000
Average Annual Cost			\$13,912

There are approximately 10 million licensed drivers and ID holders in Pennsylvania, 9 million of which are licensed drivers. PennDOT estimates that 25% of Pennsylvania licensed drivers or ID holders would likely obtain a REAL ID-compliant voluntary travel ID, which would equate to about 2.5 million Pennsylvanians. PennDOT also estimates that it would take 18 to 24 months to comply with REAL ID. Using the average annual cost per state noted above (\$13.9 million) and calculating a two-year implementation period would total approximately \$27.8 million. Since the implementation costs of the REAL ID-complaint voluntary travel ID would be borne by the users, this would add approximately \$11.13 per ID to offset the aggregate costs of the new IDs. This legislation would have no adverse fiscal impact on the Motor License Fund since the cost of the new voluntary travel IDs would be borne solely by those choosing to obtain a REAL ID-compliant ID.

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House Appropriations Committee (R)

DATE: May 19, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.