

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 133

PRINTER NO. 555

AMOUNT

\$67 Million Total Costs
FY 2017-2018 and FY 2018-2019

FUND

Motor License Fund

DATE INTRODUCED

January 24, 2017

PRIME SPONSOR

Senator Ward

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 133 Printer's Number 555 imposes a duty on the Pennsylvania Department of Transportation (Department) to file with the United States Department of Homeland Security a request for extension of time to comply with the REAL ID Act of 2005 and repeals the act of May 8, 2012 (P.L.254, No. 38), known as the REAL ID Nonparticipation Act.

This legislation establishes a freestanding act known as the "REAL ID Compliance Act." In addition to the duty imposed on the Department to file a request for extension of time to comply with the REAL ID Act of 2005, the Department shall provide individuals seeking application for a driver's license or identification card or renewal of a license or identification card an option to obtain either a standard-issued driver's license or identification card or a REAL ID compliant driver's license or identification card.

Additionally, within 90 days of the effective date of this Act, the Secretary of Transportation shall present a report to the Chair and Minority Chair of the Communications and Technology Committee of the Senate, the Chair and Minority Chair of the Transportation Committee of the Senate and the Chair and Minority Chair of the Transportation Committee of the House of Representatives providing details and all estimated costs associated with the implementation and maintenance of all remaining requirements for compliance with the REAL ID Act as determined by the United States Department of Homeland Security. The report shall also include all estimated initial and recurring costs to establish and maintain a two-tiered system which provides individuals a choice between being issued either a standard driver's license or identification card or a driver's license or identification card which is compliant with the REAL ID Act.

Finally, this legislation repeals the act of May 8, 2012 (P.L. 254, No. 38), known as the REAL ID Nonparticipation Act.

This act shall take effect immediately.

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FISCAL IMPACT:

The Department maintains that it cannot provide an estimate of costs to implement Real ID until Act 38 is repealed. The Department advises that the prohibitions contained in Act 38 prevent it from interacting with the U.S. Department of Homeland Security to determine where it still may be non-compliant. This position is curious given correspondence between Homeland Security and the Department dated October 11, 2016, in which, Homeland Security outlines the Real ID compliance deficiencies itemized below:

- 1) *Commits to marking fully compliant Driver's Licenses and Identification Cards with a Department of Homeland Security-approved security marking.*
- 2) *Requires in person re-issuance when there is any material change in personally identifiable information since prior issuance and the information shall be verified.*
- 3) *Prohibits the remote renewal of REAL ID Driver's Licenses and Identification Cards when there is a material change in personally identifiable information.*
- 4) *Does not permit an individual to hold more than one REAL ID document, and no more than one Driver's License.*
- 5) *Commits to be in full compliance with certain parts of the Act.*
- 6) *Submitted Final Certification package.*
- 7) *If the State chooses to issue both compliant and noncompliant documents, clearly states on the face of the noncompliant document and in the machine readable zone that the card is not acceptable for official purposes and incorporates a unique design or color indicator that clearly distinguishes them from compliant licenses and identification cards.*

In May 2011 the Department estimated that it would cost the Commonwealth \$120-\$140 million to implement the necessary policies and procedures to bring the Commonwealth into compliance with the REAL ID Act and \$20-\$40 million annually to maintain compliance. Many of the 2011 cost items have been put in place during the past several years, and, therefore, the original Department cost estimate is no longer reliable. In an effort to estimate costs for compliance with Real ID, we are using the South Carolina experience as a proxy. South Carolina has approximately 3.5 million licensed drivers. It expects to incur costs of about \$26 million for the first two years of implementation to upgrade systems and issue new licenses. Pennsylvania currently has about 9 million licensed drivers and ID card holders. Based on the South Carolina cost estimates, the Commonwealth could incur costs of approximately \$67 million in the first two years of implementation.

The Department indicates that there would be no fiscal impact to the Commonwealth for the legislative report as they will utilize existing staff to create the report and will submit it to the General Assembly electronically.

This act shall take effect immediately.