

**NOTE: This is an earlier version of the fiscal note for HF1163-0.**

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**Fiscal Note**

**2021-2022 Legislative Session**

**HF1163 - 0 - Noncompliant License or Identification Card**

Chief Author: **Ryan Winkler**  
 Committee: **Transportation Finance and Policy**  
 Date Completed: **3/4/2021 10:36:24 AM**  
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<b>State Cost (Savings)</b>	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>General Fund</b>	-	70	-	-	-	-
<b>Total</b>	-	70	-	-	-	-
<b>Biennial Total</b>			70			-

<b>Full Time Equivalent Positions (FTE)</b>	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Laura Cecko      **Date:** 3/4/2021 10:36:24 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	70	-	-	-	-
<b>Total</b>		<b>-</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>				<b>70</b>		<b>-</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	70	-	-	-	-
<b>Total</b>		<b>-</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>				<b>70</b>		<b>-</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>				<b>-</b>		<b>-</b>

**Bill Description**

Modifying requirements for noncompliant license or identification cards; making changes related to eligibility, proof of lawful presence, primary and secondary documentation, and data practices. Funds appropriated for implementation.

**Assumptions**

Article 1, section 1

Assume lawful temporary admission periods will no longer apply to non-REAL ID compliant cards. Assume only REAL ID cards will be restricted to issuance if the temporary admission period expires outside of 30 days of their application date.

Article 1, section 2

Assume the applicant will no longer have to certify that they are not eligible for a Social Security number on their application.

Article 1, section 3

Assume evidence of US citizenship or lawful status will no longer be required for individuals applying for a non-compliant card. Currently, the department has 111,945 records that include a temporary lawful status. Of these individuals 42,734 hold current, active non-compliant credentials; assume that in order to be in compliance with this act the department will need to issue new cards with full credential timeframes to all 42,734 individuals. Notification will be sent to these individuals to notify them of the law change and to explain the new card issuance. The current postage rate for metered mail is \$0.51 per mail piece for a total postage cost of \$21,794.34 ( $\$0.51 \times 42,734 = \$21,794.34$ ).

Currently, any individuals with a temporary lawful status are issued a card for shorter than the 4 year card duration that coincides with the end of their lawful status. As long as these individuals provide updated documentation before the end of their status date, there is no fee associated with obtaining a new expiration date, resulting in no additional costs associated with issuing a new ID. Current practice allows a new card to be issued at no fee.

Article 1, section 4

Assume documents submitted as a primary or secondary ID document for a noncompliant card must meet the qualifications as outlined. Assume certified legal name change documentation must be provided if documentation

submitted is under a different name.

Assume the department will establish a waiver process consistent with the existing variance process (Administrative Rules 7410.0600) from requirements under Minnesota Statute 171.06 subd. 9 and subd. 10.

#### Article 1, section 5 and 6

Assume that primary documents in Minnesota Rules part 7410.0400 or successor rules must include a noncompliant license or ID card that is current or expired for five years or less, unexpired foreign passport or consular ID card, and a foreign birth certificate.

Assume that secondary documents in Minnesota Rules part 7410.0400 or successor rules must include the outlined items.

Assume that training will be required for the new acceptable documentation list.

Assume that a new ID documentation list will be needed and to be uploaded onto the DVS website. Assume that the driver's license manuals will also need to be updated to reflect the new acceptable documentation. Assume these costs will be absorbed by the department.

#### Article 1, section 7 and 8

Assume that noncompliant cards will not bear any indication of lawful presence and only REAL ID compliant cards will reflect the temporary status in accordance to the 2005 REAL ID Act.

Assume that the department will see an anticipated increase of individuals testing to obtain their driving privileges. The American Immigration Council website notes that in 2016 Minnesota had 95,000 undocumented immigrants. Assuming that this number is consistent today, the department anticipates an additional 90,000 individuals will utilize the change and obtain a noncompliant card while 5,000 of these individuals will opt not to obtain a Minnesota credential.

Of those 90,000 DVS anticipates that the written and skills tests will be needed to be administered at least one time. The department has had a consistent written test fail rate of 40% and skills test fail rate of 38%. The department will assume that of the 90,000 applicants, 36,000 will require a second written knowledge test for a total of 126,000 knowledge tests administered; of the 90,000 applicants 34,200 will require a second skills test attempt for a total of 124,200 skills tests to be administered by the department.

In 2019, the department administered 282,333 written tests and 136,370 road tests. With the anticipated increase of applicants the department anticipates a 44.6% increase in written tests administered and a 91.1% increase in skills tests. The large anticipated influx of written and skills tests will be greatly impacted and will cause significant delays, especially in access to skills tests.

#### Article 1, section 9

Assume \$267,000 will be appropriated from the general fund to the department in FY 2021 to implement requirements of this act, including postage and programming costs. Assume that this is a onetime appropriation and that funds are available until June 30, 2022.

#### Article 1, section 10

Assume that programming will be required to no longer collect lawful status information, update the acceptable primary and secondary identification documents list for noncompliant cards, and to update the data that is being transmitted to DVS' card vendor for card production.

Assume that 240 programming hours will be required to implement changes and include updates to data systems. Assume a programming hourly rate at \$200/hour for a total of \$48,000 in programming costs (240 programming hours x \$200 per hour = \$48,000).

Assume the effective date is October 1, 2021.

#### Article 2, section 1 through 4

Assume that information received on a noncompliance license or ID card cannot be disseminated or disclosed to outside entities and must not indicate if an individual applied for, was denied or was issued a noncompliance license or ID card without demonstrating citizenship or lawful status in the US. Assume that driver's license agents will be subject to noncompliant disclosure restraints and that both business partners and the department are prohibited from disclosing this information.

**Expenditure and/or Revenue Formula**

**FY 2021 General Fund**

One-time appropriation \$276,000

**FY 2022 Expenditures General Fund**

One-time programming costs \$8,000 per week X 6 weeks = \$48,000

Postage to mail letters to eligible individuals (42,734 letters x \$0.51 postage) = \$21,794

Total FY 2022 Expenditures = \$69,794

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

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