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FISCAL IMPACT REPORT

ORIGINAL DATE 2-7-2006

SPONSOR Foley LAST UPDATED _____ HB 852

SHORT TITLE Driver's License Requirements SB _____

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$10,000.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

No Responses Received as of 2-7-2006

SUMMARY

Synopsis of Bill

House Bill 852 appropriates \$10,000,000 from the general fund to Taxation and Revenue Department for the purpose of implementing certain changes and new requirements in the issuance of temporary licenses, provisional licenses, driver's licenses, instructional permits, and identification cards in order to bring these functions of documentation, identification and licensing into compliance with the federal REAL ID Act of 2005.

FISCAL IMPLICATIONS

The appropriation of \$10,000,000 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

Citing increased threats from terrorism originating outside of the nation's borders, the federal Congress passed, with the executive's signature, the REAL ID Act of 2005 which initiates substantial changes in states' requirements regarding issuance of several forms of identification &

driver's licenses in order to combat fraudulent procurement as well as counterfeit production of these documents by individuals utilizing them to conceal their identities, possibly concurrent to terrorist activities.

Consequences of noncompliance with this act would initially occur on May 11, 2008, and include the inability of New Mexico residents to use New Mexico issued documents for accessing federal facilities, commercial aircraft and departure gates and areas within airports, power plants and other, unstated restrictions.

Accordingly, a new Section of Chapter 66, Article 5, NMSA 1978 is enacted to read;

Legislative Findings.—The legislature finds that:

A. the number of persons who enter the United States illegally has risen dramatically in recent years and poses a serious security threat to the United States and New Mexico;

B. to combat the threat of those who are in the United States illegally and seek to terrorize the American people and destroy its democracy, in 2005 congress passed and President George W. Bush signed the REAL ID Act of 2005 that improves security for driver's licenses and personal identification cards;

C. the REAL ID Act of 2005 mandates that New Mexico require and verify valid documentary evidence that a person applying for a driver's license or personal identification card is a United States citizen or meets one of eight categories of lawful immigrant status;

D. New Mexico's compliance with the REAL ID Act of 2005 is vital to protecting New Mexico from those who fraudulently obtain driver's licenses and personal identification cards with the intention of carrying out terrorist attacks on the United States; and

E. if New Mexico does not comply with the REAL ID Act of 2005 by May 11, 2008, its residents cannot use New Mexico driver's licenses or personal identification cards for accessing federal facilities, boarding commercial aircraft, entering power plants or any other purpose as determined by the secretary of homeland security."

As enacted, Section 66-5-9 a.) NMSA 1978 is amended such that applications for driving documents are now required to be accompanied by the *requisite documentation*, in addition to the previously required fee.

As enacted, Section 66-5-9 b.) NMSA 1978 is amended such that new applications must contain the applicants' United States Citizenship, or lawful status, in addition to previously required full name, and SSN or tax ID number. Similarly, a clause is stricken from the statutes that allowed for foreign nationals' applications to allow a tax ID number to substitute the SSN, regardless of immigration status; as well as rescinding the authority of the secretary to establish alternate documentation as a substitute for SSN *or* tax ID number.

As enacted, Section 66-5-9 c.) NMSA 1978 is created to read, such that applicants must submit, in addition to the actual application, 1) a photo ID or, if non-photo, an ID with full name and D.O.B., 2) a document which establishes the applicant's age such a birth certificate, cert. copy of birth certificate, a church or parish record stipulating the date of birth, or a verifiable copy of church or parish document, or valid passport, 3) a document establishing proof of the applicants' SSN, or document that shows applicant is not available, 4) a document with applicants name and New Mexico residence, 5) a document that establishes the applicant is: a) lawful U.S. citizen, b)

lawfully admitted alien with permanent or temporary status, c) conditional permanent residency, d) an established and approved asylum granted, or refugee status, e) valid nonimmigrant visa, or similar nonimmigrant visa status, f) application pending for asylum, g) approved deferred action status, h) pending application for adjustment status to that of lawfully admitted alien, for permanent residence or conditional permanent resident status.

As enacted, Section 66-5-9 d.) NMSA 1978 (currently c.) is amended to add to gender neutral language.

As enacted, Section 66-5-9 e.) NMSA 1978 (currently d.) is amended to add to gender neutral language, and clarity.

As enacted, Section 66-5-15 NMSA 1978 is amended and enhanced such that photographs must be *digital* and contain a driver's license number. Dates on issued licenses and dates on supporting documentation must have congruent ages specified. Licenses issued should carry features and technology to comply with federal requirements, to include, physical security devices to prevent fraudulent tampering, and counterfeiting, and machine readable technology with defined minimum data elements (data stripes, etc.).

As enacted, Section 66-5-20 NMSA 1978 is amended and enhanced such that minor linguistic and clarity issues are resolved, and the Department of Motor Vehicles is required to obtain and secure paper copies of applications and requisite supporting documentation, described in Section 66-5-9 NMSA 1978, for a minimum of 7 years.

As enacted, Section 66-5-47 NMSA 1978 is amended and enhanced such that digital likenesses of applicants are reproduced, and Section 66-5-47 b.) NMSA 1978 is removed from the statutes.

As enacted, Section 66-5-401 NMSA 1978 is amended and enhanced such that identification document applications are now required to be accompanied by the *requisite documentation*, in addition to the previously required fee.

As enacted, Section 66-5-402 NMSA 1978 is amended and enhanced such that eligibility for identification cards are available to persons such that applicants must submit, in addition to the actual application, 1) a photo ID or, if non-photo, an ID with full name and D.O.B., 2) a document which establishes the applicant's age such a birth certificate, cert. copy of birth certificate, a church or parish record stipulating the date of birth, or a verifiable copy of church or parish document, or valid passport, 3) a document establishing proof of the applicants' SSN, or document that shows applicant is not available, 4) a document with applicants name and New Mexico residence, 5) a document that establishes the applicant is: a) lawful U.S. citizen, b) lawfully admitted alien with permanent or temporary status, c) conditional permanent residency, d) an established and approved asylum granted, or refugee status, e) valid nonimmigrant visa, or similar nonimmigrant visa status, f) application pending for asylum, g) approved deferred action status, h) pending application for adjustment status to that of lawfully admitted alien, for permanent residence or conditional permanent resident status.

As enacted, Section 66-5-404 NMSA 1978 is amended and enhanced such that upon loss, theft or destruction of ID card, a new card is issued only after the fee and requisite documentation previously listed in Section 66-5-402 NMSA 1978 is provided.

As enacted, Section 66-5-405 NMSA 1978 is amended and enhanced such that ID cards must

include; the registrant's full name, date of birth, physical New Mexico address, full face or front view *digital* photo, a description of the registrant, signature, and ID card number. ID cards issued should carry features and technology to comply with federal requirements, to include, physical security devices to prevent fraudulent tampering, and counterfeiting, and machine readable technology with defined minimum data elements (data stripes, etc.).

New Sections of Chapter 66 are enacted, such that, prior to application of license or ID card, SSN numbers are verified with the federal Social Security Administration. Additionally, department of motor vehicles is required to establish a fraudulent document recognition training program and conduct security clearance requirements, and that training programs and security clearance methods must be in accordance with federal requirements. Temporary and provisional licenses, instructional permits, and ID cards issued prior to January 1, 2007 will be extended to March 11, 2008, provided these were to expire after March 11, 2008. Holders of these documents may apply for new documents after January 1, 2007. The Taxation and Revenue Department will waive application and documentation fees for these holders, as long as the expiration dates remain the same as previously held cards. The Taxation and Revenue Department must notify these holder between July 1, 2006 and December 31, 2006 of these provisions.

Ten Million dollars is appropriated in order to carry out the provisions of this act, in order to bring New Mexico's license and identification issuance program into compliance with security, fraud prevention, data retention, data storage, and database linking requirements of the federal REAL ID Act of 2005.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No appropriation, nor amendments and enhancements will be made to ensure compliance with the federal REAL ID Act of 2005.

PD/mt