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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/06

SPONSOR Smith LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Driver's License Foreign National Records SB 622

ANALYST \_\_\_\_\_

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	\$0.1*	\$0.1*	Recurring	Motor Vehicle Operation Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\*The revenue is dependent on the number of foreign national applicants and the fee to be determined by TRD. The legislation calls for the fee to pay for the administrative impact for carrying out provisions of the bill.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>	\$90.0 - \$450.0	\$150.0 - \$250.0	\$150.0 - \$250.0	\$390.0- \$590.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Department of Public Safety (DPS)

### SUMMARY

#### Synopsis of Bill

Senate Bill 622 would require foreign nationals to provide driving records and finger prints for identification purposes when applying for a New Mexico driver's license.

The Motor Vehicle Division (MVD) would be required to conduct a background check on all foreign national applicants for the purpose of verifying their identity. The bill also requires the applicant to pay a fee, to be determined by MVD, to cover the costs of the background checks. A driver's license issued to a foreign national before July 1, 2006, would no longer be valid unless the person submits a set of fingerprints to MVD. A foreign national who has a US issued visa or other valid immigration documentation does not need to submit to fingerprinting.

### **FISCAL IMPLICATIONS**

Due to administrative requirements, the fiscal impact could be significant. Please see “administrative impact” section below.

### **ADMINISTRATIVE IMPLICATIONS**

According to DPS, approximately 30,000 background checks might be submitted to the department for processing. This translates to approximately 5,000 labor hours at an estimated cost of \$18.00 an hour, inclusive of benefits, totaling \$90 thousand, which will have to be absorbed. This legislation may require more FTE to handle the additional workload.

TRD estimates total administrative and implementation costs at approximately \$450,000 in the first year with reoccurring costs of \$150,000 in subsequent years. Currently, MVD has 20 electronic fingerprinting machines for Commercial Drivers License (CDL) requirements. If all state operated MVD offices are required to fingerprint foreign nationals under the provisions of SB622, an additional 14 machines will be needed. The current cost per fingerprinting unit is \$16,000. To meet the requirement, MVD would require over \$250,000 for machines and maintenance agreements. Additional costs include: training at approximately \$50,000, identity verification at approximately \$50,000, and additional staff support at approximately \$150,000.

TRD reports that enactment of SB 622 will require more FTE to handle the workload and training to meet fingerprinting standards and record requirements. Additional processing for identity verification will be required through an international, federal or state repository of appropriate identification information. A system to assure standardization of fingerprinting and identity verification will be necessary, and a system for appeals of licensing denials will be required.

### **TECHNICAL ISSUES**

TRD has identified the following issues related to implementation of this legislation:

- “other documents” (Page 2, line 20) should be defined and compared to those acceptable documents other jurisdictions will accept in the driver license compact that the American Association of Motor Vehicle Administrators has published for jurisdiction review and acceptance.
- “certified copy.” (Page 2, line 25) If the copy comes from another jurisdiction or country, what certification guidelines are there to follow?

### **Senate Bill 622 – Page 3**

- “together with an English language translation of the record . . .” (Page 3, line 1) MVD employees will have a difficult time determining if documentation is correct and authentic. Records can come from any country in the world.
- “. . . jurisdiction where the applicant is currently or was previously licensed;” (Page 3, lines 3 and 4) will require MVD, under the REAL ID Act, to verify each document with the issuing agency. This will be labor and time intensive.
- Page 3, paragraph (2) – no guidance is provided regarding the system to check the prints. Are they to go to the NM DPS for their analysis, to the FBI, or to whom? Also not addressed is/are the receiving entity(s) who will be doing the background check (also not defined as to what the background check is to consist of) are willing or capable of taking on a new requirement not linked/required by federal legislation. There is no mention as to the mechanism to notify MVD if the person passes or fails the background check.
- Page 3, lines 10 and 11. As worded, does this mean that if a person comes up wanted, the results of the background check could not be used to prosecute the individual?

### **OTHER SUBSTANTIVE ISSUES**

DPS has forwarded SB 622 to the FBI for their review. It is imperative that they approve the statutory language to ensure that it meets their requirements under Public Law 92-544.

BE/nt