

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 328 (Second Edition)

SHORT TITLE: Highway Safety/Citizens Protection Act.

SPONSOR(S): Representatives Warren, B. Brown, Collins, and Jordan

FISCAL IMPACT					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Highway Fund Revenues:	Indeterminate. See Assumptions & Methodology section.				
Highway Fund Expenditures:					
Division of Motor Vehicles	0.14	0.29	0.29	0.29	0.29
DOT Information Technology	2.33	0.05	0.05	0.05	0.05
State Positions:	6.0	6.0	6.0	6.0	6.0
NET STATE IMPACT	\$2.5	\$0.34	\$0.34	\$0.34	\$0.34
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Division of Motor Vehicle (Field Services, Processing Services, and License & Theft Bureau), DOT Information Technology					
EFFECTIVE DATE: Multiple.					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY:

Section 1: Titles the act, “The Highway Safety and Citizens Protection Act of 2015.”

Section 2: Increases the penalty for the manufacture or sale of a false or fraudulent form of identification from a Class 1 misdemeanor to a Class G felony, and expands the law pertaining to the unauthorized possession or use of drivers licenses, learner's permits, or special identification cards to include restricted drivers permits and restricted identification cards issuable to persons not lawfully present in the United States. It would also be a Class G felony to counterfeit, sell, or offer for sale a counterfeit drivers license, restricted drivers permit, learner's permit, restricted identification card or special identification card.

Section 3: Creates a rebuttable presumption against the pretrial release of any person unlawfully present in the US and reasonably believed to have committed a sex offense, a violent felony, a driving offense, a drug offense, or a gang offense. The rebuttable presumption would also apply if the US Immigration and Customs Enforcement (ICE) has issued a detainer for the initiation of removal proceedings. A person could only be released by a judge finding reasonable assurance that the person would appear and that release would not pose an unreasonable risk of harm to the community.

Section 4: Codifies the methods by which a person's immigration status may be verified and the uses of that verification in court.

Section 5: Specifies that documents issued by a consulate or embassy of another country, or any other identity document not expressly authorized by the General Assembly, would not be acceptable for use by officers of the court, law enforcement, or other government officials in determining a person's actual identity or residency, including use of such documents for purposes of obtaining a driver's license, insurance, or social services.

Section 6: Provides for the issuance of a restricted drivers permit or a restricted identification card to a person not lawfully present in the US. The Secretary of Transportation is directed to set the fee for original issuance and renewal of the restricted drivers permit based on the costs of implementing, processing, and issuing the permit, not to exceed \$200. Additionally, the Secretary must set the fee for a restricted identification based on the costs of processing and issuance, with the renewal fee set at \$25.00.

The applicant would be required to agree to a criminal history check that would include the taking of fingerprints. A restricted drivers permit or a restricted identification card would be valid for a period of one year and would bear distinctive formatting and markings, including a statement that the permit or card is not valid for other purposes such as voter registration or public benefits.

A restricted drivers permit would also be subject to revocation upon conviction of operating a motor vehicle without financial responsibility.

Insurers would also be authorized to deny refund requests for the cancellation of an insurance policy upon confirmation from the Division of Motor Vehicles that the holder has a valid restricted drivers permit.

Section 7: Authorizes the seizure, impoundment and forfeiture of a motor vehicle involved with the offenses of:

- driving while license revoked, if the offenders license was originally revoked for impaired driving; and,
- driving without a restricted drivers permit, unless the person possesses an expired restricted drivers permit.

Section 8: Criminal penalty provisions are effective December 1, 2015. Provisions related to the issuance of restricted drivers permits, licenses, and identification cards are effective March 1, 2016. Vehicle seizure, impoundment, and forfeiture provisions are effective June 1, 2016. Remaining provisions of the bill are effective upon enactment.

ASSUMPTIONS AND METHODOLOGY:

The following analysis pertains exclusively to Parts VI and VII of the proposed committee substitute, concerning the issuance of restricted driver's permits and identification cards, and the seizure, impoundment, and forfeiture of vehicles for driving without a license or restricted drivers permit, or without financial responsibility. A separate analysis addresses the impacts of the proposed criminal penalties.

Restricted License/Identification Card Fee Revenue

In April 2015, the Division of Motor Vehicles at the request of the Fiscal Research Division and through the American Association of Motor Vehicle Administrators (AAMVA) surveyed motor vehicle agencies in nine states identified by the National Conference of State Legislatures (NCSL) as issuing state identification documents to persons who are unable to demonstrate lawful presence.

Survey respondents included agencies in California, Colorado, Connecticut, Georgia, Illinois, Maryland, Utah, Vermont, and Washington. Due to the response detail, varying program duration and differences in legislative authorizations, the survey yielded insufficient and incomparable data. Therefore, there is no reliable data from which to project the number of potential applicants for the new restricted driver permit and identification card. Because the potential issuance volume is unknown, the applicable fees for each identification type are also indeterminate at this time.

Division of Motor Vehicles – Information Technology Systems

A multi-phase project to replace the State Automated Driver License System (SADLS) is currently underway, with the final phase scheduled for completion in December 2017. Thus, automation of business processes that are either altered or required by HB 328 before the proposed effective date of March 1, 2016 requires modification of the current SADLS and also a scope change for the “Driver 360” solution under development. The Department of Transportation, Information Technology Division estimates that design, development, and testing of these system modifications will require 10,246 development hours at estimated labor rates of \$85-\$165 per hour for a total estimated cost of \$974,640 as shown below in Table 1. Estimated costs of database modifications for issuance tracking and for the production of a new license/ID template are \$445,000.

Table 1. Driver License Solution Cost Estimate

Activity	Labor Hours	Rate (hourly)	Estimated Cost
Project Management	2,000	\$90	\$180,000
Project Administration	2,000	\$95	\$190,000
Requirements Document and Analysis	80	\$165	\$13,200
Program Specification	80	\$165	\$13,200
Programming/ Unit Testing	320	\$165	\$52,800
System / Regression Testing	80	\$165	\$13,200
Client Test Interface	80	\$165	\$13,200
Implementation	20	\$165	\$3,300
Post Implementation	40	\$165	\$6,600
Business Analyst	2,000	\$85	\$170,000
SADLS Technical Subject Matter Experts (SME)	3,546	\$90	\$319,140
TOTAL	10,246		\$974,640

Additionally, because DMV systems currently lack the technical capability to capture and digitally store or transmit finger prints, it is assumed that third-party finger printing services will be procured. Preliminary cost estimates obtained from the Driver 360 vendor (MorphoTrust) for such a solution suggest a potential cost range of \$3.0 to \$5.0 million. As the procurement and payment model is unknown at this time, these costs are excluded from the Fiscal Impact summary table on page 1.

Modification of the State Titling and Registration System (STARS) is also required to allow for the seizure, impoundment, and forfeiture of vehicles involved in violation of driving without financial responsibility (G.S. 20-313) or driving without a license or restricted permit (G.S. 20-7). Specifically, changes to the STARS “Administrative Office of the Courts” menu, impoundment notification/correspondence processes, and STARS process denials (e.g. registration “stop”) must be programmed. Table 2 provides a breakdown of estimated costs by activity.

Table 2. Registration/Titling Solution Cost Estimate

Activity	Labor Hours	Rate (Hourly)	Estimated Cost
Requirements Document and Analysis	120	\$90	\$10,800
Program Specification	120	\$90	\$10,800
Programming/ Unit Testing	500	\$90	\$45,000
System / Regression Testing	80	\$90	\$7,200
Client Test Interface	80	\$90	\$7,200
Implementation	20	\$90	\$1,800
Post Implementation	40	\$90	\$3,600
TOTAL	960		\$86,400

Further estimated one-time labor costs for system architecture, security, and web application development total \$820,000, representing 8,000 labor hours at average rates of \$85 to \$120 per hour.

In sum, estimated nonrecurring system modification costs are \$2.32 million. Recurring operating and maintenance costs attributable to these modifications are an estimated \$51,460.

Division of Motor Vehicles – Operations

The License and Theft Bureau’s Notice, Storage and Theft Unit (NST) processes unclaimed, abandoned, stolen and seized vehicles as required by G.S. 20-77(d) and Chapter 44A (Statutory Liens and Charges). Additionally, NST assists federal, state and local law enforcement in documenting motor vehicle seizures and imposing registration holds until the presiding court renders judgment. According to NST, documentation processes take five minutes on average to complete.

Table 3 provides reported data for calendar year 2014, illustrating the potential frequency of offenses for which vehicle seizure would be authorized under HB 328. However, these charge statistics are not representative of adjudications or indicative of the proportion attributable to persons without lawful status. Accordingly, workload estimates are presumed to be maximal. Assuming 141,579 total related charges per year, 1,984 annual labor hours per position, and five minutes average processing time, potential workload increase may require a total of six additional personnel (Processing Assistant V - \$47,824) at a recurring cost of \$286,944.

Table 3. CY 2014 DWLR/No license Offenses

Offense Description	NC General Statute	Charge Total
DWLR AFT IMPAIRED REV NOTICE	20-28(A2)(1)	217
DWLR IMPAIRED REV	20-28(A)	16,874
NO OPERATORS LICENSE	20-7(A)	122,257
NO MOTORCYCLE ENDORSEMENT	20-7(A1)	1,841
NO DRIVERS LIC COMM VEHICLE	20-7(A)	200
DWLR VIOL LDP - IMPAIRED REV	20-28(A)	190
		141,579

Additional workload impacts in the Hearings and Adjudication Units within Processing Services are anticipated due the processing of mandatory revocations and resultant hearings, however hearing frequencies cannot be determined at this time.

SOURCES OF DATA: Division of Motor Vehicles; Department of Transportation, Information Technology Division

TECHNICAL CONSIDERATIONS: None

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DATE: June 10, 2015



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