

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 208

(Senators Brinkley and Pipkin)

Judicial Proceedings

Vehicle Laws - Drivers' Licenses and Identification Cards - Lawful Presence in
United States

This bill prohibits the Motor Vehicle Administration (MVA) from issuing an identification card or driver's license to an individual who cannot provide acceptable documentation certifying citizenship or lawful presence in the United States. For an individual who is lawfully present but who is not a citizen, the identification card or driver's license is effective only for as long as the individual is authorized to remain in the United States under federal law.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by about \$225,000 in FY 2010 and \$300,000 in FY 2011 from reduced driver's licensing fee revenues. TTF revenues may decrease further in future years due to the reduced collection by MVA of other vehicle and driver's license related fees. TTF expenditures may increase to hire additional personnel to counteract the increase in transaction time depending on the stringency of lawful presence documentation review. General fund revenues and expenditures may increase due to applicable penalty provisions.

Maryland Automobile Insurance Fund (MAIF) Effect: The bill reduces the number of individuals eligible to receive a driver's license and may cause MAIF to issue fewer policies.

Local Effect: Minimal increase in local expenditures due to applicable penalty provisions.

Small Business Effect: Potential minimal.

Analysis

Current Law: MVA is required to issue an identification card to any individual who (1) is a resident of this State; (2) does not have a driver's license; (3) presents a birth certificate or other acceptable proof of age and identity; and (4) presents a completed application for an identification card on a form furnished by MVA.

In order to obtain a driver's license in Maryland, an individual must present MVA with two documents proving Maryland residence (for example, a voter registration card, a utility bill, or an income tax return). An individual must also provide MVA with proof of identity – a birth certificate, court change of name order, or valid foreign passport or valid U.S. Citizenship and Immigration Services document, plus one additional primary source or two secondary sources of identification. A primary source includes documents such as a passport, an actual Social Security card, an out-of-state driver's license, or a baptismal certificate or synagogue naming certificate. Secondary sources include utility bills, checking or savings account statements, a marriage certificate or divorce decree, or a residential contract.

An individual may not drive or attempt to drive a motor vehicle on any highway in the State unless the individual holds a driver's license, is expressly exempt from licensing requirements, or is otherwise specifically authorized to drive the class of vehicles that the individual is driving or attempting to drive. Among those specifically exempt from the licensing requirement is a nonresident of the United States if: (1) the individual has a valid license issued by their country of residence; (2) the individual's license authorizes the operation of the class of vehicles being driven; (3) the individual meets the minimum age requirements for driving the class of vehicle; and (4) except as specified, the vehicle is not a commercial vehicle.

An individual who drives a motor vehicle in the State without a proper license, authorization, or a specific exemption is guilty of a misdemeanor and is subject to a maximum fine of \$500 and/or imprisonment for 60 days or less. There is no prepayment for this offense and the offender must appear in court. MVA is required to assess five points against the offender's license. A second or subsequent violation subjects the offender to a maximum fine of \$500 and/or imprisonment for up to one year.

MVA is prohibited from issuing a license to an individual:

- during any period of revocation, suspension, refusal, or cancellation, except as specified;
- who is an habitual drunkard or habitual drug user, as specified;

- who previously has been adjudged to be suffering from a mental disability or disease and has not been adjudged competent;
- who has not passed a required examination under the Maryland Vehicle Law;
- whose driving skills MVA has good reason to believe would be hazardous to the public safety or welfare;
- who is unable to exercise reasonable control over a vehicle due to a disease or physical disability, except that a restricted license may be issued under specified circumstances;
- who is unable to understand highway warning or direction signs written in the English language;
- who is unable to sign the individual's name for identification purposes;
- who is 70 or older and applying for a new license, unless the applicant presents proof of satisfactory operation of a motor vehicle or written certification from a physician, as specified; or
- who otherwise does not qualify for a license.

Background: As of November 2008, 28 states had a statutory requirement that driver's license applicants prove lawful presence in the United States. Another 18 states and the District of Columbia had lawful presence requirements through agency policy or the combination of documents required of driver's license applicants.

Maryland does not have a legislative requirement of lawful presence in the United States. In September 2003, the Maryland Office of the Attorney General issued an opinion as to whether MVA is authorized to require individuals with foreign identification to produce proof of legal presence as a condition of obtaining a driver's license. The Attorney General determined that MVA may require a person without a domestic birth certificate to provide alternate forms of identification, which may include immigration-related documents. However, the opinion concluded that the inability to verify legal presence in the United States is not itself a valid reason for the denial of a Maryland driver's license.

Legislation enacted in 2003 established a Joint Task Force to Study Driver Licensing Documentation. That task force released its final report in December 2004, which included, among other recommendations, that there be no revision of the State's statutory law except as otherwise required by federal legislation.

On May 11, 2005, President Bush signed into law the REAL ID Act that requires federal agencies to accept only personal identification cards that meet certain standards. The U.S. Department of Homeland Security (DHS) issued final regulations in January 2008. Pursuant to these regulations, MVA will need to verify the identity and lawful status of each applicant for a driver's license or identification card.

Administration officials have announced that Maryland will comply with the REAL ID Act and that Maryland has been granted a deadline extension until December 31, 2009, for submission of an initial certification package.

The final regulations also allow a state to request, by October 11, 2009, an additional extension to May 10, 2011. An additional extension may be granted only if a state certifies material compliance by January 1, 2010 with the 18 benchmarks contained in DHS's "Material Compliance Checklist" that was issued as an attachment to the final regulations. The summary of the final regulations states that "[t]he eighteen milestones are all mandatory requirements under the Act; one of the most important ones, however, is the state's ability to verify that the applicant is lawfully present in the United States." If a second extension is granted, a state must begin issuing REAL ID compliant ID cards on May 11, 2011.

Although REAL ID compliant ID cards must verify lawful presence, a state is not prohibited from issuing noncompliant ID cards to individuals who cannot certify lawful presence status. MVA has been exploring the possibility of establishing a two-tiered driver's license and identification card system for several years, in order to allow individuals to drive who cannot certify lawful presence status or cannot otherwise obtain the information necessary to satisfy the standards required to obtain a federally compliant license or card.

MVA has 10 sites to process out-of-country applicants for driver's licenses and identification cards: Baltimore City, Bel Air, Beltsville, Frederick, Gaithersburg, Glen Burnie, Largo, Salisbury, Waldorf, and White Oak. These sites are intended to improve the security of the application process and to allow the examination of foreign documents by specially trained examiners. Out-of-country applicants must schedule an appointment to obtain a driver's license.

State Fiscal Effect: TTF revenues may decrease by \$224,817 in fiscal 2010 and by \$299,757 in fiscal 2011, the first full year of experience under the bill, due to fewer driver's licenses and identification cards being issued under the bill's prohibition. This estimate is based on the following information and assumptions:

- MVA advises that in calendar 2008 there were 91,483 out-of-country appointments for driver's licenses and ID cards and the Department of Legislative Services (DLS) assumes this rate remains constant indefinitely;
- 62% of out-of-country appointments were attended by an applicant;
- 47% of applicants were approved for a driver's license or ID card by MVA;
- 25% of approved applicants are not U.S. citizens or otherwise lawfully present;
- all driver's license transactions are new driver's license transactions;

- the fee for a new driver's license is \$45;
- despite the State planning to implement REAL ID, driver's licenses may still be issued for individuals younger than 50 until December 2014 and for older individuals until December 2017; and
- MVA does not have the authority to deny driver's licenses to undocumented individuals without statutory change.

TTF revenue losses may increase further due to (1) a loss of other vehicle and driver's license related fees; and (2) the ineligibility for a driver's license or identification card for those whose lawful presence status is temporary and subsequently lapses.

TTF expenditures are not likely to decrease due to fewer applications from undocumented individuals under the bill. Instead, DLS advises that because of the bill's prohibition there is an incentive for more undocumented individuals to attempt to obtain a driver's license or ID card through fraudulent means. Therefore, although there is a net reduction in the number of applications at MVA, the additional transaction time required to screen for fraudulent documents may require MVA to maintain staffing at current levels or hire additional positions. Depending on the stringency of lawful presence review administered by MVA, personnel costs may increase by a greater extent to counteract the additional pressure on transaction times, thereby substantially outweighing any potential personnel reductions caused by fewer applications from undocumented individuals.

DLS advises that, although the bill may require additional costs at MVA for reprinting forms and manuals, communication, computer reprogramming, or for public awareness related expenditures, these costs may be handled with existing budgeted resources.

Experience from states with lawful presence requirements for driver's license issuance indicates that a significant percentage of undocumented individuals drive notwithstanding the lack of eligibility for licensure. Driving without a license is a violation of the Maryland Vehicle Law and is therefore a misdemeanor punishable by a fine of up to \$500, imprisonment of up to 60 days, or both; on a second or subsequent offense the violator may be imprisoned for up to one year in addition to a \$500 fine. To the extent that the incidence of driving without a license increases significantly under the bill, the increase in the District Court caseload may necessitate additional clerical staff and resources but can likely be handled with existing resources. General fund revenues and expenditures may increase due to an increase in civil fine collection and a potential increase in incarceration of unlicensed drivers.

Local Expenditures: Expenditures may increase minimally as a result of the applicable incarceration penalties for those convicted of driving without a license. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$46 to \$141 per inmate in fiscal 2010.

Small Business Effect: The bill may have an impact on small businesses to the extent that they rely on undocumented individuals for labor.

Additional Comments: MAIF advises that the bill may cause the number of uninsured drivers to increase. Legislative Services concurs with this assessment and cites in support the General Assembly's Task Force to Study Driver Licensing Documentation report.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General, Maryland Insurance Administration, Judiciary (Administrative Office of the Courts), Maryland Automobile Insurance Fund, Maryland Department of Transportation, Department of Legislative Services

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