

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

House Bill 911  
Judiciary

(Delegate Gutierrez, *et al.*)

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**Drivers' Licenses, Identification Cards, and Moped Operators' Permits - Issuance, Renewal, and Expiration**

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This bill extends – from July 1, 2015, to July 1, 2023 – the expiration of the authority of the Motor Vehicle Administration (MVA) to issue or renew an identification card, moped operator’s permit, or driver’s license for an individual who held one of these documents prior to April 19, 2009, but does not have lawful status or a valid Social Security number. For these individuals, the expiration date of one of these documents issued or renewed between July 1, 2010, and October 1, 2013, is July 1, 2015. An identification card or driver’s license that is issued or renewed on or after October 1, 2013, expires after eight years, or on July 1, 2023, whichever is earlier; a moped operator’s permit issued or renewed on or after October 1, 2013, expires after five years or on July 1, 2023, whichever is earlier.

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**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) revenues increase significantly beginning in FY 2014 – by about \$889,600 in FY 2014 and about \$2.2 million in FY 2015 – due to the payment of fees for additional driver’s licenses and identification cards under the information and assumptions discussed below. Under these assumptions, TTF expenditures increase by a more modest amount – about \$86,700 in FY 2014 and about \$91,700 in FY 2015 – for the renewal of additional MVA documents.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law/Background:** Chapter 390 of 2009 (HB 387) defined “lawful status” as it applies to the issuance of identification cards, driver’s licenses, and moped operator’s permits. It also established a “two-tiered” approach to the issuance of these documents by MVA. The first tier documents are available only to individuals who have lawful status in the United States and have a Social Security number. The second tier documents are not valid for official purposes by federal agencies.

MVA issues the second tier documents under one of two circumstances. First, MVA may issue or renew one of these documents to an individual whose identity does not match records checked by MVA in its verification process but who resolves the “non-match” by meeting certain federal regulatory standards and is otherwise eligible. The second circumstance, and the one that is the subject of this bill, allows MVA to issue or renew one of these documents to an individual who held an identification card, driver’s license, or moped operator’s permit on April 18, 2009, but does not possess satisfactory evidence of lawful status or a valid Social Security number.

No MVA document issued to, or renewed by, an applicant who cannot provide satisfactory evidence of lawful status or a valid Social Security number is valid beyond July 1, 2015.

Chapter 390 was enacted in part to respond to new federal requirements under the REAL ID Act. 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 must verify the identity and lawful status of each applicant for a driver’s license or identification card. Following enactment of Chapter 390, Maryland has achieved material compliance with the REAL ID Act, 1 of only 13 states to do so. Due to the widespread noncompliance among the states, DHS provided a 20-month extension of the compliance deadline on March 4, 2011, to expire January 15, 2013. On December 20, 2012, DHS announced a six-month deferment of enforcement beginning on January 15, 2013.

Once the deferment of enforcement expires, unless subsequently extended, DHS will begin a phased-in enforcement of REAL ID. Once fully enforced, driver’s licenses and identification cards issued by states that are not in compliance with REAL ID standards will not be recognized for federal purposes, including accessing a federal facility and boarding a federally regulated commercial aircraft.

**State Fiscal Effect:** TTF revenues increase significantly beginning in fiscal 2014. Under the assumptions discussed below, the revenue increase is about \$889,600 in

fiscal 2014, about \$2.2 million in fiscal 2015, and about \$1.2 million over the three-year period from fiscal 2016 through 2018 from the renewal of additional MVA documents that are not authorized for renewal under current law. This estimate is based on the following information and assumptions:

- MVA estimates that 95,000 MVA credentials will have been issued to individuals who cannot provide proof of lawful status under current law before the effective date of the bill;
- it is assumed that 20% of these 95,000 credentials are renewed in fiscal 2014, 50% are renewed in fiscal 2015, and the remaining 30% are renewed between fiscal 2016 and 2018;
- all drivers are issued eight-year driver's license renewals on payment of \$48 in fiscal 2014 through 2016, all drivers are issued seven-year renewals on payment of \$42 in fiscal 2017, and all drivers are issued six-year renewals on payment of \$36 in fiscal 2018; and
- all identification card renewals involve eight-year cards on payment of \$24 in fiscal 2014 through 2016, all renewals involve seven-year cards on payment of \$21 in fiscal 2017, and all renewals involve six-year cards on payment of \$18 in fiscal 2018.

Under these assumptions, TTF expenditures increase by \$86,693 in fiscal 2014 and \$91,732 in fiscal 2015 for postage and supply costs associated with issuing additional MVA credentials and for a public awareness campaign in fiscal 2014 only. Expenditures also increase in the out-years but by a lesser amount.

This estimate does not account for the issuance of moped operator's permits, which is anticipated to be minimal. The estimate also does not account for the additional transactions that result from individuals who renew an MVA credential prior to October 1, 2013, and must renew again prior to July 1, 2015; these additional transactions are anticipated to result in a minimal increase in TTF revenues and a negligible increase in TTF expenditures in fiscal 2015.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2013  
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