

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
iga.in.gov

**FISCAL IMPACT STATEMENT**

**LS 6333**

**BILL NUMBER:** HB 1195

**NOTE PREPARED:** Dec 8, 2021

**BILL AMENDED:**

**SUBJECT:** Driving Record Cards.

**FIRST AUTHOR:** Rep. Karickhoff

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- (1) Provides that an individual who is an Indiana resident and cannot provide proof of identity and lawful status in the United States may apply for a driving record card learner's permit and driving record card to obtain driving privileges.
- (2) Provides that a driving record card learner's permit and driving record card may not be used for federal identification or any other federal purpose.
- (3) Provides that a driving record card learner's permit and driving record card may not be used for the purpose of voting or employment verification.
- (4) Requires an individual who holds a driving record card learner's permit or driving record card and operates a motor vehicle to verify and continuously maintain financial responsibility on any motor vehicle the holder operates in the amount required by law.
- (5) Provides that the Bureau of Motor Vehicles (BMV) may not disclose certain information unless presented with a lawful court order or judicial warrant.
- (6) Makes conforming amendments and technical corrections.

**Effective Date:** Upon passage; July 1, 2022.

**Explanation of State Expenditures:** *Summary* - This bill is expected to increase one-time Bureau of Motor Vehicles (BMV) Commission Fund expenditures by approximately \$1.19 M to issue a new license type. Most of the impact is anticipated to occur in FY 2022.

**Additional Information** - The BMV reports the cost to redesign two new credentials as required under the

bill would be approximately \$1.19 M for the new credentials. The total demand for these credentials is unknown, but expected to come from the undocumented immigrant population in the state. The bill could increase BMV administrative costs to process and review applications for compliance with requirements contained in the bill and provide a new license type.

**Explanation of State Revenues:** *Summary* - This bill could increase state revenue for requests of the credential created in the bill. Based on the number of temporary visitor drivers licenses issued in the state of Illinois, the bill is expected to increase state revenue from driving card credential fees by approximately \$132,500 in the first four years of administration. This revenue will be divided between the Motor Vehicle Highway Account (MVHA), Crossroads 2000 Fund, BMV Technology Fund, Integrated Public Safety Communication Fund, and the BMV Commission Fund.

The bill could also increase state General Fund revenue by (1) requiring individuals who hold driving cards to maintain financial responsibility and (2) from any increase in Class B misdemeanor convictions. Increases in General Fund revenue are unknown but expected to be small.

Additional Information -

The BMV reports that DACA recipients are currently issued BMV credentials if they meet requirements to obtain a REAL ID. To be eligible for a REAL ID, individuals must provide documents proving (1) full legal name, (2) date of birth, (3) social security number, (4) two proofs of address or principal residence, and (5) lawful immigration status. The BMV reports lawful immigration status documentation for DACA recipients (and other foreign national with temporary status) includes an unexpired Employment Authorization Card form I-766.

The demand for this new credential could come from the DACA population who do not currently have the documentation available to receive a REAL ID. Additionally, individuals who currently reside in the state and have no form of documentation proving lawful status could also apply for the new credential created by the bill.

*Licensing Fees*– The current fees for an operator’s license and a learner’s permit are included in the following table. The new credentials have the same fee amounts as the current operators license and learner’s permit.

<b>Fund</b>	<b>Operator’s License Revenue</b>	<b>Learner’s Permit Revenue</b>
Motor Vehicle Highway Account	\$4.50	\$0.25
Crossroads 2000 Fund	\$2.00	\$2.00
BMV Technology Fund	\$0.50	\$0.50
Integrated Public Safety Communication Fund	\$1.25	\$1.25
BMV Commission Fund	\$9.25	\$5.00
<b>Total</b>	<b>\$17.50</b>	<b>\$9.00</b>

The BMV reports that 85% of annually issued credentials are operator’s licenses and 15% are learner’s permits.

Data was obtained from the state of Illinois concerning demand for temporary visitor drivers licenses. Based on the data from Illinois and the difference between each state’s foreign born population, the demand for this new credential is not expected to exceed 500 *annual* requests in the first four years of implementation, but is expected to result in 1,100 *total* requests in the first four years of administration. The sum of the total revenue received from credential fees for 1,100 requests in the first four years of administration is included in the following table.

<b>BMV Credential Revenue Distribution to Each Fund</b>	<b>Estimated Revenue from Credential Requests in First Four Years</b>
Motor Vehicle Highway Account	\$7,900
Crossroads 2000 Fund	\$4,100
BMV Technology Fund	\$1,000
Integrated Public Safety Communication Fund	\$2,600
BMV Commission Fund	\$17,600

Revenue increases to the MVHA will benefit the State Highway Fund. Based on these projections, the State Highway Fund is expected to receive approximately \$4,900 in revenue.

*Supplemental Fees:* The bill also requires the BMV to collect a \$50 supplemental fee for each credential issued under the bill’s provisions. Based on estimated demand for these credentials in the first four years of implementation, the supplemental fee is expected to generate a total of approximately \$102,000 in revenue (an average of approximately \$26,000 per year). It is assumed this revenue will be deposited in the BMV Commission Fund.

*Financial Responsibility:* Domestic insurers have the option to pay taxes on insurance premiums written in the state or to pay the adjusted gross income (AGI) tax. Foreign insurers are required to pay taxes on premiums written in the state, and some foreign insurers are assessed additional retaliatory taxes. In these cases, the minimum tax rate would be 1.3% of written premiums. Revenue received from the AGI tax and insurance premium tax is deposited in the state General Fund.

If this bill results in additional insurance policies sold in the state, the state General Fund could receive additional revenue, but any increase is indeterminable.

*Penalty Provision:* The bill adds that producing counterfeit driving cards is punishable as a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class B misdemeanor is punishable by up to 180

days in jail.

**Explanation of Local Revenues:** Revenue increases to the MVHA will also result in local revenue increases for highway construction and maintenance. Approximately 38% of MVHA revenue is forwarded to local units of government. In the first four years of administration, local units of government are expected to receive approximately \$3,000 in revenue.

*Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** BMV; INDOT.

**Local Agencies Affected:** Local recipients of MVHA funding, trial courts, local law enforcement agencies.

**Information Sources:** US Citizenship and Immigration Services; Abbi Raben, BMV; <https://www.nilc.org/issues/daca/real-id-and-daca/>; Statista foreign born population data, CY 2020; H.W. Devlin, Illinois Secretary of State.

**Fiscal Analyst:** Bill Brumbach, 317-232-9559.