

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2034 - SB 2568

February 18, 2024

SUMMARY OF BILL: Requires the Department of Safety (DOS) to redesign the various temporary licenses and permits available to people whose presence in the United States has been authorized by the federal government for a specific purpose and for a specified period of authorized stay so that they may be easily distinguished from other licenses issued to United States citizens residing in Tennessee. Requires the design of the licenses to include the language “NON-U.S. CITIZEN” in a manner similar to that of a handgun carry permit. Requires the new licenses to be printed in a vertical or portrait format and include a visually distinctive colored border. Requires the DOS to begin issuing the new licenses to qualified applicants no later than January 1, 2025. Reduces the maximum time period for which such licenses are valid from eight years to two years.

Effectives upon becoming a law for purposes of redesigning the licenses. Effective for all other purposes on January 1, 2025.

FISCAL IMPACT:

Other Fiscal Impact – The proposed legislation will require the Department of Safety to modify existing software and redesign and implement new licenses. This work is assumed to be accomplished by the relevant vendors under current contract provisions with no additional expenditures to the department. However, if the relevant contract provisions are exhausted by this and other legislation subsequently enacted, the department could incur an increase in state expenditures up to \$196,100 in FY24-25.

There will further be an unknown increase in state revenue to the Driver Services Division of the Department of Safety deriving from an increase in license renewals. Additionally, there will be an unknown increase in local government revenue due to fees charged for license issuances and renewals.

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-50-331(g), the DOS may issue a temporary driver license, temporary intermediate driver license, temporary photo identification license or a temporary learner permit to persons whose presence in the United States has been authorized by the federal government for a specific purpose and for a specified period of

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authorized stay. The temporary driver license or photo identification license shall be valid only during the period of time of the applicant's authorized stay in the United States; provided, however, that no temporary license or photo identification license shall be issued for a period of longer than eight years.

- The temporary licenses and permits authorized in this statute are the licenses that would be redesigned under the proposed legislation.
- The maximum period of time for which one of these may be issued is reduced from eight years to two years.
- The work, which will include various software modifications and the card design changes and implementation, will be completed by the DOS's two relevant vendors.
- It is assumed that the required software changes to the department's A-List system can be accomplished by the vendor under the current contractual agreement without a need for additional expenditures; therefore, any fiscal impact to DOS related to these changes is estimated to be not significant.
- However, if the scope of work required by this and other legislation subsequently enacted exhausts the relevant contract provision, the proposed legislation could result in an increase in state expenditures of \$78,000, as quoted by the vendor, in FY24-25.
- The card design change and implementation are also assumed to be accomplished under a contract provision with the vendor that allows the DOS to request two such card changes at no additional cost per contract cycle.
- However, if more than two card changes are needed as a result of this and legislation subsequently enacted, the DOS could incur an increase in state expenditures estimated to be \$118,109 in FY24-25.
- The total increase in state expenditures the DOS could incur is estimated to be \$196,109 (\$78,000 software + \$118,109 card change) in FY24-25.
- The licenses are currently authorized to be issued for a maximum period of eight years. However, pursuant to Tenn. Code Ann. § 55-50-331(g), they are only valid during the period of time of the applicant's authorized stay in the United States, which varies with each applicant.
- It is assumed that decreasing, from eight to two years, the maximum period for which these licenses can be issued will increase state revenue to the DOS as a result of requiring certain applicants to renew their license more frequently than they would under current law. Due to the wide variance of circumstances among this cohort of applicants, the extent and timing of this increase cannot be estimated with any specificity.
- Additionally, county clerks are authorized to charge a \$4.00 administration fee pursuant to Tenn. Code Ann. § 55-50-331(a) for any license or permit issued at one of their facilities. The extent and timing of any increase in local government revenue cannot be reasonably estimated.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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