



# Oregon

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**DATE:** February 9, 2015

**TO:** House Committee on Transportation and Economic Development

**FROM:** Tom McClellan, DMV Administrator  
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**SUBJECT:** House Bill 2465 – Driver License Issuance Efficiency

## INTRODUCTION

Oregon statutes prescribe the types of driver licenses DMV issues to Oregonians and the requirements for each type of license. Over time, some requirements have lost their value in comparison to the effort expended by customers and DMV staff. Others may be more appropriately located in rule to allow flexibility for DMV to gain efficiencies. House Bill 2465 makes several changes to statutes relating to the issuance of driving privileges, which will improve service for customers and make the DMV more efficient.

## DISCUSSION

First, the bill eliminates the rarely used Moped-Restricted driver license. DMV issues about 10 of these licenses per year, and there are less than 100 licensees total. To provide that opportunity DMV must maintain an entire program around it: knowledge and skills tests, test course and examiners; training field-, phone-, and headquarters personnel in the requirements for the license; and other updates any time a change is made to general license requirements. Current law allows people at least age 16 to obtain this license that allows them to operate only a moped. Anyone with a Class C (standard) driver license may legally operate a moped in Oregon.

Second, the bill would allow DMV to write rules regarding what proof is necessary to show residence address when applying for, renewing or replacing a driver license (permit or ID card). Customers frequently fail to bring to the field office a document showing proof of address. This results in being turned away and a second trip. Not only is that customer frustrated, but second trips add to every customer's wait time. DMV does not intend to stop requiring proof of address. And to be clear, nothing in the bill changes the stringent requirements around proof of identity and legal presence. However, we envision efficiencies from having the flexibility of rule-writing. One way is to allow proof other than by a "document," the current statutory language, which has been interpreted as a piece of paper. Today proof of insurance, utility bills, and other ways to show valid address are available electronically. DMV could write rules to accept electronic proof. Rule-writing could allow different requirements for different situations. For example, if a person updates their address on-line or by mail, DMV could consider ending the practice of requiring proof of address at the next renewal visit, which is often years after the change was made.

Several years ago DMV fundamentally changed its driver license issuance process from handing the new plastic card to the customer in the field office, to central issuance: a third-party vendor in a secure location produces the card and mails it to the customer. As a practical matter the customer must provide an address where he or she will receive mail, or the driver license will not

be received. So the process itself helps ensure an accurate address. We also anticipate the future development of, and ability for DMV to use, address verification tools independent of relying on customers to update us when they move.

Third, the bill would leave in place a precise tool to assist schools in keeping kids in the classroom, but remove the broad provision impacting all kids under age 18. Current law requires license and permit applicants under age 18 to provide a form showing they are enrolled in school. Many teens (and their parents) arrive at DMV to obtain a permit or driver license, but are turned away for lack of the form. This causes frustration and a second trip to DMV. Rather than requiring all kids to produce the form, the bill leaves in place current law allowing schools to notify DMV to suspend a student who is chronically absent or drops out. This change will eliminate frustration and second trips for these customers, and longer wait times for everyone else, while maintaining the carrot of driving privileges for staying in school.

Fourth, the bill would end the requirement to administer a motorcycle knowledge test to out-of-state licensees, who already have a motorcycle endorsement, when applying for an Oregon license. All out-of-state applicants still would take the standard rules-of-the-road knowledge test. But the motorcycle knowledge test, covering basic operation issues, provides little to no value for someone who has already been trained or tested in another state. This will eliminate thousands of knowledge tests each year.

As drafted the bill contains a fifth provision, removing the statutory requirement that a customer's change of address be reflected on the driver license card. It would allow DMV rule-writing instead. Today when a customer changes her address, and doesn't choose to obtain a new driver license card, DMV mails a change of address sticker. Allowing flexibility in rule positions DMV to make appropriate changes respecting new national standards for license layouts, anticipated soon. The updated address from a customer would still be reflected in the computer record. In terms of what is shown on the card, only one other state issues change of address stickers. 32 states allow their licenses to continue reflecting an old address after the person has officially changed their address with DMV. (16 states require customers to get a replacement card.) Stickers cost money to produce and mail, but to encourage customers to provide address updates Oregon DMV charges no fee. And of course stickers are somewhat unreliable: the ink rubs off and the paper lifts. All of that said, DMV is agreeable to removing this section of the bill due to concerns of the banking industry and others that an updated address on the card is essential to their business.

## **SUMMARY**

This bill will eliminate many requirements that can be burdensome to DMV's customers or otherwise are inefficient uses of resources in exchange for minimal value. We ask the committee to support this bill in order to continue improving services to DMV's customers, and create efficiencies in DMV's driver licensing processes.