

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 374 - A**

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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**Measure Description:**

Authorizes Department of Transportation to issue driver licenses, driver permits and identification cards that meet requirements of federal Real ID Act of 2005.

**Government Unit(s) Affected:**

Oregon Department of Transportation (ODOT)

**Summary of Expenditure Impact:**

	2017-19 Biennium	2019-21 Biennium
Other Funds		579,023
<b>Total Funds</b>	<b>\$0</b>	<b>\$579,023</b>

**Analysis:**

SB 374-A conforms existing statute to the 2005 REAL I.D. Act, which changes the requirements of state-issued identification cards and driver licenses. In 2009, SB 536 was passed which forbids state agencies from expending funds to implement the REAL I.D. Act without sufficient federal funds or security measures. SB 374-A would allow individuals to request REAL I.D.-compliant identification cards and driver licenses, or non-compliant identification cards and driver licenses. ODOT anticipates that it will be able to issue REAL I.D. compliant identification cards and driver licenses no sooner than July 1, 2020.

This analysis assumes that the bill's implementation will correspond with the Department's Service Transformation Program. ODOT is currently in negotiations with an IT vendor for this project, and the vendor has stated the proposed replacement system is REAL I.D. Act-compliant.

ODOT has indicated that it will incur costs in the 2017-19 biennium associated with additional computer programming and implementation costs, as well as costs associated with fingerprint-based background checks for employees, in order to maintain compliance with federal regulations. These costs are anticipated to be minimal and absorbable within ODOT's existing budgetary framework.

During the 2019-21 biennium, additional implementation costs include:

- Estimated charges for Social Security Number verification, \$6,580
- Estimated charges for passport verification, \$4,163
- Estimated charges for birth certificate verification, \$187,354
- Estimated charges for Attorney General review of Administrative Rules, \$3,500
- Fees for connecting to U.S. Passport Verification Service, \$10,440
- Fees to connecting to State-to-State service (S2S), \$101,833
- Biennial fees for S2S, \$257,083
- Charges for fingerprint-based background checks for employees, \$8,070

The Legislative Fiscal Office notes that Section 5 of the bill requires ODOT to impose an additional fee for the issuance of Real IDs, for the purpose of covering the additional costs. This analysis assumes that fees will be set at a level sufficient to recover the costs outlined above.