

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Transportation Committee

BILL: CS/SB 2220

INTRODUCER: Transportation Committee

SUBJECT: Department of Highway Safety and Motor Vehicles

DATE: March 14, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Fav/CS
2.			TA	
3.				
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The bill allows the Department of Highway Safety and Motor Vehicles (department) to be retained and implements various recommendations contained in the Senate Transportation Committee’s Agency Sunset Report. Specifically, the bill:

- Reenacts the provisions which create the department and amends the organization structure to delete the obsolete Bureau of Motor Vehicle Inspection;
- Abolishes the Florida At-Risk Driver Council;
- Defines the term “convenience service;”
- Phases out the issuance of licenses that are “valid in Florida only” as required by the REAL ID Act;
- Modifies the acceptable documents for the issuance of a driver’s license and authorizes the use of additional documents to prove identity. These changes are necessary to comply with the requirements of the REAL ID Act;
- Modifies the term of a driver license for those under 80 years of age to 8 years. Drivers 80 years old and over would continue to be issued 6 year licenses. In addition, licensees are limited to one consecutive convenience renewal. These changes are necessary to comply with the requirements of the REAL ID Act;

- Increases the fees charged for obtaining a new or renewal driver's license or identification card, and specifies a portion of the fees be deposited into the Highway Safety Operating Trust Fund for the general operation of the department;
- Deletes provisions authorizing the use of a change-of-address sticker on a driver's license;
- Authorizes an increase in the service fee charged by tax collectors when providing driver's license services. The current fee of \$5.25 charged for each driver's license issued or renewed is authorized to be increased to an amount not to exceed \$10.50; and
- Directs the department to collect and present customer wait time data for each driver's license examination office.

This bill substantially amends and reenacts s. 20.24, F.S.

This bill substantially amends ss. 322.01, 322.02, 322.03, 322.051, 322.08, 322.135, 322.14, 322.17, 322.18, 322.19, and 322.21; and repeals sections 322.181(4), and 322.60 of the Florida Statutes.

// Present Situation:

Sunset Review Overview

Sections 11.901-920, F.S, are known as the Florida Government Accountability Act. Under this act, most state agencies and their respective advisory committees are subject to a "sunset" review process to determine whether the agency should be retained, modified or abolished.

Reviews are accomplished in three steps. First, an agency under review must produce a report providing specific information, as enumerated in s. 11.906, F.S. Upon receipt of the agency information, the Joint Legislative Sunset Committee and the House and Senate committees assigned to act as sunset review committees¹ must review the information submitted and may request studies by the Office of Program Policy Analysis and Government Accountability (OPPAGA).

Based on the agency submissions, the OPPAGA studies and public input, the Joint Legislative Sunset Committee and the legislative sunset review committees must:

- Make recommendations on the abolition, continuation, or reorganization of each state agency and its advisory committees and on the need for the performance of the functions of the agency and its advisory committees; and
- Make recommendations on the consolidation, transfer, or reorganization of programs within state agencies not under review when the programs duplicate functions performed in agencies under review.

¹ Senate Committees include: Agriculture, Commerce, Environmental Preservation and Conservation, and Transportation, together with their respective Appropriations Committee.

In addition, the House and Senate sunset review committees must propose legislation necessary to carry out the committees' recommendations.

An agency subject to review is scheduled to be abolished on June 30 following the date of review as specified in s. 11.905, F.S., provided the Legislature finds all state laws the agency had responsibility to implement or enforce have been repealed, revised, or reassigned to another remaining agency and adequate provision has been made to transfer certain duties and obligations to a successor agency. If an agency is not abolished, continued, or reorganized, the agency shall continue to be subject to annual sunset review by the Legislature.

The Senate Committee on Transportation (committee) is the primary sunset review committee for reviews within the Department of Highway Safety and Motor Vehicles. The Senate Committee on Transportation and Economic Development Appropriations assisted in this review. As part of the Sunset Review, the committee held several committee meetings and heard testimony regarding the duties and responsibilities of the department. The committee has also reviewed and considered Interim Mandatory Review 2008-215.

The department's mission is to provide highway safety and security through excellence in service, education and enforcement. The department's primary objectives are to regulate driver's licenses, ID cards, titles and registrations. Driver's licenses and ID cards ensure the safety of the motoring public and the security of the general public by assuring Florida's citizens are properly licensed to drive and by reducing criminal use of fraudulent identification.

Driver's licenses, ID cards, titles and registration services are essential to the health, safety and welfare of the citizens of the State of Florida. These services are essential and there are no significant costs savings by transferring these functions to another agency. Based upon all the information considered by the committee and in accordance with ss. 11.908 and 11.911, F.S., the committee recommended the following:

- The Legislature should continue the department.
- The Legislature should delete the obsolete Bureau of Motor Vehicle Inspection.
- The Legislature should continue the Florida Highway Patrol Advisory Council, the Automobile Dealer Advisory Board, the DUI Programs Review Board, and the Medical Advisory Board.
- The Legislature should abolish the Florida At-Risk Driver Council.
- The Legislature should adjust the driver's license and ID card fee structure to promote more tax collector participation in providing driver's license and ID card services.
- The Legislature should implement federal REAL ID requirements.
- The Legislature should support measures to improve customer services for driver's licenses.
- The Legislature should analyze data centers and administrative services of all state agencies to determine whether consolidation, transfer or reorganization of these services would provide a significant cost savings.

Organization Structure of the department

Section 20.24, F.S., provides for the creation of the department and the establishment of the Division of the Florida Highway Patrol, the Division of Driver Licenses, the Division of Motor Vehicles, and the Bureau of Motor Vehicle Inspection. This section also specifies the Governor and Cabinet are the head of the department.

Definitions

Currently, Florida law does not recognize the term “convenience service.” Some terms defined in Florida law associated with motor vehicle titling and registration have not kept pace with changes in technology and the market place.

Driver’s Licenses and Identification Cards

Overview

The department and its agents issue approximately 6.3 million drivers’ licenses and identification (ID) cards each year and maintain records on more than 19 million licensed drivers. Demand for these services has increased in recent years due to population growth and will likely continue to increase due to the impending implementation of the REAL ID Act of 2005 (REAL ID).

Chapter 322, F.S., prohibits persons from operating any motor vehicle on the highways of the state without having a valid driver’s license. Licensing provides assurance drivers:

- Can read and understand road signs, traffic signals and highway markings;
- Know Florida driving rules;
- Can see well enough to drive safely;
- Have the necessary skills and experience to drive safely; and
- Are not afflicted by physical or mental conditions that might preclude the safe operation of a motor vehicle.

In Florida, driver’s licenses are issued by the Division of Driver Licenses (DDL) within the department. The DDL’s 1,613 employees provide customer services in 96 field offices throughout the state, as well as 11 mobile licensing units. The DDL is composed of ten bureaus. The largest are the five geographical Bureaus of Field Operations with 1040 employees throughout the 96 state driver’s license issuing offices. Field Operations employees administer the required vision, knowledge, and driving skills examinations, and issue driver’s licenses and ID cards. Other bureaus include:

- Records (138 FTEs)
- Driver Education and DUI Programs (19 FTEs)
- Financial Responsibility (56 FTEs)
- Driver Improvement (64 FTEs)
- Administrative Reviews (134 FTEs)

The DDL issues the following classes of licenses: Class A, B, C, and E. Classes A, B, and C are for drivers of commercial motor vehicles such as large trucks and buses. Class E is for drivers of non-commercial vehicles.

Persons wishing to obtain a Florida driver's license must be properly tested. Prior to issuing a driver's license or identification card, examiners:

- review the customer's identification and residency documents;
- create or retrieve the driver's record;
- take a digital photograph of the applicant;
- complete the driver's license application, which includes real-time verification of the social security number and nationwide driver status checks;
- scan the identification and residency documents;
- collect the applicable fees and the customer's electronic signature; and
- print the driver's license or identification card.

The DDL also performs services relating to voting, selective service, organ donor registration, and data sharing for food stamps and college tuition programs.

County Tax Collectors

Since 1996, s. 322.135, F.S., has allowed county tax collectors to apply to the department for the opportunity to provide driver's license services. Currently, 33 county tax collectors provide driver's license services at 81 locations throughout the state accounting for about 24% of all over-the-counter driver's license and ID card issuances. Services by county tax collectors generally include license/identification card renewals, replacements or duplicates. Many tax collectors do not issue original or foreign national licenses because of the additional resources required for knowledge and skills testing and document validation. Uniformity with state procedures is maintained through state-provided training, quality assurance reviews, and published policies. Tax collectors are authorized to levy an additional service fee of \$5.25 for each license service.

"Valid in Florida Only" Licenses

Section 322.03, F.S., provides a person who does not drive a commercial motor vehicle is not required to surrender a license issued by another jurisdiction, upon a showing to the department that such license is necessary because of employment or part-time residence. Any person who retains a driver's license because of employment or part-time residence shall, upon qualifying for a license in this state, be issued a driver's license which shall be valid within this state only. A person may not have more than one valid Florida driver's license at any time.

Identity Documents

Sections 322.051 and 322.08, F.S., provide requirements for the issuance of an identification card or driver's license. An applicant must submit the following proof of identity:

- 1) Full name (first, middle or maiden, and last), gender, social security card number, county of residence and mailing address, country of birth, and a brief description.
- 2) Proof of birth date satisfactory to the department.
- 3) Proof of identity satisfactory to the department. Such proof must include one of the following documents issued to the applicant:

- a) A driver's license record or identification card record from another jurisdiction that required the applicant to submit a document for identification which is substantially similar to a document required under sub-subparagraph b., sub-subparagraph c., sub-subparagraph d., sub-subparagraph e., sub-subparagraph f., or sub-subparagraph g.;
- b) A certified copy of a United States birth certificate;
- c) A United States passport;
- d) A naturalization certificate issued by the United States Department of Homeland Security;
- e) An alien registration receipt card (green card);
- f) An employment authorization card issued by the United States Department of Homeland Security; or
- g) Proof of nonimmigrant classification provided by the United States Department of Homeland Security, for an original identification card. In order to prove such nonimmigrant classification, applicants may produce but are not limited to the following documents:
 - A notice of hearing from an immigration court scheduling a hearing on any proceeding.
 - A notice from the Board of Immigration Appeals acknowledging pendency of an appeal.
 - Notice of the approval of an application for adjustment of status issued by the United States Bureau of Citizenship and Immigration Services.
 - Any official documentation confirming the filing of a petition for asylum or refugee status or any other relief issued by the United States Bureau of Citizenship and Immigration Services.
 - Notice of action transferring any pending matter from another jurisdiction to Florida, issued by the United States Bureau of Citizenship and Immigration Services.
 - Order of an immigration judge or immigration officer granting any relief that authorizes the alien to live and work in the United States including, but not limited to asylum.
 - Evidence that an application is pending for adjustment of status to that of an alien lawfully admitted for permanent residence in the United States or conditional permanent resident status in the United States, if a visa number is available having a current priority date for processing by the United States Bureau of Citizenship and Immigration Services.

Section 322.051(2)(a), F.S., provides every identification card shall expire, unless canceled earlier, on the fourth birthday of the applicant following the date of original issue. However, if an individual is 60 years of age or older, and has an identification card issued under this section, the card shall not expire unless done so by cancellation by the department or by the death of the cardholder. Renewal of any identification card shall be made for a term which shall expire on the fourth birthday of the applicant following expiration of the identification card renewed, unless surrendered earlier.

Address Verification

Section 322.14, F.S., provides the department shall, upon successful completion of all required examinations and payment of the required fee, issue to every applicant qualifying therefore, a driver's license as applied for, which license shall bear thereon a color photograph or digital image of the licensee; the name of the state; a distinguishing number assigned to the licensee; and the licensee's full name, date of birth, and mailing address; a brief description of the licensee, including, but not limited to, the licensee's gender and height; and the dates of issuance and expiration of the license.

Expiration of Original and Renewal Licenses

Currently, s. 322.18, F.S., provides a person applying for an original issuance driver's license will be issued a driver's license valid for six years. A renewed driver's license is valid for six years if the applicant has no convictions on his or her driving record for the preceding three years. Otherwise, the renewal is valid for four years.

Duplicate and Replacement Licenses

Section 322.17(1), F.S., requires a \$10 fee for a duplicate driver license in the event a licensee's driver license is lost or destroyed.

Section 322.17(2), F.S., requires a \$10 fee for a replacement driver license to reflect a license holder's change of name, address, or restrictions. Upon written request by the licensee and notification of a change in address, and the payment of the fee, the department shall issue an address sticker which shall be affixed to the back of the license by the licensee.

Section 322.19, F.S., provides whenever any person, after applying for or receiving a driver's license, changes the residence or mailing address in the application or license, the person must, within 10 calendar days, either obtain a replacement license that reflects the change or request in writing a change-of-address sticker. The written request to the department must include the old and new addresses and the driver's license number.

License Fees

Section 322.21, F.S., provides the following relating to fees for the various licenses issued by the department:

- An original or renewal commercial driver's license is \$50, which shall include the fee for driver education provided by s. 1003.48, F.S.; however, if an applicant has completed training and is applying for employment or is currently employed in a public or nonpublic school system that requires the commercial license, the fee shall be the same as for a Class E driver's license. A delinquent fee of \$1 shall be added for a renewal made not more than 12 months after the license expiration date.
- An original Class E driver's license is \$20, which shall include the fee for driver's education provided by s. 1003.48, F.S.; however, if an applicant has completed training and is applying for employment or is currently employed in a public or nonpublic school system that requires a commercial driver license, the fee shall be the same as for a Class E license.
- The renewal or extension of a Class E driver's license or of a license restricted to motorcycle use only is \$15, except that a delinquent fee of \$1 shall be added for a renewal or extension made not more than 12 months after the license expiration date.

The fee provided in this paragraph shall include the fee for driver's education provided by s. 1003.48, F.S.

- An original driver's license restricted to motorcycle use only is \$20, which shall include the fee for driver's education provided by s. 1003.48, F.S.
- Each endorsement required by s. 322.57, F.S., is \$5.
- A hazardous-materials endorsement, as required by s. 322.57(1)(d), F.S., shall be set by the department by rule and shall reflect the cost of the required criminal history check, including the cost of the state and federal fingerprint check, and the cost to the department of providing and issuing the license. The fee shall not exceed \$100. This fee shall be deposited in the Highway Safety Operating Trust Fund. The department may adopt rules to administer this section.

Background: The REAL ID Act

On May 11, 2005, the Real ID was enacted and created national standards for issuing state driver's licenses and identification cards, which must be met for state-issued credentials to be accepted as valid identification by the federal government.² Under the act, only persons with driver's licenses and ID cards complying with Real ID standards will be authorized to access federal facilities, board federally regulated commercial aircraft, and to enter nuclear power plants. The United States Department of Homeland Security may consider expanding these official purposes through future rulemakings to maximize the security benefits of Real ID. Persons without a compliant state-issued license or ID card will be required to obtain and show other accepted documents such as a United States passport.

The United States Department of Homeland Security has published its rules for security features, common machine-readable technology, minimum data elements, issuance process, and appropriate security clearance requirements for employees involved with card issuance. States (should they decide to comply with Real ID) must begin issuing compliant driver's licenses and ID cards by May 2008 (unless extended), and all licenses and cards must be issued on or before the December 2017.

Florida's current driver's licenses and ID cards meet many, but not all of the anticipated Real ID requirements. Florida will need to weigh the Real ID Act's cost and requirements against the inconvenience citizens would encounter if Florida refused to comply with the act and citizens were required to obtain passports in order to board aircraft or enter federal buildings. If the Legislature determines to comply with Real ID, then Florida will need to change the issuance process and card features to comply with several expected card requirements noted below:

- Full legal name
- Enhanced physical security features to prevent tampering, counterfeiting or duplication
- Documentation showing address of principal residence, such as a utilities bill or property tax assessment
- Verification of source documents with issuing agencies
- Surrendered licenses must be canceled

² P.L. 109-13, Title II "Improved Security for Drivers' Licenses and Personal Identification Cards."

Real ID permits up to an eight year renewal and requires renewals (every 16 years) must be in person.

In addition, implementation of Real ID will require examiners to verify and maintain electronic copies of identity documents, which may create delays in issuing drivers licenses and ID cards. The annual number of transactions (currently 6.3 million) is expected to increase as all persons holding drivers' licenses and ID cards will be required to go to a driver's license office in person over the nine-year period, which may overwhelm the capacity of existing offices and require longer waits for service.

The chart below summarizes the projected requirements of the REAL ID Act and Florida's current compliance.

#	Issue	Complete	Projected Requirements for Implementation
1	Subject each applicant to mandatory facial image capture and retain such image even if a DL or ID is not issued	Yes	Meets requirement.
2	Have each applicant sign a declaration under penalty of perjury the information present is true and correct and the state must retain this declaration	No	Currently capture in JPEG because of DAVID system. Will need to convert over to TIF. Need to change verbiage of oath to reflect "under penalty or perjury."
3	Require and individual to present at least one of the source documents listed in subsections (i) through (x) when establishing identity.	Yes	Meets current requirements, DL will review document list.
4	Require documentation of: <ul style="list-style-type: none"> • Date of Birth • Social Security Number • Principle Address (Not currently) • Evidence of lawful status 	All but Address	DL must determine acceptable documents for proof of principal address. Must be document issued monthly or yearly. All other requirements are met.
5	Have a documented exceptions process that meets the requirements established in 37.11(h)-(3) (if states choose to have this exceptions process)	No	DL must determine acceptable exceptions to issuance of license or ID cards in emergency situations to determine lawful US status.
6	Make reasonable efforts to ensure that the applicant does not have more that one DL or ID already issued by that state under a different identity	Yes	Meets and exceeds requirement.
7	Verify lawful status through SAVE or another method approved by DHS	Yes	Programming is currently being developed and implemented which will ensure meeting of this requirement.
8	Verify Social Security numbers with Social Security Adm. or another method approved by DHS	Yes	DL will need to have programming changed to no longer allow issuance without SSA verification to all US & Immigrant customers
9	Issue DL and ID's that contain Level 1,2 and 3 integrated security features	Yes	Meets requirement.
10	Surface (front and back) of cards include the following printed information in Latin alpha-numeric characters:	No	DL must determine what naming convention is to be used: SSA, Vital Statistics, etc. Must print principle address on card. DL needs to consider

	<ul style="list-style-type: none"> • Full legal name (Needs to be changed to include middle name) • Date of birth • Gender • Unique DL/ID Number 		how they will handle victims, confidential, law enforcement, etc.
11	Commit to mark materially compliant DL and ID with DHS approve security marking	Yes	Meets requirement.
12	Issue temporary or limited-term licenses based on temporary lawful status and tie license validity into the end of lawful status	Yes	Meets requirement.
13	Have a documented security plan for DMV operations in accordance with the requirements set forth in 37.41	No	Must document security plan (includes building, data storage, employees, access control, audit controls, incident response plan, ect.)
14	Have protections in place to ensure the security of personally identifiable information	Yes	Meets requirement.
15	Require all employees handling source documents and issuing to complete the AAMVA approved fraudulent document recognition training and security awareness training	Yes	Meets requirement.
16	Conduct name-based and fingerprint based criminal history and employment eligibility checks on all employees in covered positions	Yes	Meets requirement.
17	Commit to be in material compliance with Subparts A through D no later than January 1, 2010 or within 90 days of submission of this document, whichever date is earlier	Yes	Meets requirement.
18	Clearly state on the face of non-compliant DLs and IDs that the card is not acceptable for official purposes, except for licenses renewed or reissued under 37.27	Yes	Meets requirement.

Customer Service

Due to the subjective ambiguity of qualitative assessments of customer service and personal convenience, the quantitative measure of customer ‘wait time’ has become the most meaningful proxy for measuring customer satisfaction with driver licensing services. In essence, wait time and the ability to complete the entire transaction in one visit are the criteria by which an applicant is most likely to judge his or her experience. Accordingly, the department has in recent years sought to improve the way in which the product is delivered. Particular attention has been paid to wait times with the DDL implementing a number of process improvements over the last few years, which have contributed to its reduction.

A primary focus has been to accommodate customers who do not need to visit an office in person to complete their transactions. By remotely servicing persons needing express services,

such as address changes, via the Internet, telephone, or mail, overall wait times in field offices is reduced. Self-service computer kiosks are being tested in various locations including the field offices to accommodate those persons lacking Internet and phone service. The department is also exploring the concept of opening satellite offices in retail locations such as Wal-Mart stores.

To measure its progress in reducing wait times, the department polls its customers via internet surveys and comment cards in field office locations. From the quarter ending September 2005 to the quarter ending September 2007, the statewide percentage of customers who waited more than 120 minutes for service in a state driver's license office decreased from 14 percent to 0.4 percent. The metric measuring the shortest wait period, *i.e.*, "Up to 15 Minutes" increased from 42 percent to 76.2 percent indicating a general reduction in wait times statewide.

Due to the wide variations in population densities, the number of drivers being serviced can vary dramatically between the state's geographic regions. For example, the field offices in Palm Beach, Broward, and Miami-Dade Counties handle more licensing transactions than the rest of the state combined. None of the three counties' tax collectors provides driver's license services and, according to the department, these counties typically show the longest wait times. However, from the quarter ending September 2005 to the quarter ending September 2006, the number of customers in this region waiting more than 120 minutes times decreased from 17% to 2% and the shortest measured period ("Up to 15 Minutes") increased from 38% to 70% also indicating customers are experiencing significantly shorter wait times as a result of various service improvements.

Reducing Wait Times

The most apparent solution to reducing customer wait times is to increase the number of service providers available to customers. This can be accomplished by providing for additional department employees or through outsourcing to either other public sector or private entities. Research conducted by OPPAGA indicates increased outsourcing to tax collectors is feasible but challenged by funding concerns. Likewise, the report indicates outsourcing of driver's license services to private entities is feasible but could increase the state's and its citizens' exposure to identity theft and fraud.

As experienced, trusted agents of the state and, in most cases, elected constitutional officers accountable to the state and their citizens, and due to the availability of existing infrastructure, tax collector's present the most viable option for expanding face-to-face customer services for driver's licenses and ID cards. Besides the increase in the number of driver's license service providers, consumers further benefit from the grouping with other services such as vehicle title and registration services in a one-stop shop. Statutory authority currently exists to give all tax collectors the opportunity to provide driver's license services. However, about half of the counties' tax collectors do not currently offer any and many offer only a limited number of services. There are at least two possible reasons for this – the fiscal impact and the complexity of the driver's license process. As stated previously, Florida law authorizes tax collectors to levy an additional service fee of \$5.25 for each license service. A 2001 study by the Cost Determination and Allocation Task Force found, and OPPAGA has confirmed, this fee is insufficient to cover the actual cost of providing most drivers' license services. According to the 2001 study, the average actual cost borne by a tax collector to issue a driver's license is \$10.09 (in 2001 dollars.)

Thus, tax collectors choosing to provide all services must, in effect, pay for that opportunity. The complexity of providing some driver licensing services such as driver skills examinations is also a disincentive. Services for foreign nationals also require a complex process of establishing legal presence and document verification that is both costly and, in recent years, subject to numerous revisions. As a result, many of those tax collectors who provide driver's license services pick and choose which services to provide based on their costs and the complexity of the requirements.

III. Effect of Proposed Changes:

The following discussion represents a section-by-section analysis of the bill:

Section 1 reenacts and amends s. 20.24, F.S., relating to the creation of the department and the establishment of the Division of the Florida Highway Patrol, the Division of Driver Licenses, and the Division of Motor Vehicles. The bill amends s. 20.24, F.S., to delete the reference to the Bureau of Motor Vehicle Inspection within the Division of Motor Vehicles. This obsolete bureau was phased out over two fiscal years and eventually eliminated during FY 2001-2002.

Section 2 amends s. 322.01, F.S., to define "convenience service." Specifically, the definition of "convenience service" is created to mean any means whereby an individual conducts a transaction with the department other than in person.

Section 3 amends s. 322.02, F.S., to direct the department to collect and annually report wait time information for each driver's license examination office. The report is to be presented to the respective legislative transportation committees and must include the average wait time experienced by customers in each office location.

Section 4 amends s. 322.03, F.S., to phase out the issuance of licenses that are "valid in Florida only" as required by the REAL ID Act. Specifically, the section is amended to allow a part-time resident issued a "valid in Florida only" license to continue to hold such license until the next regularly scheduled renewal. Licenses identified as "valid in Florida only" may not be issued or renewed effective July 1, 2009.

Section 5 amends s. 322.051, F.S., to modify the acceptable documents for the issuance of an ID card and to require proof of a residence address. This section also removes the permanent ID card for seniors and changes the term of the ID card from 6 years to 8 years. References to respective fees are moved to s. 322.21, F.S. These changes are necessary to comply with the requirements of the REAL ID Act.

Specifically, s. 322.051(1), F.S., is amended to provide an applicant must submit the following information:

- 1) Full name (first, middle or maiden, and last), gender, *proof of* social security card number *satisfactory to the department*, county of residence, mailing address, *proof of residential address satisfactory to the department*, country of birth, and a brief description.
- 2) Proof of birth date satisfactory to the department.
- 3) Proof of identity satisfactory to the department. Such proof must include one of the following documents issued to the applicant:

- a) A driver's license record or identification card record from another jurisdiction that required the applicant to submit a document for identification which is substantially similar to a document required under sub-subparagraph b., sub-subparagraph c., sub-subparagraph d., sub-subparagraph e., sub-subparagraph f., sub-subparagraph g.; or sub-subparagraph h;
- b) A certified copy of a United States birth certificate;
- c) A *valid, unexpired* United States passport;
- d) A naturalization certificate issued by the United States Department of Homeland Security;
- e) A *valid, unexpired* alien registration receipt card (green card);
- f) *Consular Report of Birth Abroad provided by the united States Department of State;*
- g) An *unexpired* employment authorization card issued by the United States Department of Homeland Security; or
- h) Proof of nonimmigrant classification provided by the United States Department of Homeland Security, for an original identification card. In order to prove such nonimmigrant classification, applicants may produce but are not limited to certain documents.

Subsection (2) of s. 322.051, F.S., is amended to provide every identification card:

- Issued to a person 5 years of age to 14 years of age shall expire, unless canceled earlier, on the fourth birthday of the applicant following the date of original issue.
- Issued to a person 15 years of age and older shall expire, unless canceled earlier, on the eighth birthday of the applicant following the date of original issue.

Section 6 amends s. 322.08, F.S., to modify the acceptable documents for the issuance of a driver's license and authorize the use of additional documents to prove identity. These changes are necessary to comply with the requirements of the REAL ID Act.

Specifically, s. 322.08(2), F.S., is amended to provide an applicant must submit the following information:

- 1) Full name (first, middle or maiden, and last), gender, *proof of* social security card number *satisfactory to the department*, county of residence, mailing address, *proof of residential address satisfactory to the department*, country of birth, and a brief description.
- 2) Proof of birth date satisfactory to the department.
- 3) Proof of identity satisfactory to the department. Such proof must include one of the following documents issued to the applicant:
 - a) A driver's license record or identification card record from another jurisdiction that required the applicant to submit a document for identification which is substantially similar to a document required under sub-subparagraph 2., sub-subparagraph 3., sub-subparagraph 4., sub-subparagraph 5, sub-subparagraph 6., sub-subparagraph 7.; or sub-subparagraph 8;
 - b) A certified copy of a United States birth certificate;
 - c) A *valid, unexpired* United States passport;
 - d) A naturalization certificate issued by the United States Department of Homeland Security;

- e) *A valid, unexpired alien registration receipt card (green card);*
- f) *Consular Report of Birth Abroad provided by the United States Department of State;*
- g) *An unexpired employment authorization card issued by the United States Department of Homeland Security; or*
- h) Proof of nonimmigrant classification provided by the United States Department of Homeland Security, for an original identification card. In order to prove such nonimmigrant classification, applicants may produce but are not limited to certain documents.

In addition, this section of the bill repeals s. 322.08(6)(a), F.S., to remove the voluntary contribution option on driver's license applications for the Election Campaign Financing Trust Fund, which is expired.

Section 7 amends s. 322.135, F.S., to authorize an increase in the fee charged by tax collectors issuing or renewing driver's licenses from the current \$5.25 to a maximum of \$10.50 for each issuance or renewal.

Section 8 amends s. 322.14, F.S., to require the residence address to be displayed on the face of the driver's license, which is a requirement of the REAL ID Act.

Section 9 amends s. 322.17, F.S., to revise the requirements for obtaining a replacement driver's license; to delete provisions authorizing the department to issue address stickers; reference to respective fees are moved to s. 322.21, F.S., and to correct a cross-reference in s. 322.08, F.S., which will change as a result of the bill.

Section 10 amends s. 322.18, F.S., modifying length of drivers' license issuance; modifying terms of renewal; limiting 'convenience service' renewals to one renewal. Specifically, the term of a driver license for those under 80 years of age is extended to 8 years. Drivers 80 years old and over would continue to be issued 6 year licenses. In addition, licensees are limited to one consecutive convenience renewal. These changes are necessary to comply with the requirements of the REAL ID Act. A reduction in revenue collections in years seven and eight will occur as a result of these changes in the renewal cycle.

Section 322.18(2)(a), F.S., requires an applicant who has not attained 80 years of age applying for an original driver's license to be issued a driver's license that expires at midnight on the licensee's birthday which next occurs on or after the eight anniversary of the date of issue. An applicant who is at least 80 years of age applying for an original issuance shall be issued a driver's license that expires at midnight on the licensee's birthday that next occurs on or after the sixth anniversary of the date of issue.

Section 322.18(2)(d), F.S., corrects a cross-reference, which will change as a result of the bill. In addition, this subsection is amended to bring Florida into compliance with Federal law, which allows persons to have not more than a 1 year license when they have proven their ID by an unexpired employment authorization card issued by the United States Department of Homeland Security or a non-immigrant classification provided by the United States Department of Homeland Security based on certain documents.

Section 322.18(4), F.S., provides all licenses shall be renewable every eight years, excluding licenses of applicants who are at least 80 years of age, which would continue to be issued six year licenses.

Section 322.18(8), F.S., requires the department to issue 8 year renewals using a convenience service without reexamination to drivers who have not attained 80 years of age. The department is required to issue 6 year renewals using a convenience service when the applicant has satisfied the vision test requirement.

Section 322.18(8)(c), F.S., specifies the department shall issue one renewal using a convenience service.

Section 11 repeals subsection (4) of s. 322.181, F.S., to abolish the Florida At-Risk Driver Council.

Section 12 amends s. 322.19, F.S., to delete provisions authorizing the use of a change-of-address sticker on a driver’s license and correct a cross-reference in s. 322.08, F.S., which will change as a result of the bill.

Section 13 amends s. 322.21, F.S., to increase the fees charged for obtaining a new or renewal driver’s license or identification card, and specifies that a portion of the fees be deposited into the Highway Safety Operating Trust Fund (HSOTF) for the general operation of the department.

The bill raises the fees contained in 322.21, F.S., as follows:

- A Class E license is raised from \$20 to \$27.
- A renewal is raised from \$15 to \$20.
- The replacement fee (moved from s. 322.17, F.S.) remains \$10, but shall apply in all cases where a change of address is required, as the sticker-replacement method in s. 322.17, F.S. is removed (as discussed above).
- The commercial license is increased from \$50 to \$67.
- Each endorsement required by s. 322.57, F.S., is raised from \$5 to \$7.
- Original or replacement ID cards issued pursuant to s. 322.051, F.S., are \$10.

The chart below summarizes the increases and dispersion of the amended fees.

	Current Fees		Amended Fees	
	GR	HSOTF	GR	HSOTF
Original Licenses	\$20		\$20	\$7
Renewal Licenses	\$15		\$15	\$5
Duplicate Licenses	\$5	\$5	\$3	\$7
Replacement Licenses	\$1	\$9	\$3	\$7
CDL Licenses	\$50		\$50	\$17
Endorsements	\$5		\$5	\$2
ID Cards (original)	\$3		\$4	\$6
ID Cards (renewal)	\$4	\$6	\$4	\$6

According to the department, the changes prescribed in Sections 32 and 34 of this bill will result in estimated revenue of over \$15.2 million in the first year assuming an October 1, 2008, implementation. The revenue stream for the subsequent five fiscal years is estimated at \$22.5 million for fiscal year 2009-2010, \$22.4 million for fiscal year 2010-2011, \$23.3 million, for fiscal year 2011-2012, \$22.7 million for fiscal year 2012-2013, and \$21.6 million for fiscal year 2013-2014. A projected decline in revenue, resulting from the change in renewal cycles, is anticipated beginning in fiscal year 2014-2015. The decrease in revenue for fiscal years 2014-2015 and 2015-2016 is projected to be (\$15.1million) and (\$20.9 million), respectively.

Section 14 repeals s. 322.60, F.S., to delete duplicative language.

Section 15 provides this act shall take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Section 7

The Senate Proposed Bill allows county tax collectors to increase the additional fee charged for any driver's license issued or renewed by a tax collector from the current \$5.25 to an amount no greater than \$10.50.

B. Private Sector Impact:

Section 7

Individuals obtaining driver's license services from county tax collectors could experience increases of up to 100% of the additional fee charged by a tax collector.

Section 13

Fee increases, as prescribed in the bill, will result in increased costs to individuals obtaining original or renewal driver licenses or ID cards.

C. Government Sector Impact:

According to the department, this bill will require programming modifications to the Driver License and Motor Vehicle software systems at a minimal cost to be managed through existing resources. In addition, the bill has the following fiscal impacts:

Sections 10 and 13

According to the department, sections 10 and 13 would have the following fiscal impact:

General Revenue	FY 08-09	FY 09-10	FY 10-11
ID Cards (\$3 to \$10)	\$431,375	\$583,162	\$593,367
Duplicate Licenses	(\$880,005)	(\$1,777,610)	(\$1,795,386)
Replacement Licenses	\$1,076,443	\$2,174,416	\$2,196,160
Total	\$627,813	\$979,968	\$994,141

HSOTF	FY 08-09	FY 09-10	FY 10-11
Original Licenses (\$20 to \$27)	\$3,972,579	\$5,370,396	\$5,464,378
Renewal (\$15 to \$20)	\$6,300,890	\$10,166,105	\$9,925,318
CDL Original Licenses (\$50 to \$67)	\$529,808	\$716,226	\$728,760
CDL Renewal (\$50 to \$67)	\$957,594	\$1,545,021	\$1,508,426
School CDL Original (\$20 to \$27)	\$13,112	\$17,727	\$18,038
School CDL Renewal (\$20 to \$27)	\$8,676	\$13,999	\$13,667
Endorsements (\$ 5 to \$7)	\$444,868	\$601,402	\$611,926
ID Cards (\$3 to \$10)	\$2,588,252	\$3,498,971	\$3,560,203
Duplicate Licenses	\$880,005	\$1,777,610	\$1,795,386
Replacement Licenses	(\$1,076,443)	(\$2,174,416)	(\$2,196,160)
Total	\$14,619,338	\$21,533,041	\$21,429,942

According to the department, the changes prescribed in Sections 10 and 13 of this bill will result in estimated revenue of over \$15.2 million in the first year assuming an October 1, 2008, implementation. The revenue stream for the subsequent five fiscal years is estimated at \$22.5 million for fiscal year 2009-2010, \$22.4 million for fiscal year 2010-2011, \$23.3 million, for fiscal year 2011-2012, \$22.7 million for fiscal year 2012-2013, and \$21.6 million for fiscal year 2013-2014. A projected decline in revenue, resulting from the change in renewal cycles, is anticipated beginning in fiscal year 2014-2015. The decrease in revenue for fiscal years 2014-2015 and 2015-2016 is projected to be (\$15.1million) and (\$20.9 million), respectively.

VI. Technical Deficiencies:

The department recommends an October 1, 2008, effective date to allow for necessary programming modifications.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Transportation on March 18, 2008:**

The bill:

- Reenacts the provisions which create the department and amends the organization structure to delete the obsolete Bureau of Motor Vehicle Inspection.
- Abolishes the Florida At-Risk Driver Council;
- Defines the term “convenience service;”
- Phases out the issuance of licenses that are “valid in Florida only” as required by the REAL ID Act;
- Modifies the acceptable documents for the issuance of a driver’s license and authorizes the use of additional documents to prove identity. These changes are necessary to comply with the requirements of the REAL ID Act;
- Modifies the term of a driver license for those under 80 years of age to 8 years. Drivers 80 years old and over would continue to be issued 6 year licenses. In addition, licensees are limited to one consecutive convenience renewal. These changes are necessary to comply with the requirements of the REAL ID Act;
- Increases the fees charged for obtaining a new or renewal driver’s license or identification card, and specifies that a portion of the fees be deposited into the Highway Safety Operating Trust Fund for the general operation of the department;
- Deletes provisions authorizing the use of a change-of-address sticker on a driver’s license;
- Authorizes an increase in the service fee charged by tax collectors when providing driver’s license services. The current fee of \$5.25 charged for each driver’s license issued or renewed is authorized to be increased to an amount not to exceed \$10.50; and
- Directs the department to collect and present customer wait time data for each driver’s license examination office.

B. Amendments:

None.