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FISCAL IMPACT STATEMENT

LS 7157

BILL NUMBER: HB 1587

NOTE PREPARED: Jan 12, 2013

BILL AMENDED:

SUBJECT: Commercial Identification Cards from the BMV.

FIRST AUTHOR: Rep. Ober

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to issue commercial identification cards that do not bear the photograph of the holder, to be used for the limited purpose of commercial transactions. The bill specifies that a commercial identification card may not be accepted by a federal agency or for a federal purpose, or to operate a motor vehicle.

The bill also sets a fee of \$6 for the issuance, renewal, amendment, or replacement of a commercial identification card and makes technical corrections.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* This bill could increase BMV expenditures to provide a commercial identification card (CID) to certain individuals. Increases in BMV expenditures are expected to be offset by the collection of CID fees.

Additionally, the bill could increase convictions of Class D felonies in the state for individuals who knowingly or intentionally use false information or make a false statement to receive a CID.

Additional Information:

Penalty Provisions: A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming

offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$3,234 annually, or \$8.86 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Summary:* This bill could result in the state being determined to be noncompliant with provisions of the federal REAL ID Act, and as a result reduce the amount of federal grant funds the state receives. Potential decreases in federal funds will depend on the decision of the federal Department of Homeland Security regarding state compliance with the REAL ID Act.

The bill could also increase state revenue from fees for the issuance of CIDs and from fines assessed against individuals who commit Class C infractions, Class B misdemeanors, and Class D felonies related to CIDs. Actual increases in revenue are indeterminable.

Additional Information:

Revenue from CID Fees: Although the bill allows the BMV to collect \$9.75 in fees for a CID, the service charge fee of \$0.75 is not currently collected by the BMV for identification cards. It is assumed this \$0.75 fee will also not be collected for CIDs. Therefore, the total fee for the CID is expected to be \$9. Of this amount, the BMV Commission fund is expected to receive \$6.00, and the Motor Vehicle Highway Account (MVHA) is expected to receive \$3.00.

The number of individuals who will request a CID is unknown. However, this bill is expected to increase state revenue from CID fees. Increases in revenue are expected to partially, if not completely, offset the costs of providing CID cards.

Federal REAL ID Act: The federal REAL ID Act requires any form of state-issued identification to include a photograph of the holder. Certain exemptions are allowed under the REAL ID Act for operator's licenses for individuals who swear or affirm sincerely held religious beliefs that prohibit them from being photographed. As a condition of receiving a CID, this bill also requires an applicant to swear and affirm a sincerely held religious belief against being photographed.

The BMV reports that if the state begins issuing identification cards without photographs, the state could be considered non-compliant with requirements of the REAL ID Act and could lose federal grant funds. However, because the bill specifies CIDs cannot be used for "official purposes" and requires an affirmation of an individual's sincerely held religious beliefs, this bill may not interfere with federal requirements contained in the REAL ID Act. Any potential loss of federal revenue would depend on the decision of the federal Department of Homeland Security regarding state compliance with the provisions of REAL ID.

[Note: There is an information request pending with the BMV regarding total grant funding received from the federal Department of Homeland Security tied to the state's compliance with the REAL ID Act. When this information is provided, this note will be updated.]

Penalty Provisions: This bill can also increase the number of criminal convictions in the state for Class C infractions, Class B misdemeanors, and Class D felonies.

The bill specifies that an individual may not hold a CID and either a driver's license or an identification card. Violation of these provisions is punishable as a Class C infraction. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Additionally, the bill creates the following penalties which are punishable as Class B misdemeanors related to CIDs:

- (1) Knowingly permitting the use of a CID by a person other than the person the card was issued to,
- (2) Knowingly displaying or presenting a CID that was not issued to the person displaying the card,
- (3) Knowingly or intentionally failing to surrender a CID that has become invalid or expired,
- (4) Knowingly selling, offering to sell, buying, possessing, or offering false identification that could be mistaken for a CID to be used by the BMV that has not been issued by the BMV, or
- (5) Forging or reproducing a CID with the intent to use as a CID or forging or reproducing a CID for use by another person.

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 and for a Class D felony is \$10,000. 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.

If more defendants are detained in county jails prior to their court hearings for Class D felonies, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: BMV; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Mark Goodrich, BMV.

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