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FISCAL IMPACT STATEMENT

LS 7579

BILL NUMBER: SB 463

NOTE PREPARED: Feb 16, 2007

BILL AMENDED: Feb 15, 2007

SUBJECT: Identification Required for Drivers' Licenses.

FIRST AUTHOR: Sen. Heinold

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill:

- (1) provides that the Bureau of Motor Vehicles (BMV) may no longer collect a transaction fee on credit card transactions;
- (2) changes the pro rata reductions in registration fees and excise taxes for automobiles registered after the owners' regular registration dates from a 10-month schedule to a 12-month schedule;
- (3) makes certain changes concerning the contents of and application procedure for a driver's license, learner's permit, or identification card to comply with federal law;
- (4) provides for varying expiration dates for a driver's license, learners' permit, and identification cards based on the holder's lawful status in the United States;
- (5) requires that an application for a driver's license, permit, or identification card by a person who does not have a Social Security number include: (A) a verification of the applicant's ineligibility for a Social Security number; and (B) a verification of the applicant's identity and lawful status in the United States;
- (6) permits the BMV to adopt rules to temporarily invalidate a motor vehicle registration, license, permit, or identity card if the BMV believes that the registration, license, permit, or identification card was issued based on fraudulent documentation;
- (7) makes other changes and conforming amendments; and
- (8) makes technical corrections.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: (3) Making changes to certain BMV application procedures may increase technology expenditures for the BMV. The expenditures will come from the State Motor Vehicle Technology Fund, established for the purpose of paying for new technology as it becomes available to carry out the functions of the BMV.

The State Motor Vehicle Technology Fund is supported by a \$0.50 service charge collected by license branches for various transactions. Over the last four fiscal years, the Technology Fund has averaged \$5.5 M in revenue. This Fund is in addition to the normal budgetary appropriations. Expenditures from the Technology Fund require state Budget Agency approval.

(Revised) (6) Permitting the BMV to adopt rules to temporarily invalidate a motor vehicle registration, license, permit, or identity card if the BMV believes that the registration, license, permit, or identification card was issued based on fraudulent documentation will have no fiscal impact and will be accomplished through existing rule-making procedures.

(Revised) (4) Providing for varying expiration dates for a driver's license, learners' permit, and identification cards based on the holder's lawful status in the United States may require additional expenditures for the BMV, the amount of which is not known. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Fund	Uses
Motor Vehicle Highway Account	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the State Department of Revenue

Background Information: In CY 2004, the most recent year for which data are available, the BMV issued approximately 964,000 four-year operator's licenses, along with approximately 918,000 other types of licenses and permits.

Explanation of State Revenues: (Revised) (1) Providing that the BMV may no longer collect a transaction fee on credit card transactions will have no fiscal impact on the BMV. The BMV reported that they are not collecting the fee.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) (2) *Pro Rata Reductions in Registration Fees and Excise Taxes -*

Excise Tax Partial Year Adjustments: Under current law, motor vehicle excise taxes are prorated when a vehicle is newly registered or sold during the registration year and when the owner's last name is changed. The current prorating is as follows:

New registrations: The excise tax is reduced by 10% per month for each month since the owner's usual registration date.

Sale of a vehicle: The owner receives a refund equal to the full-year excise tax, less 10% per month for each month since the registration date.

Last name change (earlier registration date): The owner receives a refund equal to 10% of the full-year excise tax for each month between the old (later) and the new (earlier) registration dates.

Last name change (later registration date): The owner pays additional excise tax equal to 10% of the

full-year excise tax for each month between the old (earlier) and the new (later) registration dates.

This bill would change the 10% monthly adjustments cited above to 8.33% to reflect a 1/12th adjustment per month. If one assumes that there are the same number of new registrations as there are vehicles sold and if the excise taxes and number of months between registration dates is the same for each group, then this provision would have little impact. Likewise, there is an assumption that the number of name changes that result in an earlier registration date is similar to the number of name changes that result in a later registration date

State Agencies Affected: BMV; Bureau of Motor Vehicles Commission.

Local Agencies Affected: Recipients of excise tax distributions.

Information Sources:

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