

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1460**

**Amendment Number: H1**

**Bill Subtitle: TO REQUIRE A VALID DRIVER'S LICENSE FOR MOTOR VEHICLE REGISTRATION; AND TO REQUIRE A SYSTEM TO LINK DRIVER'S LICENSE NUMBERS AND MOTOR VEHICLE REGISTRATION FOR CERTAIN VEHICLES.**

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### **Basic Change :**

Representative Neal and Senator Jon Woods

As originally introduced, HB1460 required DFA to implement a system to link driver's license numbers and motor vehicle registration and vehicle insurance verification, and to monitor compliance. This would have required real time verification of driver's license data and would have cost approximately \$550,000 per year to implement. It also required businesses to identify all drivers' licenses for all drivers using its vehicles. Since it required a driver's license numbers to be provided for vehicle registration or renewal, it would have prevented many elderly or disabled vehicle owners from licensing their vehicle for others to drive for them. The bill also required verification of validity of driver's licenses issued by the military, other states, or certain foreign countries which may not be possible.

Amendment 1 addresses many of the problems with the original bill:

1. It removes the requirement that DFA develop a system to link motor vehicle registration with all insured drivers who would be subject to operating that vehicle.
2. It no longer will apply to businesses.
3. It now allows a person with a disability to own a car.
4. A motor vehicle that is jointly owned can be registered or renewed with a valid driver's license for any owner.
5. It extends the implementation date until January 1, 2014.

With the Amendment, all Arkansas Driver's Licenses and Disabled ID cards will continue to require computer system verification for validity, and licenses from other states or countries will still require manual verification which may not be possible to insure that they are valid.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

Owners of vehicles will be required to provide their driver's license, or disabled ID identification card with a disabled parking placard number or endorsement when registering their vehicle.

### **Resources Required :**

With Amendment 1, resource requirements are reduced considerably. The cost for Amendment 1 will be: Verification of validity for Arkansas Driver's licenses and to allow verification for Multi-year registrations, online renewal, renewal by phone and renewal by mail will require system changes estimated to be \$835,000 with an additional maintenance estimated to be \$10,000 per year. Verification of out of state and foreign license validity will also require 9 additional personnel at a cost of \$292,500 first year, plus equipment cost of \$45,000. Second year personnel costs would be \$299,800.

### **Time Required :**

The amendment changed the implementation date to January 1, 2014. No additional time is required.

### **Procedural Changes :**

Establish procedures to capture and verify driver's license data when registering a motor vehicle.

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### **Other Comments :**

There will still be a number of car owners (unknown number) who will not be able to license a car since they will not have any of the documentation required under this bill.

### **Legal Analysis :**

Amendment H-1 to HB1460 changes the bill by exempting the following from the requirement that each application for a new or used motor vehicle registration and certificate of title contain the driver's license number and issuing official governmental entity for the individual owner of the vehicle:

- (1) business entities, including corporations, associations, partnerships, LLCs, and LLPs; and
- (2) a person who holds a valid photo identification card issued for an individual with a disability or a valid identification card with a disabled parking endorsement.

The amendment deletes the provision requiring the Office of Motor Vehicle to develop a system to monitor compliance with minimum insurance requirements and to ensure that drivers hold a valid driver's license.