

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1429

Amendment Number: H3

Bill Subtitle: TO AMEND THE LAW CONCERNING THE ISSUANCE OF A DRIVER'S LICENSE TO CERTAIN APPLICANTS.

Basic Change :

Sponsors: Reps. J. Richardson, F. Allen, Clowney, K. Ferguson, L. Johnson, Magie, Scott, Vaught, Wardlaw, and Nicks; Sen. C. Tucker

House Amendment No. 3 --- HB1429-H3 (engrossed H3/8/23) increases the additional charge for a driver's license issued under HB1429 from \$50 to \$100.

House Amendment No. 2 --- HB1429-H2 (engrossed H3/7/23) amends HB1429 to resolve issues identified below. Specifically, House Amendment No. 2:

- Specifies that the fees collected are dedicated to the Revenue Division of the Department of Finance and Administration to defray the cost of issuance of driver's licenses under HB1429;
- Removes the quarterly file exchange with the Secretary of State;
- Clarifies the documents necessary for ODS to issue a driver's license under HB1429;
- Resolves a conflict in Arkansas law regarding whether a driver's license could be issued to an individual who is not lawfully present in the United States;
- Prohibits the issuance of a commercial driver's license or commercial learner's permit under HB1429; and
- Makes rulemaking permissive for the Department of Finance and Administration.

Original Bill --- HB1429 (engrossed H/22/23) amends § 27-16-1111 concerning the issuance of a driver's license (DL) for an applicant who is not a citizen of the United States. Under current law, § 27-16-1105, an applicant for a driver's license or identification card is required to present evidence of legal status to the Office of Driver Services, which is valid documentary evidence that the person:

- Is a citizen of the United States;
- Is an alien lawfully admitted for permanent or temporary residence in the United States;
- Has conditional permanent resident status in the United States;
- Has a valid, unexpired nonimmigrant visa or nonimmigrant visa status for entry into the United States;
- Has a pending or approved application for asylum in the United States;
- Has entered into the United States in refugee status;
- Has a pending or approved application for temporary protected status in the United States;
- Has approved deferred action status;
- Has a pending application 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;
- Has a pending extension Form I-129, Petition for a Nonimmigrant Worker or a pending Form I-539, Application to Extend/Change Nonimmigrant Status for dependents, as evidenced by a valid Form I-797C, Notice of Action; or
- Is a spouse or minor child as described.

Under current law, the Office of Driver Services may renew the license only if it is demonstrated that the applicant's continued presence in the U.S. is authorized under federal law.

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HB1429 provides that if an applicant for a driver's license is unable to provide satisfactory evidence of legal residency status, the Office of Driver Services shall issue a driver's license if the applicant:

- Provides proof of identity with a passport issued by their country of citizenship;
- Meets all other DL issuance requirements;
- Provides a social security number or taxpayer identification number issued by the Internal Revenue Service;
- Provides proof of residence in the state; and
- Provides proof of authorization for presence in the U.S. or proof of having filed a state tax return for the three years prior to the applicant's date of application for issuance of a DL.

A DL issued to an applicant unable to provide satisfactory evidence of legal residency status shall clearly display that the DL is "Not valid for voter identification."

In addition to the cost of the issuance or renewal of a DL, an applicant or licensee who provides an individual tax identification number shall pay a fee of \$50.00, and the DL shall be issued for a period not to exceed four years.

The Office of Driver Services would have discretion to renew any license without proof of legal presence if the applicant provides proof of filing a state tax return for each year between the date of issuance and the year prior to the expiration of the driver's license.

The Office of Driver Services would be required to send the Secretary of State a quarterly file that includes identifying information of any licensee that received a driver's license without providing proof of legal presence that includes the name, date of birth, residential address, and mailing address.

Revenue Impact :

An applicant for a license under HB1429 would be required to pay an additional \$100.00 fee to offset costs pertaining to the issuance process and programming changes. The amount of additional fees that would be collected is unknown.

Taxpayer Impact :

An individual that is unable to demonstrate lawful presence in the United States would be eligible to obtain an Arkansas driver's license provided the requirements of HB1429 are met.

Resources Required :

The estimated cost for programming changes for the Arkansas Integrated Revenue System (AIRS) is \$136,000.00 and a yearly maintenance cost of \$8,000.00. The Office of Driver Services would require the following additional employees to process applications and renewal applications at an estimated annual salary cost of \$1,609,162:

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GS05 Positions – 20 DFA Local Revenue Office Supervisors

GS06 Positions – 3 Hearing Officers

GS09 Positions – 5 DFA Statewide Program Specialists

GS10 Position – 1 Attorney

GS11 Position – 1 DFA Statewide Program Coordinator

Time Required :

Additional time to implement these changes would be necessary. An implementation date of January 1, 2024 is recommended.

Procedural Changes :

The Office of Driver Services would have to update the issuance process for someone wishing to obtain a driver's license without proof of legal presence. Training materials would need to be created for the Office of Driver Services, State Revenue Offices, law enforcement, and courts.

Other Comments :

HB1429 will require "not valid for voter identification" be displayed on the face of the license and be highlighted. When someone is issued a non-REAL ID "not for federal ID" must display on the front of the license. There is currently very limited space on the face of a driver's license to add additional text.

Legal Analysis :

None.