# Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

#### **Part I: Measure Information**

Bill Request #: 122	28						
Bill #: SB 245 GA		_					
Bill Subject/Title:	AN ACT relating to enhanced security identity documents and making an appropriation therefor						
Sponsor: Senator E	Ernie Ha	arris					
Unit of Government:	City		X	County	X	X Urban-County Unified Local	
	X	Charter County	X	Consolidated Loca	ul <u>X</u>	Government	
Office(s) Impacted:	Fisca	al court					
Requirement: X	Mand	latory Opt	ional				
Effect on Powers & Duties:	X Mo	difies Existing		Adds New	Elimina	tes Existing	

#### Part II: Purpose and Mechanics

SB 245 GA is a comprehensive bill intended to bring Kentucky's motor vehicle driver licensing and personal identification card ("PIDC") issuance procedures into compliance with the security standards set in the federal REAL ID Act. Under current law, Kentucky driver's licenses and PIDCs are issued by the Office of the Circuit Court Clerk. Sections 1 through 13 of the bill would establish new procedures for application, renewal and replacement of a Kentucky driver's license and PIDC, and would establish the Transportation Cabinet as the issuer of licenses and PIDCs. Most people would continue applying for them, though, at the circuit clerk's office in the county of their residence. Section 13 of the bill would amend KRS 186.4101 to establish an 8 year renewal cycle for a drivers's license in place of the current 4 year renewal cycle, except that during the first 4 years of the effective date of enactment of the bill the Transportation Cabinet would have the option to renew operator's licenses and PIDCs for 4 years or 8 years. Section 21 of the bill would repeal and reenact KRS 186.531 to establish new fees for issuance and renewal of operators' licenses and PIDCs. Section 25 of the bill would amend KRS 186.535 to establish that \$2.00 of the issuance and renewal fees for the 8 year license, allocated to the Road Fund in Section 21 of the bill, would be paid to the fiscal court of the county where the driver's license is issued, to be used for county road purposes. Persons issued a 4 year license would pay one-half the 8 year fee, and \$1.00 of the 4 year fee would be distributed to the local fiscal court for county roads. Sections 31 to 34 of the bill would make conforming amendments to KRS Chapter 281A regarding commercial drivers' licenses, and would increase the fee for initial issuance and renewal of commercial drivers' licenses.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

# SB 245 GA would have a moderate to substantial positive fiscal impact on county fiscal courts.

Under the bill, the amount distributed to county fiscal courts from fees paid for driver's license issuance or renewal would double, from \$.50 to \$2.00 for a license with an 8 year term, and from \$.50 to \$1.00 for a license with a 4 year term. According to the Kentucky Transportation Cabinet, in 2015 Kentucky issued 1,041,309 driver's licenses (including replacements, etc.). Under current law, with \$.50 of each fee going to county fiscal courts, fiscal courts were paid approximately \$520,000. The Transportation Cabinet projects that, under SB 245 GA, from 2018-2021 both 4 and 8 year licenses would be issued, increasing revenue to the fiscal courts to approximately \$1.5 million, until 2029. After 2029, license renewals per year would drop to approximately 500,000, resulting in revenue to counties of approximately \$1 million.

### **Data Source**(s): <u>Transportation Cabinet; LRC Staff</u>

<b>Preparer:</b>	Mary Stephens	<b>Reviewer:</b>	JWN	Date:	3/24/16
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