

**Local Mandate Fiscal Impact Estimate  
Kentucky Legislative Research Commission  
2017 Regular Session**

**Part I: Measure Information**

**Bill Request #:**   1242  

**Bill #:**   HB 410 HCS  

**Bill Subject/Title:**   AN ACT relating to operator’s licenses and personal identification cards and making an appropriation therefor  

**Sponsor:**   Representative Jim DuPlessis  

Unit of Government:        City                           x   County                           x   Urban-County  
  x   Charter County          Consolidated Local       x   Unified Local  
   Government

Office(s) Impacted:   Circuit court clerks; fiscal courts  

Requirement:   x   Mandatory        Optional

Effect on  
Powers & Duties:   x   Modifies Existing     x   Adds New     x   Eliminates Existing

**Part II: Purpose and Mechanics**

HB 410 HCS 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 out 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 HB 410 HCS 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 1** of the bill would amend KRS 186.410 to establish two (2) kinds of initial or renewal instruction permits, operators’ licenses and personal identification cards – a “voluntary travel ID” document and a “standard” document that does not meet standards for federal identification purposes. **Section 13** of the bill would amend KRS 186.4101 to establish an eight (8) year renewal cycle for a driver’s license in place of the current four (4) year renewal cycle, except that during the first four (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 four (4) years or eight (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 eight (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 four (4) year license would pay one-half the eight (8) year fee, and \$1.00 of the four (4) year fee would be distributed to the local fiscal court for county roads.

**Sections 31 to 38** of the bill would make conforming amendments. **Section 40** would render HB 410 HCS Sections 1 to 9 and 11 to 39 effective January 1, 2019.

**HB 410 HCS makes no changes to the bill relevant to its fiscal impact on local governments.**

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

**The fiscal impact of HB 410 HCS on local governments would be moderate to substantial.**

According to the Kentucky Transportation Cabinet, in 2015 Kentucky issued 1,041,309 driver's licenses (including replacements, etc.) and, with \$.50 of each fee going to county fiscal courts, fiscal courts were paid approximately \$520,000. Under HB 410 HCS the amount distributed to county fiscal courts from fees paid for driver's license issuance or renewal would be double or more based on the term, from \$.50 to \$1.00 for a license with a four (4) year term, and from \$.50 to \$2.00 for a license with an eight (8) year term.

In 2016, the Transportation Cabinet projected under a similar bill that, from 2018-2021 both four (4) and eight (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. HB 410 HCS would increase the fees over the 2016 bill and result in a corresponding increase in revenue to county road funds. The amount to each county would depend on the number of licenses issued there.

**Data Sources:** Transportation Cabinet; LRC Staff

**Preparer:** Mary Stephens      **Reviewer:** KHC      **Date:** 2/28/17