

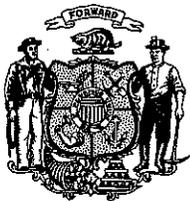
Transportation

Motor Vehicles

(LFB Budget Summary Document: Page 451)

LFB Summary Items for Which an Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
2(a)&(d) 3	Driver License and Identification Card Changes (Paper #660) Waiver of Various Fees for Holders of Military Commercial Driver Licenses (Paper #661)



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

April 22, 2015

Joint Committee on Finance

Paper #660

Driver License and Identification Card Changes (Transportation -- Motor Vehicles)

[LFB 2015-17 Budget Summary: Pages 451, #2 (a) and (d)]

CURRENT LAW

Generally, under current law, regular, nonprobationary driver licenses must be renewed every eight years (with shorter expiration periods for instructional permits and probationary licenses); as a condition of renewal, applicants must appear in person to have a digital photograph taken and pass an eyesight exam. For those persons applying to transition from an instructional permit to a probationary license, and then to a regular license, a photograph is generally required as a condition of application.

In addition, under current law, applicants for an identification card (or driver license) produced by the Department of Transportation (DOT) have the option to apply for a REAL ID or non-REAL ID compliant card. The 2005 Federal Real ID Act specifies that federal agencies will not accept a state-issued driver license or identification card as proof of identity for official purposes, such as passing through airport security, entering a nuclear power plant, or accessing federal facilities that require identity checks, unless the state that issued the license or identification card is in compliance with the Act's issuance standards. The Act limits the period of validity for nontemporary driver licenses and identification cards to a period that does not exceed eight years (the period for temporary licenses is shorter).

GOVERNOR

Specify that if an applicant for renewal of a license authorizing operation of only "Class D" vehicles (this is a regular, noncommercial driver license) satisfies eligibility criteria established by the Department, the person may apply for renewal of the license, and the

Department may renew the license, by any electronic means. Provide that a license may be renewed in this way without the applicant's photograph being taken. Specify that applicants may not apply for renewal under this provision more than once in a 16-year period. Require that the Department establish criteria for eligibility for license renewal by electronic means.

Require that the identification cards issued to persons age 65 and older at the time of issuance would not expire and that cards issued under this provision would be of the design and marking under current law for REAL ID noncompliant cards.

DISCUSSION POINTS

Waiver of Photograph Requirement for Electronic Applicants

1. The language in the bill would allow the Department, once in a 16-year period, to waive the requirement to appear in person for a digital photograph to be taken, for persons applying for a regular "Class D" license only. [Alternative #1a] This provision could allow for administrative efficiencies because fewer in-person applications would need to be processed and fewer photographs would need to be taken as a part of the renewal process. Generally, driver license applicants must now appear in person to have a digital photograph taken as a condition of licensing or renewal (which, for regular driver license holders, occurs once every eight years). The Department stores license photographs and would use these to produce the license renewal for individuals who opt to use the electronic renewal process. Under the federal REAL ID Act, states are only required to renew licenses in person and take a new photograph of the license holder every 16 years.

2. If the authority to grant this waiver is not approved, the other provisions related to electronic driver licensing in the bill may have a reduced potential to result in administrative efficiencies, as individuals would still have to come to a Division of Motor Vehicles (DMV) service center to be photographed.

3. Some have contended that waiving this requirement could result in an increasing number of dated driver license photographs, which are used for identification and law enforcement purposes, and that the current, eight-year requirement should be maintained. [Alternative #3a]

Waiver of Eyesight Exam

4. It is the administration's intent that electronic renewals would require proof of an eyesight exam and that the Department would use the provision requiring establishment of an electronic application process to develop administrative rules for submission of such proof. This would continue to require regular driver license applicants to undergo eyesight exams during renewals and transitions between license types (either off-site or at a DMV service center). Because this would limit the convenience of electronic application, this provision may reduce the likelihood that applicants would use the proposed electronic renewal system.

5. In its budget request, the Department requested the authority to waive the eyesight

exam for persons less than 65 years old, who are applying for electronic renewal of a regular driver license. If this authority is not approved, the other provisions related to electronic driver licensing in the bill may have a reduced potential to result in administrative efficiencies, since an eyesight exam would be required at the same frequency as under current law. Although some individuals may submit proof of an eyesight exam from another source, many would opt to go to a DMV service center for the exam and would forego the electronic renewal process.

6. The National Highway Traffic Safety Administration and the American Association of Motor Vehicle Administrators publish a joint "best practices" manual related to driver licensing entitled "Driver Fitness Medical Guidelines." In relation to the issue of eyesight examination as a condition of licensing, the guidelines state that DMVs "should test visual acuity at permit renewal for all drivers age 65 or older." The Department's budget request proposal was consistent with this practice: any applicant, 65 years old or older at the time of renewal, would be required to take such an eyesight exam. Therefore, for persons less than 65 years old, the Committee could decide to authorize the Department, once in a 16-year period, to waive the requirement for an eyesight exam, for applicants for renewal of a regular "Class D" license. [Alternative #2a]

7. However, the Committee may wish to consider that in some cases, certain drivers, regardless of age, may be unaware of deteriorating eyesight, or may not wish to report it. Some members of the public may have concerns that allowing a 16-year period between such exams could have a negative effect on public safety. Others may contend that continuing to require an eyesight exam for only those 65 years and older treats these applicants unfairly. The Committee may decide that such concerns outweigh the potential benefits of waiving the eyesight exam.

Electronic Transition Between Certain License Types

8. The administration intended to provide DOT with the authority to allow drivers to transition from an instructional permit to a probationary license and then to a regular license through electronic means (if the requirements for the next licensing level have been met). However, the language in the bill would only apply to license renewals.

9. The administration's intended provision could allow applicants transitioning between these license types electronically to spend less time at the DMV. For example, an instructional permit holder could complete the required exams and then finish the license application process at home. However, these applicants may be more likely to use an electronic system and DMV could increase its administrative efficiencies if the photograph and eyesight exam requirements were also waived for these applicants. Therefore, the Committee could decide to provide DOT with the authority to allow the transition between these license types to occur through electronic means and to extend the waiver of the photograph and eyesight exam requirements to applicants using this process. [Alternative #2b]

Nonexpiring Identification Cards for Individuals Over Age 65

10. Under the language in the bill, a person age 65 years old and older would not have the option to request an expiring, REAL ID compliant card. It is the administration's intent that persons age 65 and older applying for an identification card would be able to apply for either an expiring,

REAL ID compliant card or a nonexpiring, REAL ID noncompliant card. The Committee could modify the language in the bill to provide the Department with the authority to issue either type of card to these applicants. [Alternative #2c]

Administrative Efficiencies

11. If the Committee were to approve all of the modifications to the bill listed under Alternative #2, which would allow for electronic license renewal and transition between license types in conjunction with waivers of the requirements for an eyesight exam and updated license photograph, DOT believes about 20% of eligible applicants would use such a system, rather than applying in person. According to the Department, administrative efficiencies from the corresponding reduction of in-person services would be realized in small increments across all of its service centers, but in aggregate, these provisions could result in reduced in-person wait times at DMV. Although average DMV wait times vary according to a number of factors, including vacancy rates, in 2014, DMV reported that 84.1% of persons visiting a DMV service center received service within 20 minutes (which exceeded the Division's goal of 80%).

ALTERNATIVES

1. Approve the Governor's recommendations to do the following:
 - a. Specify that if an applicant for renewal of a license authorizing operation of only "Class D" vehicles satisfies eligibility criteria established by the Department, the person may apply for renewal of the license, and the Department may renew the license, by any electronic means. Provide that a license may be renewed in this way without the applicant's photograph being taken. Specify that applicants may not apply for renewal under this provision more than once in a 16-year period. Require that the Department establish criteria for eligibility for license renewal by electronic means.
 - b. Require that the identification cards issued to persons age 65 and older at the time of issuance would not expire and that cards issued under this provision would be of the design and marking under current law for REAL ID noncompliant cards.
2. Modify one or more of Governor's recommendations as follows:
 - a. Allow the Department, once in a 16-year period, to waive the requirement to submit proof of an eyesight exam for those persons less than 65 years old, applying for the renewal of a regular "Class D" driver license.
 - b. Provide the Department with the authority to allow drivers to transition from an instructional permit to a probationary license and then to a regular license through electronic means (if the requirements for the next licensing level have been met) and to extend waivers of the photograph requirement and the eyesight exam to applicants transitioning between license types under this provision.
 - c. Provide the Department with the authority to issue an expiring, REAL ID compliant

identification card or a nonexpiring, REAL ID noncompliant identification card to those applicants 65 years old and older.

3. Delete one or both of the following provisions:

a. the establishment of an electronic renewal process for a license authorizing operation of only "Class D" vehicles.

b. the issuance of nonexpiring identification cards to persons age 65 years old and older.

Prepared by: John Wilson-Tepeli



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One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
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April 22, 2015

Joint Committee on Finance

Paper #661

Waiver of Various Fees for Holders of Military Commercial Driver Licenses (Transportation -- Motor Vehicles)

[LFB 2015-17 Budget Summary: Page 452, #3]

CURRENT LAW

Under current law, applicants for the commercial driver license pay a combined fee equal to \$74 (\$64 for the license, plus a \$10 issuance fee, which applies to the issuance, renewal, upgrading, or reinstatement of any license, endorsement, or instruction permit issued by the Department). Upgrading a commercial driver license after it is originally issued to add endorsements to operate various categories of vehicles not covered under the basic commercial driver license generally costs \$5, with the exception of the "S" endorsement required for operation of a school bus, which costs \$10. There is no cost to add these endorsements at the time of original license issuance or renewal, except for the "S" endorsement, which costs \$5.

GOVERNOR

Waive the following fees for commercial driver license applicants who hold a military commercial driver license, first applying to applications made on the bill's general effective date:

- a. the \$64 fee for the original issuance or renewal of a commercial driver license, which includes issuance of any "H", "N", "P", or "T" endorsements, or "Class D" authorization when the applicant is qualified for such endorsements or authorization and the application is made at the same time as the application for, or renewal of, a commercial driver license;
- b. the original issuance or renewal fee of \$5 for the "S" endorsement required to operate a school bus when the applicant is qualified for this endorsement and the application is made at the same time as the application for, or renewal of, a commercial driver license; and

c. the additional fee of \$10 for the issuance, renewal, upgrading, or reinstatement of any license, endorsement, or instruction permit issued by the Department.

DISCUSSION POINTS

1. Under the bill, the fees for a commercial driver license and related endorsements would be waived at the time of initial issuance or renewal and the \$10 additional license issuance fee would be waived for any license type or endorsement, when the applicant holds a military commercial driver license.

2. The administration's intent, as expressed in a technical erratum, was to waive these fees only for military commercial driver license holders applying for the initial issuance of a commercial driver license and related endorsements.

3. If the Committee decides that renewal fees should not be waived and that the \$10 additional license issuance fee should be waived only for the initial issuance of a commercial driver license or related endorsements, the Committee could adopt the changes recommended by the administration. [Alternative #2] The Committee could also decide to continue to waive these fees for commercial driver license and endorsement renewals, but to limit the waiver of the \$10 additional license issuance fee to military commercial driver license holders applying for or renewing a commercial driver license and related endorsements. [Alternative #3]

ALTERNATIVES

1. Approve the Governor's recommendation and waive the fees for a commercial driver license and related endorsements at the time of initial issuance or renewal, as well as the \$10 additional license issuance fees for any license type or endorsement, when the applicant holds a military commercial driver license.

2. Modify the Governor's recommendation to reflect the administration's intent to waive the fees for a commercial driver license and related endorsements, as well as the \$10 additional license issuance fee, only for this license type and related endorsements, at the time of initial issuance.

3. Modify the Governor's recommendation to waive the fees for commercial driver license and endorsement renewals, by limiting the waiver of the \$10 additional license issuance fee to military commercial driver license holders applying for or renewing a commercial driver license and related endorsements (the waivers under this alternative would continue to apply to both initial issuance and license renewals).

4. Delete provision.

Prepared by: John Wilson-Tepeli

TRANSPORTATION

Motor Vehicles

LFB Summary Items for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
1	Driver License/Identification Card Contract
2(b)&(c)	Driver License and Identification Card Changes

