

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 600 Fifth Edition Amendment #1

SHORT TITLE: MV and October 1 Technical Changes

SPONSOR(S):

	FISCAL IMPACT				
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
Highway Fund REVENUES					
EXPENDITURES	\$611,993				
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Division of Motor Vehicles				
EFFECTIVE DATE:	December 1, 2001				

BILL SUMMARY: The amendment would require DMV to recall all driver licenses issued with fictitious or invalid social security numbers and reissue those licenses upon submittal of a valid social security number. The Division shall recall and reissue those licenses within 120 days of the effective date of the subsection and report the results of its recall and reissuance to the General Assembly by January 1, 2002.

ASSUMPTIONS AND METHODOLOGY: It is assumed that the intent of the General Assembly is to recall licenses issued since October 1, 1997 (when social security numbers were required) to those persons who indicated to a driver license examiner that they did not have a social security number. For those persons the examiner entered 999-99-9999 instead of an actual social security number. A duplicate driver license would be issued to those who, upon recall of their driver license, can provide a valid social security number or Individual Taxpayer Identification Number (ITIN) provided by the Internal Revenue Service. (The Budget Bill, S.L. 2001-424, Section 27.10A, provides that effective January 1, 2002 the ITIN is acceptable if the applicant does not have a social security number.)

DMV estimates that on December 1, 2001 approximately 400,000 persons will be in the category of persons who did not provide a social security number when applying for a driver license. DMV would mail a first class letter to these persons informing them that their license may be invalid and that they need to return to a driver license office to provide a

social security number or ITIN. The cost for this mailing (postage and supplies) would be \$115,600.

There is no estimate available as to how many persons will come to a driver license office in response to this mailing. We assume that 200,000 persons will return to driver license offices to provide a social security number or ITIN. These persons would be issued a duplicate drivers license at a cost of \$1.05 each, or a total of \$210,000. (This reissuance appears to be required by the wording of the amendment. This cost could be avoided if DMV could simply enter the social security number or ITIN in its database and keep the existing license valid.)

For the other 200,000 persons who do not return to a driver license office, presumably it is the General Assembly's intent to revoke their driver license. This would entail another 200,000 first class letters at a cost of \$57,800.

DMV anticipates hiring 31 temporary employees to handle phone calls and the additional traffic at the driver license offices for a four-month period. This would include 25 receptionists and interpreters for field offices, four persons to assist in the phone room, and two persons to assist with correspondence. In addition, temporary employees would be hired to key in the data for the revoked licenses.

The IT section of DOT estimates that the computer modifications to comply with the amendment will take 225 hours at \$80 per hour for a total of \$18,000 plus ITS charges of \$1,800 for an overall total of \$19,800.

Summary of Expenditures

Temporary labor	\$208,793
Postage and envelopes	173,400
Driver license photo equipment rental	210,000
<u>Computer software modifications</u>	<u>19,800</u>
TOTAL	\$611,993

TECHNICAL CONSIDERATIONS: DMV notes that most of the additional 200,000 customers at the driver license offices will come during calendar year 2002, when the Division expects a record number of customers due to the normal cycling of driver license renewals, and the strong possibility of long lines and delays, particularly if the hiring freeze for state employees remains in effect.

FISCAL RESEARCH DIVISION 733-4910

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