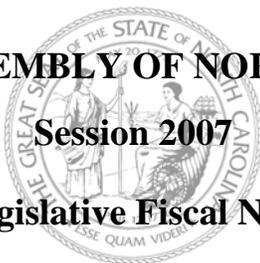


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 2136 (First Edition)

SHORT TITLE: Oppose REAL ID Act of 2005.

SPONSOR(S): Representatives Cole and Coates

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES					
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles					
EFFECTIVE DATE: July 1, 2008					

BILL SUMMARY:

May 15, 2008

H 2136. OPPOSE REAL ID ACT OF 2005. Filed 5/15/08. TO PREVENT THE STATE OF NORTH CAROLINA FROM PARTICIPATING IN OR COMPLYING WITH THE REAL ID ACT OF 2005.

Enacts new GS 20-6.1 in which the General Assembly directs that no state agency is to comply with the requirements of federal law Title II of P.L. 109-13, the REAL ID Act of 2005. Determines that the REAL ID Act of 2005, requiring the production and clearance of the state’s driver’s licenses, is an unfunded federal mandate and that compliance with the REAL ID Act will result in a fiscal cost that the state cannot afford. Provides that nothing in GS 20-6.1 prevents the Division of Motor Vehicles from taking all appropriate steps to ensure the integrity of the state’s driver’s licensing and special identification card issuance system.

The REAL ID Act directly imposes specific federal drivers licensing standards on the states that include data collection requirements, documentation and verification requirements, and requirements for database sharing among the states.

Effective July 1, 2008

Source: Bill Digest H.B. 2136 (05/15/0200).

ASSUMPTIONS AND METHODOLOGY: HB 2136 notes that the federal REAL ID Act of 2005 is an unfunded mandate for the production and clearance of the State's drivers licenses. The Division of Motor Vehicles (DMV) has estimated that the cost of achieving material or full compliance with REAL ID would be \$4,127,000 in one-time costs plus \$29,163,000 in annual operating costs through 2017. These funds have not been appropriated to DMV.

HB 2136 by itself does not have a fiscal impact on DMV operations. Alternatively, the passage of the bill could be seen to reduce future expenditures by eliminating some or all of the expenditures noted above.

SOURCES OF DATA: Division of Motor Vehicles

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Bob Weiss

APPROVED BY:

Lynn Muchmore, Director
Fiscal Research Division

DATE: July 15, 2008



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