MEASURE NUMBER: SB 424   **STATUS:** A Engrossed Minority Report
SUBJECT: Prohibits the Oregon Department of Transportation from expending funds to implement the federal Real ID Act until sufficient federal funds are allocated to implement the Act.
GOVERNMENT UNIT AFFECTED: Oregon Department of Transportation
PREPARED BY: Tim Walker
REVIEWED BY: Susan Jordan
DATE: May 7, 2007

	2007-2009	2009-2011
EXPENDITURES:		
Oregon Department of Transportation		
Highway Fund		
Personal Services	$ 4,746,451	$ 8,342,933
Services and Supplies	$ 826,419	$ 1,225,825
Capital Outlay	$ 50,000	$ 30,000
Transportation Operating Fund		
Personal Services	$ 65,304	$ 174,144
Services and Supplies	$ (13,856)	$ (17,518)
Total	$ 5,671,319	$ 9,755,321

	2007-2009	2009-2011
REVENUES:		
Reduction Highway Fund	$ 1,432,090	$ 1,943,548
Reduction Student Driver Training Fund	$ 133,440	$ 181,626
Reduction Motorcycle Safety Sub Account	$ 60,704	$ 83,020
Reduction Transportation Operating Fund	$ 212,496	$ 291,917
Total	$ 1,838,730	$ 2,500,111

POSITIONS / FTE:
Various	17/8.25	33/32.60

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This bill prohibits the Oregon Department of Transportation (ODOT) from expending funds to implement the Real ID Act until sufficient Federal Funds have been allocated to cover the estimated costs; requires ODOT to analyze and report on implementation costs of the Real ID Act; requires ODOT to report on the costs of providing funds to citizens to apply for the original issuance of a passport; requires ODOT to provide reasonable security measures to protect personal identification from unauthorized disclosure; and authorizes the Oregon Attorney General to challenge the legality or

constitutionality of the Real ID Act. The bill also requires proof of legal presence to issue driver's licenses, operator's permits, and identification cards. ODOT is also required to verify, with the issuing agency, the validity and completeness of each identify source document presented as proof of legal presence.

The requirement to verify the validity of legal presence documents is a very labor intensive proposition. ODOT will be able to verify the validity of Social Security Numbers through the Social Security Administration's Social Security Online Verification (SSOLV) at a cost of $0.03 per record. There are no other national systems up and running to verify the validity of passports, birth certificates or the various other documents that may be required as proof of legal presence. It is anticipated that the Department of Homeland Security (DHS) will have an automated system to verify immigration documents (Systematic Alien Verification for Entitlements) by January 2008 and a system for verifying birth certificates (Electronic Verification of Vital Events Records) sometime in the 09-11 biennium. As with any large scale information technology project, the estimates for when these systems will be available are less than certain. When and if these systems become available, ODOT will need programming resources to provide connectivity between internal systems and external systems. Until then legal presence documents will need to be manually processed to confirm their validity.

ODOT has estimated that 4% of Driver and Motor Vehicle (DMV) applicants will not be able to establish their legal presence. This will result in a decrease in revenue from fees for driver's licenses or operator's permits. The requirement of legal presence will have additional costs throughout DMV in a greater need for customer service calls, customer education, and repeat visits to DMV when applicants do not have the necessary documentation.