



DATE: March 31, 2025

TO: Joint Committee on Transportation

FROM: Amy Joyce, Administrator, Driver and Motor Vehicle Services Division of ODOT

SUBJECT: SB 416 – Mobile Driver License

INTRODUCTION

SB 416 requires ODOT to provide, or contract with a private entity to provide driver licenses, learner permits, and identification cards in an electronic format, which could be available on a personal electronic device such as a cell phone. These are frequently referred to as mobile driver licenses or mDLs.

Under this bill, DMV would be permitted to charge an extra fee for providing an mDL, in addition to fees charged for issuance of the underlying physical credential. The mDL would be optional, and a person who has one would still need to have a physical card.

DISCUSSION

The two keys to an mDL are a secure method of transmission/access to the DMV data and a reader device used by the business, law enforcement agency, or other “relying party”—the individual or entity reviewing the license. The data on the mDL is transmitted electronically to the relying party’s reader device and can be authenticated electronically with the issuing agency. This confirms the mDL is not fraudulent and no data has been altered. Data is updated in real-time. For example, if an individual’s driving privileges are suspended, that information would be reflected during this verification.

Other states report that one of the biggest challenges with mDL implementation is convincing relying parties to invest in mDL reader technology.

Providing mobile credentials would require substantial agency time and resources, including a re-prioritization of existing ODOT Information Technology projects.¹ This is a major project that would require years to implement from start to roll-out. There are about 16 states that have implemented some form of a mobile credential. Many of these states highly recommend having a dedicated project team to develop a mobile credential. ODOT could not implement this bill by the effective date.

As noted above, the value/utility of mDLs is highly dependent on “relying parties” acquiring and using the reader device, which in turn is dependent on these entities’ trust in the verification service. Law enforcement, which would be a relying party based on the contents of this bill, already has the

¹ See the attached Addendum A for a summary of DMV’s current IT projects along with a brief overview of each.



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means to determine the status of a person's driving privileges through the real time Law Enforcement Data System.

One of the main reasons for adopting mDLs is convenience. Under this measure, individuals would still need to carry their physical licenses as adoption will vary among third parties for the reasons discussed above and because the bill specifically requires individuals to provide a physical driver license if law enforcement is unable to read their mDL. In other words, an mDL under this bill would not constitute a full replacement for a physical driver license.

CONCLUSION

SB 416 would require a significant investment in time and resources to successfully implement an electronic format of and Oregon mDL. A project of this size would necessitate contracting with a private entity to assist in the development of an optional mobile credential. This will take time to partner with a technical partner; design, develop and test a solution; and develop the policies and procedures needed for ongoing support. An mDL could not fully replace a driver license under this bill. The effort to accomplish all of this could not be completed by the desired date of January 1, 2026.



Addendum A: DMV Information Technology Projects

Prioritized Projects

1. **Remittance Processor Replacement** – Replaces the technology that allows DMV to electronically process checks received for mail-in vehicle registration renewals. The contract for the current technology expired and cannot be renewed so a new solution is required.
2. **STP Kiosks** – Sets up self-service kiosks throughout the state that provide DMV products and services that customers can use to perform transactions. Kiosks will be installed in grocery stores and available days, nights, and weekends.
3. **Real ID Scanner Replacement** – Replaces Real ID scanners in DMV's 59 field offices, as the current ones are almost out of warranty and need to be replaced. Received authorization in the 2024 legislative session to use existing Real ID fee dollars for replacement; Real ID enforcement begins May 7, 2025.
4. **AI Watson Replacement** – Replaces DMV's current AI system, improving DMV's ability to use AI to help answer phone inquiries and provides automated webchat. Current system/contract expires on June 30, 2025, with no opportunity to extend.
5. **OLIVR Core 21** – Updates the core system, Oregon License and Vehicle Registration (OLIVR), that runs all DMV's products and services. Allows DMV to stay current with the vendor's enhancements and improvements. Moves the system to more modern technology.
6. **Portable DMV (DMV2GO)** – Creates a DMV portable photo service to people exiting state institutional settings without an updated or valid ID, which would then create more opportunities to become eligible for housing, including state-funded supportive housing, immediately upon release or discharge.
7. **Electronic Lien Project (State Requirement - HB 3080 [2023])** – Allows Security Interest Holders to record, manage, and release interest through a central third-party system without the need to produce a paper title.
8. **eSignature / eCertification** – Makes more services available online like requesting a hardship permit to drive and allowing for customer online Crash reporting.
9. **Electronic Vehicle Registration (EVR) Expansion** – Allows entities like lending institutions and out-of-state vehicle dealers to use an electronic title application process and other services through a third-party EVR vendor, which is currently only available to in-state vehicle dealers.
10. **Driver License/ ID System Replacement Project** – Procure and implement a system that will take photos and apply data to driver licenses and identification (DL/ID) cards. The project also includes production and central issuance of DL/ID cards as well and one-to-one (1:1) and one-to-many (1:N) biometric verification.
11. **SPEXS 6.4 (Federal Requirement)** – Allows Oregon DMV to share information with other states utilizing State Pointer Exchange Services (SPEXS), an AAMVA web application that



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monitors driver convictions and other data of licensed drivers. Required.

12. Infrastructure Pending Veridos PCS HW Replacement & OS Upgrade (Vendor

Requirement) – Upgrades the photo capture station's hardware and software in the 59 DMV field offices.

Projects on Hold

- **Field Office Wi-Fi** – Allows DMV staff to use a wireless network connection to better serve customers in the 59 DMV field offices.

Projects Pending Prioritization

- **Crash Data System Replacement** – Assists the ODOT Crash Analysis and Reporting Unit with a system replacement to improve speed and quality of crash data to make better safety decisions.

