

An Overview: Implementation of the Federal Real ID Act of 2005

LEGISLATIVE ANALYST'S OFFICE

Presented To:

Senate Budget and Fiscal Review Subcommittee No. 4

Hon. Michael Machado, Chair





Real ID Act of 2005

- Requires that beginning May 2008 persons who live or work in the U.S. possess a federally approved ID card in order to participate in federally regulated activities, including air travel, collection of Social Security payments, and receipt of federal services.

- Requires that state-issued driver licenses and ID cards meet minimum federal regulations, including verification of applicants' identity and legal status, as well as implementation of antifraud security features.

- The U.S. Secretary of Homeland Security is responsible for developing detailed regulations to implement Real ID.
 - Regulations will likely not be issued until late 2006.
 - States have until May 2008 to comply with act.



Potential Requirements of Real ID Act and Impact on DMV Costs

- Maintain electronic copies of identity source documents.
 - Significant computing and database infrastructure updates and purchases.

- Verify the authenticity of identity source documents.
 - Significant staffing augmentation necessary.

- Verify an applicant's current address.
 - Possibly significant mailing costs or computer update costs, depending on how the Department of Motor Vehicles (DMV) implements the requirement.

- Increase storage capacity for name and address records.
 - Driver license database modification.

- Communicate with other states to verify driver license status.
 - Improvements to computing and database infrastructure.
 - Additional staffing to communicate (by phone or e-mail) with states that are not ready to provide electronic verification.



Potential Requirements of Real ID Act and Impact on DMV Costs

(Continued)

- Shorten driver licenses and ID cards issuance period.
 - Staffing augmentation may be necessary.

- Annually reissue new licenses and ID cards for temporary residents.
 - Significant staffing augmentation may be necessary.

- Redesign driver licenses and ID cards.
 - Potential increase in card production costs, at least initially, due to potentially smaller pool of eligible vendors.

- Timing of Real ID requirements has significant cost implications.



DMV Implementation of Real ID Act

- ☑ DMV should begin taking steps in 2006-07 to meet those requirements it knows will be included in the final regulations and which necessitate changes in current state practices.

- ☑ DMV should provide the Legislature the following information:
 - Actions planned to meet Real ID requirements.
 - Timeline for completing these actions.
 - Associated costs of these actions in both the budget year and future years.