

Fiscal Note

BILL # HB 2143

TITLE: driver license fees; homeless exemption

SPONSOR: Cook

STATUS: As Amended by House TI

PREPARED BY: Jordan Johnston

Description

The bill would provide a nonoperating license fee waiver for all persons who do not have a residence address or whose residence address is a homeless shelter. The bill would further make any nonoperating license issued after the effective date of the bill expire upon 8 years from issuance.

Estimated Impact

We estimate that the bill would have no General Fund impact.

We estimate the bill provision regarding the fee waiver will cost about \$3,900 to the State Highway Fund, beginning in FY 2025. The Arizona Department of Transportation (ADOT) may also incur ongoing administrative costs, however we estimate this cost to be minimal.

We have requested ADOT's estimated impact of this legislation and are awaiting their response.

Analysis

Current law waives a nonoperating ID fee for a person age 65 or older, a person who is a recipient of public monies and has a disability under Title XVI of the Social Security Act, a veteran who does not have a residence address or whose residence address is a homeless shelter, and a child who is in custody of the Department of Child Safety (DCS).

The bill would waive the fee for all persons who do not have a residence address or whose residence address is a homeless shelter. According to reports from the Homelessness Continuums of Care (CoC), there are approximately 14,237 persons experiencing homelessness in Arizona. After excluding veterans and persons 65 and older who already are exempt from fees, there are 12,242 individuals eligible for a fee waiver.

We do not have information regarding the current usage of the nonoperating ID by persons without a residence address or residing in a shelter. However, according to a 2023 article from Invisible People (a nonprofit organization), about 40% of homeless persons live in vehicles and presumably have driver's licenses. Of the estimated 7,345 non-vehicle owners, we assume that approximately 3,673 or 50% do not currently have nonoperating IDs. Of that amount, we assume that 2,461 or 67% will get the nonoperating ID and have their fee waived. We further assume the other 7,345 non-vehicle owners already have nonoperating IDs (without an expiration date) and would have no fiscal impact under this bill.

Based on data previously provided by ADOT, the department expends \$1.59 for each nonoperating ID card issued, including tax and postage costs but excluding staff operating costs. Under the assumption that 2,461 homeless persons in Arizona would apply for and receive a nonoperating ID, the department would incur license issuance costs of about \$3,900.

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The bill would also likely result in some ongoing administrative costs associated with the new nonoperating license fee exemption rule, including an increased workload from new applicants. However, we estimate this cost to be minimal.

We previously issued a fiscal note in 2019 on similar legislation. We have since revised our methodology in favor of our current analysis.

Local Government Impact

Fees collected from the issuance of nonoperating IDs are deposited into the Highway User Revenue Fund (HURF). Approximately 57.2% of HURF revenues are distributed to cities, counties, and the Maricopa and Pima Associations of Government. Given the comparatively small impact on HURF generally, the impact on local governments is expected to be minimal.

1/29/24