

JLBC Fiscal Note

BILL # SB 1209

SPONSOR: Bolick

PREPARED BY: Trevor Malzewski

TITLE: nonoperating identification; fees; homeless exemption

STATUS: As Amended by House TI - Revised

REVISED

Explanation of Revision

The revised note includes input from the Arizona Department of Transportation (ADOT).

Description

SB 1209 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 also requires homeless persons to submit proof of US citizenship prior to receiving a fee waiver. 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 \$4,300 to the State Highway Fund, beginning in FY 2027.

ADOT estimates an annual revenue loss of \$(172,800) to the Highway User Revenue Fund (HURF) along with a \$15,000 one-time cost to the agency associated with implementation of the bill. ADOT further estimates that revenue from the 8-year renewal requirement for non-operating IDs may offset revenue lost from the fee exemption for homeless individuals, but they are unable to provide a specific estimate.

Analysis

Our estimate assumes the following:

- 1) 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).
- 2) According to reports from the Homelessness Continuums of Care (CoC), there are approximately 14,737 persons experiencing homelessness in Arizona. After excluding veterans and persons 65 and older who already are exempt from fees, there are 12,768 individuals eligible for a fee waiver. ADOT's analysis assumes 14,400 homeless persons will receive a nonoperating license annually under the bill, which assumes a greater number of homeless persons than reported by CoC.
- 3) According to a 2023 article from a nonprofit organization, about 40% of homeless persons live in vehicles and presumably have driver's licenses. Of the estimated 7,661 non-vehicle owners, we assume that approximately 3,830 or 50% do not currently have nonoperating IDs. Of these individuals, we assume that 2,566 or 67% will get the nonoperating ID and have their fee waived. We further assume the other 7,661 non-vehicle owners already have nonoperating IDs (without an expiration date) and would have no fiscal impact under this bill.
- 4) Based on information previously received from ADOT, the department will expend \$1.66 for each nonoperating ID card issued including tax and postage costs but excluding staff operating costs. Under the assumption that 2,566 homeless persons in Arizona would apply for and receive a nonoperating ID, the department would incur license issuance costs of about \$4,300.
- 5) 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.