

2013 HOUSE TRANSPORTATION

HB 1425

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

HB 1425
01-31-13
Job 18073

Conference Committee

Committee Clerk Signature

Janette Cook

Explanation or reason for introduction of bill/resolution:

A bill relating to an enhanced driver's license; and to provide a penalty.

Minutes:

Attachment 1-2

Chairman Ruby opened the hearing on HB 1425.

Representative David Monson, introduced HB 1425. He provided written testimony. See attachment #1. (5:55) He informed the committee that this will not replace a passport if you need to fly, it is only good for ground or water transportation.

Representative Weisz: Why doesn't the fee for the enhanced driver's license at least cover the ongoing cost of this license? It looks like we will lose \$100,000 a year in ongoing costs.

Representative David Monson: I am not here to dispute the fiscal note; they know better than I what they need. I think that \$15 should be adequate. The cards can't cost that much. I suppose there would be an initial start-up, and after that I would hope that \$15 is enough. If not, make it \$20 or \$25, I would like it to be as low as possible for our citizens.

Representative Delmore: Would everyone in my car need one of these?

Representative David Monson: Yes, they would, if they didn't have a passport.

Representative Kreun: Would there be a possibility of providing a similar card that would not be the actual driver's license?

Representative David Monson: There is already a card that is a substitute for a regular passport.

Chairman Ruby: Do all of these have the radio frequency identification technology?

Representative David Monson: As far as I know, they do. (15:00)

There was no further support for HB 1425.

There was no opposition to HB 1425.

Linda Butts, Deputy Director for Driver and Vehicles Services at the North Dakota Department of Transportation, spoke in a neutral capacity on HB 1425. She wanted to let the committee know that she is going to go back historically to provide the information that was found in 2009 by exhaustive research. Then she will update the committee on current trends. After that, it will be a policy decision as to if this makes sense for our citizens. She provided written testimony. See attachment #2. (24:30)

Representative Delmore: We know how many people cross the border, but we don't know how many DON'T cross because they don't have the proper identification. I feel that would be important, but don't know how we get those numbers. The cost for the passport card is \$30 five years if you have held a passport. The other \$55 is if I have never had a passport?

Linda Butts: I believe that is correct. It is a different fee if you have never had a passport, but let me research that to get the numbers for sure.

Representative Drovdal: How many years will the EDL be good for?

Linda Butts: We believe that an enhanced driver's license would renew every six years like a regular driver's license.

Representative Becker: You will require an additional FTE according to this. How many unfilled FTE's do you currently have at the Department of Transportation?

Linda Sitz: I can get that number for you. I will get back to you.

Chairman Ruby: Since a CDL is only for four years, will the EDL be the same time period?

Glen Jackson: The EDL is only for Class D licenses, not for commercial licenses.

Representative Weisz: Why are the ongoing costs so high on the fiscal note? It looks like it will only cost about \$5.50 to issue one of these cards. Why are the costs so high once we have the start-up?

Glen Jackson: Part of the on-going cost is the FTE that is \$130,000 for the biennium. So, then we have \$22,000 of remaining costs. The mailing cost is \$1.50 per, because they have to be mailed certified mail from Minnesota to the individuals. Then we have the cost per card to produce. Right now we are taking a loss on every card we produce, so that loss is added on to every card.

Representative Weisz: Once everything is up and running, I don't understand the need for a FTE for the limited amount of these EDLs that you will be issuing.

Glen Jackson: There is a difficulty in creating a fiscal note and trying to project this. We don't know the volume of work that we would have. Initially, thinking we will have a large volume because of the extra identity issues that we have to deal with and working with a contractor from a different state, we do believe it will take an FTE. Perhaps in the outgoing years, once the process is smooth and the volume does come down, then the FTE to manage just this program might not be necessary.

Representative Delmore: Why are the initial costs so expensive if all of this is going to be done in Minnesota?

Glen Jackson: Part of the start-up costs are IT costs. Also, this is a different type of card that we do not have the capability to generate. We will just have to go to an outside vendor. There are set-up costs that are necessary to get the card established and to establish the IT network that makes this work.

There was no further testimony on HB 1425.

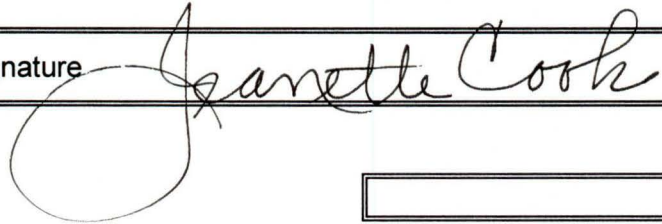
The hearing was closed on HB 1425.

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

HB 1425
02-07-13
Job # 18556

Conference Committee

Committee Clerk Signature 

Minutes:

Chairman Ruby brought HB 1425 back before the committee.

Glen Jackson, Director of Driver's License Division, North Dakota Department of Transportation: We have taken some time to do some background checks into this EDL (Enhanced Driver's License) process. We have made a lot of gains in the past few years towards improving the security of our production facilities in the state, upgrading our equipment systems, and upgrading the security of our actual license cards. It appears that from the changes that we have made to date, and the requirements that the EDL process has, that we are much closer to being able to generate that card than we were when the information was first created for this process in the past. After talking to others that do this, the biggest concern was the interview process. This is not just a driver's license with other things with it; it is a border crossing/citizenship document that has license privileges with it. Because of the steps that we have taken to date, the only real addition we would have to do is to get citizenship documentation. We would also have to get documentation that shows residency. After researching this topic further, I believe that we can conduct the interview at the window, and therefore, might not need the FTE in the fiscal note. We won't know for sure until we visit with DHS, before we would move forward with the EDL process. The IT costs are still there. We would have to create the system so that when someone uses this card, DHS has access into our database to see the data for each individual and identify that person. We have to create a system so that we can still notify law enforcement when anything changes with that license because it is a border crossing/ citizenship document not just a driver's license. The \$550,000 IT cost would still be in place, and the mailing cost would still be there because it would still be produced out-of-state.

Chairman Ruby: Are you anticipating that 15,300 people will participate in this in 2014?

Glen Jackson: Looking at the expectations and the reality of Washington and Michigan, we are thinking about 4-5% of our total population should want one. It is just a guess, or a best case scenario. To clarify, we also would be able to issue this to Commercial Drivers, so it would be good for CDLs.

Representative Weisz moved to amend the fee to \$30.

Representative Heller seconded the motion.

A voice vote was taken. All aye.

The motion carried.

Representative Weisz: Based on what Glen Jackson said, the fiscal note will drop to about \$600,000. The revenue will go to \$520,000, so at least in the first biennium, it will be close to breaking even. In the future biennia it should also be close to the break even point.

Representative Becker: I think that the number estimate is high. I think that we need to be careful in assuming that the estimated numbers will balance the overall revenue.

Representative Becker moved a DO NOT PASS as amended on HB 1425.

Representative Drovdal seconded the motion.

A roll call vote was taken. Aye 7 Nay 6 Absent 1

The motion carried.

Representative Becker will carry the bill.

FISCAL NOTE
Requested by Legislative Council
01/22/2013

Bill/Resolution No.: HB 1425

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2011-2013 Biennium | | 2013-2015 Biennium | | 2015-2017 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$259,500 | | \$60,000 |
| Expenditures | | | | \$735,150 | | \$152,000 |
| Appropriations | | | | \$735,150 | | \$152,000 |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2011-2013 Biennium | 2013-2015 Biennium | 2015-2017 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill requires issuance of an Enhanced Driver's License (EDL) to be provided for a fee of \$15 per license.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact to the DOT stems from the requirement to provide an EDL for a fee of \$15, and the one-time and on-going costs associated with providing the EDL.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

It is estimated that roughly 3% of the driving population may get an EDL. Based on this calculation, there could be 15,300 sales in FY14, with an on-going expectation of 2,000 each fiscal year thereafter. Accordingly, the incremental revenues produced by this bill would be: 2013 Biennium: \$15 X (15,300 + 2,000) = \$259,500 2015 biennium: \$15 X (2,000 X 2) = \$60,000

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Costs include the requirement for one FTE (\$130,000/biennium) to provide the service the process requires; cost to mail each license as they will need to be manufactured in Minnesota and mailed to the recipient (\$1.50 per license); one time startup costs – first biennium only (\$510,000); and additional cost per license to produce (\$4). Accordingly, the incremental costs produced by this bill would be: 2013 Biennium: \$735,150 2015 Biennium: \$212,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require the following additional appropriations to meet the requirements of this bill. These amounts have not been requested in the 2011-2013 appropriation request. 2013 Biennium: \$735,150 2015 Biennium: \$152,000

Name: Glenn Jackson

Agency: NDDOT

Telephone: 328-4792

Date Prepared: 01/29/2013

13.0659.01001
Title.02000

Adopted by the Transportation Committee

February 7, 2013

Handwritten: 2/7/13
CANC

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1425

Page 1, line 7, replace "fifteen" with "thirty"

Re-number accordingly

Date: 2-7-13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1425**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Weisz Seconded By Heller
Amendment

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------------|-----|----|-----------------------|-----|----|
| Chairman Dan Ruby | | | Rep. Lois Delmore | | |
| Vice Chairman Mark Owens | | | Rep. Edmund Gruchalla | | |
| Rep. Rick Becker | | | Rep. Kylie Oversen | | |
| Rep. David Drovdal | | | | | |
| Rep. Robert Frantsvog | | | | | |
| Rep. Brenda Heller | | | | | |
| Rep. Curtiss Kreun | | | | | |
| Rep. Mike Schatz | | | | | |
| Rep. Gary Sukut | | | | | |
| Rep. Don Vigesaa | | | | | |
| Rep. Robin Weisz | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

*Voiced
 Vote
 all day*

Total (Yes) _____ No _____
 Absent _____
 Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Line 7: Up fee to \$30⁰⁰

Date: 2-7-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1425

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
Amendment

Rerefer to Appropriations Reconsider

Motion Made By Becker Seconded By Drovdal

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------------|-----|----|-----------------------|-----|----|
| Chairman Dan Ruby | | ✓ | Rep. Lois Delmore | | ✓ |
| Vice Chairman Mark Owens | | ✓ | Rep. Edmund Gruchalla | ✓ | |
| Rep. Rick Becker | ✓ | | Rep. Kylie Oversen | | ✓ |
| Rep. David Drovdal | ✓ | | | | |
| Rep. Robert Frantsvog | ✓ | | | | |
| Rep. Brenda Heller | ✓ | | | | |
| Rep. Curtiss Kreun | | ✓ | | | |
| Rep. Mike Schatz | A | | | | |
| Rep. Gary Sukut | ✓ | | | | |
| Rep. Don Vigesaa | ✓ | | | | |
| Rep. Robin Weisz | | ✓ | | | |
| | | | | | |
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| | | | | | |

Total (Yes) 7 No 10

Absent _____

Floor Assignment Becker

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1425: Transportation Committee (Rep. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1425 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "fifteen" with "thirty"

Renumber accordingly

2013 SENATE TRANSPORTATION

HB 1425

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

HB 1425

3/15/2013

Recording job number 19990

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to an enhanced operator's license and to provide a penalty

Minutes:

Attached testimony: 2

Chairman Oehlke opened the hearing on HB 1425

Representative Dave Monson, District 10, sponsor of this bill, see attached testimony # 1

Senator Campbell Is it a chip in your driver's license? Is it handed out to someone or scanned?

Rep Monson It is a chip in your license,

Senator Flakoll If this passes and I decide to do this on the midterm, 2 yrs. left on my license, I can request one of these, pay the \$30 and when my license expires pay the \$30 again, correct? On page 2 lines 2-4, what does this apply to?

Rep Monson: Yes. Page 2 is an amendment the House transportation committee put on. I don't know what it applies to.

Senator Sitte Special protective case needed so that when person goes thru screening device they can't pop up that information. Why do we need this if we can get the passport card? What personal information is going to be in this chip? How will this enhance the border security of this country?

Rep Monson I don't know why we need those cards because this would be your driver's license. The passport cards are not good for traveling overseas. Getting this is an option. I am not saying this will enhance border security but I don't think it will hurt it. They will know when you cross the border who you are. It is a driver's license that can act as a passport.
21:28

Senator Sinner there is a good fiscal note on this, why don't we charge what it takes to do this?

Rep Monson When it came in originally it was \$15 with a fiscal impact double that. I think they put \$30 here because that is approximately what it costs. They need to keep it reasonable enough.

Senator Flakoll Are there any countries we can use this, besides Canada? Is this any less secure than an orange cone?

Rep Monson Possibly Mexico, I don't believe you can use it on an airplane. It is much more secure than an orange cone.

Linda Butts, Deputy Director for Driver and Vehicle Services at the North Dakota Department of Transportation (DOT) see attached testimony #2 providing overview of the enhanced driver's license and real id, a Document Acceptance Chart as of 3/2013 and list of acceptable crossing documents.

Chairman Oehlke: Will the EDLs need to be renewed more often than regular licenses? What do lines 2-4 on page 2 mean?

Linda Butts: It is our interpretation that we can control the duration; it could be a six year license. Fast Pass lanes Representative Monson mentioned are developed independently of the license itself. We think it is directed at us, meaning that it is a voluntary program and will always be, and any one violating this provision will be a class B misdemeanor. You might want to check with your legal counsels to see if they concur.

Senator Campbell: What does the startup equipment costs? When you cross the border, you don't swipe and drive you still have to give it to someone?

Linda Butts: It looks like it would cost about \$864,650 and that is cost of license, mailing, IT start up. Thereafter if it were \$30/ license, revenues of \$120,000 would cover the cost of 82,000. Once we get into the second half of the biennium we are earning a little bit of excess revenue. We didn't do cash analysis to know that with excess revenue how many years it would take to recapture startup costs. I think a person would scan the card, driving record and picture would come up. With the EDL only ID would come up but somebody else now has your picture, the federal government.

Senator Sitte: How do driving records pop up? How does Canada obtain juvenile records?

Linda Butts: That is a Canadian law; if you ever had a DUI they will not let you in the country. Our record retention is seven years and we don't share that. What might occur is the court records, since they handle the criminal aspect and we the administrative, might be the origin of the information.

Senator Flakoll: Sometimes self-reporting and dispensation/waiver request might allow you in.

Senator Sitte: can you tell us about the current driver's license and what will be happening this fall? Are we real id compliant?

Linda Butts: the real id act is considered the law of the land. North Dakota expressed deep concern about the mandatory side of that. It is very difficult for us to understand where the future of real id is going. We had a hard deadline January 15th of 2013 saying that if not materially compliant your citizens will not board a plane. We could not get from Homeland Security what materially compliant meant. The next hard deadline is somewhere in the fall, what will they do we don't know. Right now there are 31 states that are not real id compliant.

No additional testimony. Hearing closed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

HB 1425
3/21/2013
Recording job number 20290

Conference Committee

Committee Clerk Signature

DBP

Explanation or reason for introduction of bill/resolution:

Relating to an enhanced operator's license; and to provide a penalty.

Minutes:

Attached testimony: 1

Chairman Oehlke opened the discussion on enhanced driver's license HB 1425

Senator Flakoll: to lessen the financial burden on the state we should look to further amend to \$45. It should be less than \$90 for sure, the cost of a passport.

Senator Sitte: If the passport card costs \$35 it is such a reasonable option. I don't understand why the state would spend \$1M on something that really is not necessary. Remember the passport card comes with a secure case to keep it in. We should have someone come in and show us a passport card.

Senator Flakoll: Would you take a verbal amendment or do you want the intern to type it up first?

Chairman Oehlke: if it is just the dollar amount I will take the verbal amendment

Senator Flakoll: I move, on page 1 line 7, to overstrike the words "thirty" and insert "forty-five". This increases thirty percent the amount that they would be able to recover. It is approximately half the cost of a so called "traditional passport"

Senator Campbell Seconded

Discussion followed comparing passport cards and enhanced driver's license; and the costs of each.

Chairman Oehlke: we got a handout from Rep Monson, page 2 under privacy protection it says no personal identifiable information is stored on the card. Attachment #1

Voice vote: Yes 6 No 1 Absent not voting 0 **Motion carries** Meeting adjourned

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

HB 1425
3/22/2013
Recording job number 20361

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to an enhanced operator's license and to provide a penalty.

Minutes:

Attached testimony: 1

Alvin A. Jaeger, Secretary of State of North Dakota, at the request of Senator Sitte showed the committee his passport card, explained the process of getting one, the cost and for what it can be used (good to go to Canada, but not to board a plane).

Chairman Oehlke opened the discussion on HB 1425

Senator Sitte distributed a handout about Anti-Real ID Legislation. The first page is a map showing the introduction and passage of Anti Real ID bills, as well as states that have opted out. Page two shows Cato Institute report on Real ID compliance and money spent on it. Page 3 is a copy of a letter from Brian Schweitzer, Montana Governor, to The House Judiciary Committee in Washington DC, opposing the REAL ID Act. The last page is a copy of North Dakota's January 3, 2007 Senate Concurrent Resolution No 4040 urging repeal of the REAL ID Act. Attached testimony # 1

Vice Chairman Armstrong: I think there are better ways to spend money. I move a DO NOT PASS as amended

Senator Axness: Second, I can't justify spending that amount of money on this.

Discussion followed

Roll call vote Yes 7 No 0 Absent not voting 0

Carrier Vice Chairman Armstrong

FISCAL NOTE
Requested by Legislative Council
03/25/2013

Amendment to: HB 1425

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2011-2013 Biennium | | 2013-2015 Biennium | | 2015-2017 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$778,500 | | \$180,000 |
| Expenditures | | | | \$864,650 | | \$82,000 |
| Appropriations | | | | \$864,650 | | \$82,000 |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2011-2013 Biennium | 2013-2015 Biennium | 2015-2017 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill requires issuance of an Enhanced Driver's License (EDL) to be provided for a fee of \$45 per license.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact to the DOT stems from the requirement to provide an EDL for a fee of \$45, and the one-time costs associated with providing the EDL.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

It is estimated that roughly 3% of the driving population may get an EDL. Based on this calculation, there could be 15,300 sales in FY14, with an on-going expectation of 2,000 each fiscal year thereafter. Accordingly, the incremental revenues produced by this bill would be: 2013 Biennium: \$45 X (15,300 + 2,000) = \$778,500 2015 biennium: \$45 X (2,000 X 2) = \$180,000

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Costs include one-time IT start-up costs of \$510,000; mail costs (\$1.50 per license); and cost per license production. These incremental costs would be: 2013 biennium: \$864,660; 2015 biennium: \$82,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require the following additional appropriations to meet the requirements of this bill. These amounts have not been requested in the 2011-2013 appropriation request. 2013 Biennium: \$864,650 2015 Biennium: \$82,000

Name: Shannon L. Sauer

Agency: NDDOT

Telephone: 328-4375

Date Prepared: 03/25/2013

FISCAL NOTE
Requested by Legislative Council
02/12/2013

Amendment to: HB 1425

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2011-2013 Biennium | | 2013-2015 Biennium | | 2015-2017 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$519,000 | | \$120,000 |
| Expenditures | | | | \$864,650 | | \$82,000 |
| Appropriations | | | | \$864,650 | | \$82,000 |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2011-2013 Biennium | 2013-2015 Biennium | 2015-2017 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill requires issuance of an Enhanced Driver's License (EDL) to be provided for a fee of \$30 per license.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact to the DOT stems from the requirement to provide an EDL for a fee of \$30, and the one-time costs associated with providing the EDL.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

It is estimated that roughly 3% of the driving population may get an EDL. Based on this calculation, there could be 15,300 sales in FY14, with an on-going expectation of 2,000 each fiscal year thereafter. Accordingly, the incremental revenues produced by this bill would be: 2013 Biennium: \$30 X (15,300 + 2,000) = \$519,000 2015 biennium: \$30 X (2,000 X 2) = \$120,000

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Costs include one-time IT start-up costs of \$510,000; mail costs (\$1.50 per license); and cost per license production. These incremental costs would be: 2013 biennium: \$864,660; 2015 biennium: \$82,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require the following additional appropriations to meet the requirements of this bill. These amounts have not been requested in the 2011-2013 appropriation request. 2013 Biennium: \$864,650 2015 Biennium: \$82,000

Name: Glenn Jackson

Agency: NDDOT

Telephone: 328-4792

Date Prepared: 02/15/2013

FISCAL NOTE
Requested by Legislative Council
01/22/2013

Bill/Resolution No.: HB 1425

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2011-2013 Biennium | | 2013-2015 Biennium | | 2015-2017 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$259,500 | | \$60,000 |
| Expenditures | | | | \$735,150 | | \$152,000 |
| Appropriations | | | | \$735,150 | | \$152,000 |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2011-2013 Biennium | 2013-2015 Biennium | 2015-2017 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill requires issuance of an Enhanced Driver's License (EDL) to be provided for a fee of \$15 per license.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact to the DOT stems from the requirement to provide an EDL for a fee of \$15, and the one-time and on-going costs associated with providing the EDL.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

It is estimated that roughly 3% of the driving population may get an EDL. Based on this calculation, there could be 15,300 sales in FY14, with an on-going expectation of 2,000 each fiscal year thereafter. Accordingly, the incremental revenues produced by this bill would be: 2013 Biennium: \$15 X (15,300 + 2,000) = \$259,500 2015 biennium: \$15 X (2,000 X 2) = \$60,000

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Costs include the requirement for one FTE (\$130,000/biennium) to provide the service the process requires; cost to mail each license as they will need to be manufactured in Minnesota and mailed to the recipient (\$1.50 per license); one time startup costs – first biennium only (\$510,000); and additional cost per license to produce (\$4). Accordingly, the incremental costs produced by this bill would be: 2013 Biennium: \$735,150 2015 Biennium: \$212,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require the following additional appropriations to meet the requirements of this bill. These amounts have not been requested in the 2011-2013 appropriation request. 2013 Biennium: \$735,150 2015 Biennium: \$152,000

Name: Glenn Jackson

Agency: NDDOT

Telephone: 328-4792

Date Prepared: 01/29/2013

13.0659.02001
Title.03000

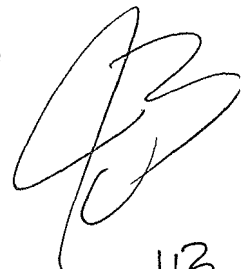
Adopted by the Transportation Committee

March 22, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1425

Page 1, line 7, replace "thirty" with "forty-five"

Renumber accordingly



3/22/13

Date: 3/21/2013
Voice Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL NO. 1425

Senate _____ TRANSPORTATION _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0659.02001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Flakoll Seconded By Senator Campbell

| Senators | Yes | No | Senator | Yes | No |
|-------------------------------|-----|----|-----------------------|-----|----|
| Chairman Dave Oehlke | | | Senator Tyler Axness | | |
| Vice Chairman Kelly Armstrong | | | Senator George Sinner | | |
| Senator Margaret Sitte | | | | | |
| Senator Tim Flakoll | | | | | |
| Senator Tom Campbell | | | | | |
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Total (Yes) 6 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Page 1, line 7, replace "thirty" with "forty-five"

Date: 3/22/2013
Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL NO. 1425**

Senate _____ **TRANSPORTATION** _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0659.02001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Vice Chairman Armstrong Seconded By Senator Axness

| Senators | Yes | No | Senator | Yes | No |
|-------------------------------|-----|----|-----------------------|-----|----|
| Chairman Dave Oehlke | X | | Senator Tyler Axness | X | |
| Vice Chairman Kelly Armstrong | X | | Senator George Sinner | X | |
| Senator Margaret Sitte | X | | | | |
| Senator Tim Flakoll | X | | | | |
| Senator Tom Campbell | X | | | | |
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Total (Yes) 7 No 0

Absent 0

Floor Assignment Vice Chairman Armstrong

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1425, as engrossed: Transportation Committee (Sen. Oehlke, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO NOT PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1425 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "thirty" with "forty-five"

Renumber accordingly

2013 TESTIMONY

HB 1425

|

Testimony on HB 1425

Rep. David Monson

January 31, 2013

Mr. Chairman and members of the House Transportation Committee, this bill is a recycle of HB 1330 submitted in the 2011 legislative session which I understand suffered "death by fiscal note". I looked at the fiscal note on this bill and fear it could suffer the same fate again. In reality, the cost should be getting less as the cost of computer chips and technology come down. I'll explain some of the benefits from EDL's in a moment. I think the benefits more than offset the costs.

I do have a handout with my testimony that explains what EDL's are, what states and provinces along the border have them, and a couple of the benefits of them. If you have some questions on that I'll try to answer those at the end.

I'd like to explain that this is not very high tech stuff. You probably all have something very similar in your wallet or purse right now issued by the state. If you have a key to the capitol, you are using this type of technology. If you've travelled on a toll road anywhere like in Florida or Illinois, you've maybe seen cars drive right through in a lane beside you while you had to stop and dig for coins. The truckers and commuters get a card much like a debit card. It has a chip in it that is read by a reader. The toll is subtracted off the card on the go as they drive by the reader, and they hardly have to slow down while the rest of us stop and dig for coins. I think they call this "Fast Pass". You may have heard the ads for this on the radio. It goes something like, "Time is money so use Fast Pass to speed up your trucking business while the rest of the folkswait.....in.....line.

So, what is the value of speed and ease for our citizens along the border who are truckers and frequent visitors to Canada due to business needs? Will faster border crossings yield increased business which yields increased revenues? Time is money and sitting in long lines at the border slows down business. That's why Ontario and Michigan which has one of the busiest border crossings in North

America between Detroit and Winsor have adopted EDL's. Seattle and Vancouver have a very busy border crossing. Both Washington and British Columbia have EDL's. Pembina in my district is a bottleneck to business. Manitoba has adopted EDL's. ND has not yet, and that's why I put my name on this bill. We are the busiest border crossing between Detroit and Seattle and we are stuck in the slow lane in the last century. Time is money and ND residents are at a huge disadvantage.

I've been one of ND's representatives to the Legislative Forum held between, MB, MN, SD, and ND. MB is constantly telling us we need to get with it and get EDL's. I believe MN is looking at legislation this year to do this, too. I'm also a member of ND's delegation to the CSG Midwest on the Midwest/Canada Relations Committee. There too we get scolded by Michigan, Ontario, and Manitoba for being behind the times when it comes to EDL's.

Tourism will benefit. My mother is 85 years old and refuses to get a passport. She can't go the Peace Gardens anymore without a passport. She does still have a driver's license and would pay the extra \$15 for an EDL. I know many like her in my area.

Mr. Chairman and members of the committee, I submit to you it is time for ND to move technologically into this century. It is time to move into the fast lane and stop being a bottleneck to business and tourism. Let's pass this bill. It's time.



Homeland Security

Enhanced Drivers Licenses: What Are They?

State-issued enhanced drivers licenses (EDLs) provide proof of identity and U.S. citizenship, are issued in a secure process, and include technology that makes travel easier. They provide travelers with a low-cost, convenient alternative for entering the United States from Canada, Mexico or the Caribbean through a land or sea port of entry, in addition to serving as a permit to drive.

The Department has been working with states to enhance their drivers licenses and identification documents to comply with travel rules under the Western Hemisphere Travel Initiative (WHTI), effective June 1, 2009. The states of Michigan, New York, Vermont and Washington are issuing these enhanced drivers licenses.

Enhanced drivers licenses make it easier for U.S. citizens to cross the border into the United States because they include

- a vicinity Radio Frequency Identification (RFID) chip that will signal a secure system to pull up your biographic and biometric data for the CBP officer as you approach the border inspection booth, and
- a Machine Readable Zone (MRZ) or barcode that the CBP officer can read electronically if RFID isn't available.

The top 39 land ports of entry, which process more than 95 percent of land border crossings, are equipped with RFID technology that helps facilitate travel by individual presenting EDLs or one of the other RFID-enabled documents.

Alternative to Canadian Passport

The Department has worked with Canadian provincial and federal officials to pursue enhanced drivers licenses as an alternative to the Canadian passport. Four Canadian provinces (British Columbia, Manitoba, Ontario, and Quebec) are issuing EDLs to Canadian citizens. Canadian citizens can present an EDL when entering the United States from Canada, Mexico, or the Caribbean through a land or sea port of entry.

Privacy Protection

No personally identifiable information is stored on the card's RFID chip or can be transmitted electronically by the card. The card uses a unique identification number that links to information contained in a secure Department of Homeland Security database. This number does not contain any personally identifiable information.

When you get an enhanced drivers license, you will also receive:

- information on how to use, carry and protect your license, and
- a shielded sleeve that prevents anyone from reading your license.

2

HOUSE TRANSPORTATION COMMITTEE
January 31 2013; 10:00AM, Fort Totten Room

North Dakota Department of Transportation
Linda Butts, Deputy Director for Driver and Vehicle Services
HB 1425

Mr. Chairman, members of the committee, I am Linda Butts, Deputy Director for Driver and Vehicles Services at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to address you today.

When I first came to the DOT in October 2007, I extensively studied the Enhanced Driver's License (EDL). At the same time another type of driver's license was being discussed at great length and that was called a REAL ID compliant driver's license. Both had driving privileges attached to them, but each had slightly different additional privileges. For example, the Enhanced Driver's License (EDL) could also be used as a border crossing document when returning to the U.S. by land or sea from Canada and the Caribbean; the REAL ID license allow a person to get onto a plane and into federal buildings. The EDL was a voluntary program and at the time; the REAL ID, while highly controversial, appeared to be mandatory.

At that time the state of Washington was the only state that had issued an EDL. They had expected that 20 percent of their population might want an EDL; however, the number turned out to be only four percent. When we used the same logic on our driver pool, we estimated about 20,000 people might want one (510,000 drivers x 4 percent = 20,400 anticipated demand). In addition, the state of Michigan also provides an EDL. Their early expectations were lowered after Washington's performance, and today about 6% of their drivers possess an EDL.

It is important to know that along with Michigan and Washington, New York and Vermont are the only two other states that issue the EDL and they have significant populations that utilize the border on a regular basis. While North Dakota has a long border, the population that utilizes it regularly is much smaller.

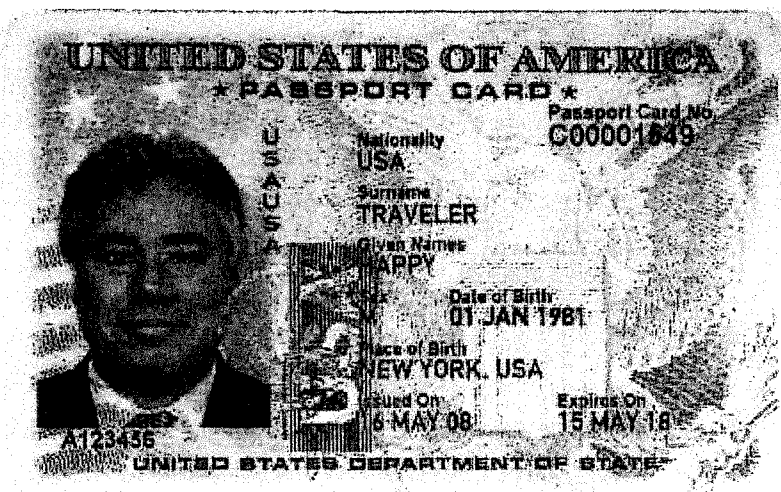
In reviewing current border crossings, Customs and Border Patrol informed us that approximately 802,000 border crossings occur into North Dakota each year. Of these, about 90% utilize a passport, 9% utilize an authorized Western Hemisphere Travel Initiative document, and only about 1% goes to a secondary inspection process. We were unable to verify the number North Dakota crossings this year, but the last time we were able to get these numbers, they totaled 44,330 unique vehicles crossing in 2009. Of that sub-group, we are unable to estimate how many already have a passport or a passport card.

The cost of this type of drivers license is substantially higher than other licenses because it has an imbedded RFID chip. Startup costs would be \$575,000 the first year. Since we cannot produce the cards ourselves, we would have to have a facility in Minnesota "manufacture" and then mail the licenses. This process would require an additional FTE position to manage it as well. We estimated the EDL would need to be sold for \$30-\$40 in order to prevent a loss to the Department.

In 2009 the Department of State came out with their passport card, about five months earlier than expected. This also offers the privilege of a border crossing document when returning to the U.S.

by land or sea from Canada and the Caribbean. The cost is \$30 for five years if you have held a passport, or \$55 if a first time applicant. This document is the size of a driver's license and fits into a wallet. Since North Dakota already had around 50 plus sites where one could apply for the passport card (the same places one would go to get a passport), we recommended encouraging our citizens to get the passport card. That being said, the other document that can be used for border crossing by air, land, and sea is your passport.

A sample of the **passport card** is below:



Below is a chart we updated for this hearing.

| DOCUMENT ACCEPTANCE | | | | | |
|---|--|----------------------------|---------------------------|----------------|--------------|
| | Current Driver's License ^ | REAL ID Driver's License^^ | REAL ID Compliant EDL ^^^ | Pass Port | Pass Card |
| 1. Fly within the United States | Yes, with Real ID extension until fall 2013* | Yes | Yes | Yes | No |
| 2. Return from the Western Hemisphere by land/sea | Yes, with birth certificate** | No | Yes | Yes | Yes |
| 3. Flying Internationally | No | No | No | Yes | No |
| 4. Use to drive a vehicle | Yes | Yes | Yes | No | No |
| 5. Enter into a federal building | Yes, with Real ID extension until fall 2013* | Yes | Yes | Yes | No |
| 6. Needs RFID | No | No | Yes | Yes*** | Yes |
| Cost to Customer | \$15 | \$25 to \$30 | \$25 to \$30 | \$135 to \$105 | \$55 to \$30 |

- ^ The current license sells for an approximate loss of \$4.00 per license issued
- ^^ Offered to those who have the legal right to be in the U.S.A, i.e. citizens plus documented aliens
- ^^^ Offered to U.S. citizens only
- * Current extension until fall of 2013, pending license certification by DHS
- ** Individuals 16 years of age and older. Wait times 5 minutes winter, 30 minutes summer
- *** New passports have an RFID chip but its purpose is separate from that of the Pass Card and, therefore, cannot be utilized for expedited border crossings

Existing crossing documents:

Trusted Traveler Programs

- The Trusted Traveler Programs provide expedited travel for pre-approved, low risk travelers through dedicated lanes.
- NEXU.S. Program (CBP). Provides expedited travel via land, air, or sea to approved members between the U.S. and Canada border.
- SENTRI Program (CBP). Provides expedited travel to approved members between the U.S. and Mexico border.
- FAST Program (CBP). Provides expedited travel to approved commercial truck drivers between the U.S and Canada and U.S. and Mexico borders.
- Global Entry Program (CBP). Expedited screening and processing for pre-screened International travelers entering the United States.

Other Crossing Documents Include:

- U.S. Passport
- U.S. Passport Card*
- State or Provincial Issued Enhanced Driver's License (when available, this secure driver's license will denote identity and citizenship.)*
- Enhanced Tribal Cards (when available)*
- U.S. Military Identification with Military Travel Orders
- U.S. Merchant Mariner Document
- Native American Tribal Photo Identification Card
- Form I-872 American Indian Card
- Indian and Northern Affairs Canada (INAC) Card.

**Frequent Land Border Crossers—to expedite processing into the United States, U.S. Customs and Border Protection recommends using one of the above asterisked documents.*

So after revisiting the research from 2007-2008, I am still making the same recommendation as before and believe our citizens are better served by getting one of the border crossing documents that are currently available.

Mr. Chairman that concludes my testimony, I would be happy to answer any questions the committee may have.

Testimony on HB 1425

Rep. David Monson

March 15, 2013

Chairman Oehlke and members of the Senate Transportation Committee, this bill is a recycle of HB 1330 submitted in the 2011 legislative session that suffered "death by fiscal note". I looked at the fiscal note on this bill and feared it would suffer the same fate again. However, the House amended the bill to try to make it revenue neutral, raising the cost to get an EDL closer to the cost of producing it.

I had a handout with my testimony that explained what EDL's are, what states and provinces along the border have them, and a couple of the benefits of them when I testified in the House. I don't have that with me today, but it should have come over with the materials from the House. I'll try to tell you a bit about that and answer any questions you may have at the end.

I'd like to explain that this is not very high tech stuff. You probably all have something very similar in your wallet or purse right now issued by the state. If you have a key to the capitol, you're using this type of technology. If you've travelled on a toll road anywhere like in Florida or Illinois, you've maybe seen cars drive right through in a lane beside you while you had to stop and dig for coins. The truckers and local commuters get a card much like a debit card. It has a chip in it that is read by a reader as you drive by. The toll is subtracted off your card by a reader, and the commuters hardly have to slow down while the rest of us stop and dig for coins. I think they call this "Fast Pass". You may have heard the ads for this on the radio. It goes something like, "Time is money so use Fast Pass to speed up your business while the rest of us just wait.....in.....line.

So, what is the value of speed and ease for our citizens along the border who are frequent visitors to Canada due to business needs? Will faster border crossings yield increased business which yields increased revenues? Time is money and sitting in long lines at the border slows down business. That's why Ontario and Michigan which have one of the busiest border crossings in North America between Detroit and Winsor have adopted EDL's. Seattle and Vancouver have a

very busy border crossing. Both Washington and British Columbia have EDL's. Pembina in my district is a bottleneck to business. Manitoba has adopted EDL's. ND has not yet, and that's why I put my name on this bill. We are the busiest border crossing between Detroit and Seattle and we are stuck in the slow lane still in the last century. Time is money and ND residents are at a huge disadvantage.

I've been one of ND's representatives to the Legislative Forum held between, MB, MN, SD, and ND. MB is constantly telling us we need to get with it and get EDL's. I believe MN is looking at legislation this year to do this, too. I'm also a member of ND's delegation to the CSG Midwest on the Midwest/Canada Relations Committee. There, too, we get scolded by Michigan, Ontario, and Manitoba for being behind the times when it comes to EDL's.

Another winner will be tourism. My mother is 85 years old and refuses to get a passport. She can't go the Peace Gardens anymore without a passport. She does still have a driver's license and would pay the extra \$30 for an EDL. I know many like her in my area.

I have a passport but seldom carry it unless I know I'm going to Canada or traveling overseas. I go to Canada quite often for farm machinery parts. Not long ago I had to go to Langdon to get parts. They didn't have what I needed, but their parts locator said they had it at Morden just across the border from me in MB. I took off for Morden and realized I had no passport with me when I got to the border. If I would have had the option to have an EDL it would have been no problem since my driver's license would have been all I needed.

My sons don't have passports despite me telling them they need them. They can't go get parts in Canada for me or go to the Peace Gardens on a Sunday afternoon. An EDL would be so simple. Nothing else to carry or remember to take with you since it's your driver's license.

Mr. Chairman and members of the committee, it's time for ND to move into the 21st century. It's time to move into the fast lane and stop being a bottleneck to business and tourism. This is not a mandate but optional. Let's pass this bill. It's time.

**SENATE TRANSPORTATION COMMITTEE
March 15 2013; 9:30 AM, Lewis & Clark Room**

**North Dakota Department of Transportation
Linda Butts, Deputy Director for Driver and Vehicle Services
HB 1425**

Mr. Chairman, members of the committee, I am Linda Butts, Deputy Director for Driver and Vehicles Services at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to address you today.

I know that some of you on this committee have heard the discussion on the Enhanced Driver's License before, but for those of you who are new, I'll start with the big overview. When I first came to the DOT in October 2007, I studied the Enhanced Driver's License (EDL) extensively with the goal of making a recommendation to the Governor as to whether this made sense for North Dakota. At the same time another type of driver's license was being discussed at great length and that was called a REAL ID compliant driver's license. Both had driving privileges attached to them, but each had different additional privileges. For example, the Enhanced Driver's License (EDL) could also be used as a border crossing document when returning to the U.S. by land or sea from Canada and the Caribbean; the REAL ID license allowed a person to get onto a plane and into federal buildings. The EDL is a voluntary program and at the time, REAL ID, while highly controversial, appeared to be mandatory. I'll talk more about REAL ID at the end, but as we were preparing for this hearing, we found out yesterday that the privileges attached to the EDL have been expanded.

At that time the state of Washington was the only state that had issued an EDL. They had expected that 20% of their population might want an EDL; however the number turned out to be only 4%. Michigan's demand was 6%. When we prepared the fiscal note, we estimated about 15,300 people might want an EDL (510,000 drivers x 3% = 15,300).

It is important to know that the four states who offer EDLs have significant populations that cross the Canadian/US border on a regular basis (VT, NY, MI, WA). Our border, while busy, has significantly fewer vehicles crossing.

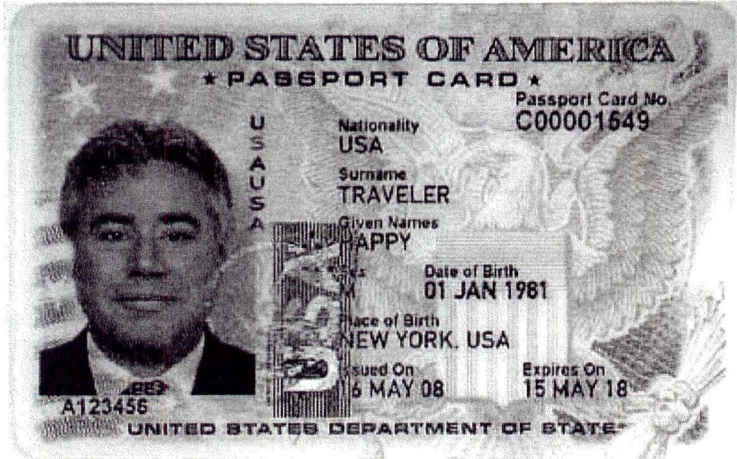
We know there are approximately 800,000 border crossing into North Dakota each year. Of these we know 90% use a passport, 9% use a Western Hemisphere Travel Initiative (WHTI) document and about 1% go into a secondary inspection.

Based on 2009, the last numbers we could get from Customs and Border patrol, we had 44,330 North Dakotans crossing the Canadian border, let's guesstimate today its 50,000. If we take 3% of this number, we have 1,500 individuals who may wish to have an EDL type of license. The point I am trying to make is that we simply don't know what the demand could be.

The cost of this type of driver's license is higher than other licenses because it has an imbedded RFID chip. Startup costs would be \$864,000 the first year. Since we cannot produce the cards ourselves, we would need to have a facility in Minnesota "manufacture" and then mail the licenses to residents. The fiscal note assumes they are sold for \$30.

While I was doing my original research in 2009, the Department of State came out with their passport card. This also offers the privilege of border crossing when returning to the U.S. by land or sea from Canada and the Caribbean. This document is the size of a driver's license and fits into a wallet. Since North Dakota already had around 50 plus sites where one could apply for the passport card (the same places one would go to get a passport), we recommended encouraging our citizens to get the passport card.

A sample of the passport card



Below is an updated chart as of March 2013

| DOCUMENT ACCEPTANCE | | | | | |
|---|--|--------------------------------|----------------------------------|----------------------------|-----------------------------------|
| | Current Driver's License ^ | REAL ID Driver's License ^^ | Enhanced Driver's License ^^^ | Passport | Passport Card |
| 1. Fly within the United States | Yes, with Real ID extension until fall 2013* | Yes | Yes | Yes | No |
| 2. Return from the Western Hemisphere by land/sea | Yes, with birth certificate** | No | Yes | Yes | Yes |
| 3. Flying Internationally | No | No | No | Yes | No |
| 4. Use to drive a vehicle | Yes | Yes | Yes | No | No |
| 5. Enter into a federal building | Yes, with Real ID extension until fall 2013* | Yes | Yes | Yes | No |
| 6. Needs RFID | No | No | Yes | Yes*** | Yes |
| Cost to Customer | \$15 | \$15 | \$30 per fiscal note | \$110 + \$25 execution fee | \$30 to \$55 + \$25 execution fee |

^ The current license sells for an approximate loss of \$4.70 per license issued
 ^^ Offered to those who have the legal right to be in the U.S.A, i.e. citizens plus documented aliens (i.e. visiting foreign doctors or students)
 ^^^ Offered to U.S. citizens only plus must prove residency
 * Current extension until fall of 2013, pending license certification by DHS
 ** Individuals 16 years of age and younger

*** New passports have an RFID chip

Existing crossing documents:

The following Trusted Traveler Programs provide expedited travel for pre-approved, low risk travelers through dedicated lanes.

- NEXU.S. Program (CBP). Provides expedited travel via land, air, or sea to approved members between the U.S. and Canada border.
- SENTRI Program (CBP). Provides expedited travel to approved members between the U.S. and Mexico border.
- FAST Program (CBP). Provides expedited travel to approved commercial truck drivers between the U.S and Canada and U.S. and Mexico borders.
- Global Entry Program (CBP). Expedited screening and processing for pre-screened International travelers entering the United States.

Other Crossing Documents Include:

- U.S. Passport
- U.S. Passport Card*
- State or Provincial Issued Enhanced Driver's License (when available, this secure driver's license will denote identity and citizenship.)*
- Enhanced Tribal Cards (when available)*
- U.S. Military Identification with Military Travel Orders
- U.S. Merchant Mariner Document
- Native American Tribal Photo Identification Card
- Form I-872 American Indian Card
- Indian and Northern Affairs Canada (INAC) Card.

**Frequent Land Border Crossers—to expedite processing into the United States, U.S. Customs and Border Protection recommends using one of the above asterisked documents.*

With the EDL we must prove your citizenship which means we will verify and scan some form of identification like a passport, birth certificate, certificate of citizenship, certificate of naturalization, etc. In addition we also need to prove your residency, so we will request some type of document like a utility bill, mortgage document, etc.; something that will tie you to a physical address. This card also gives Customs and Border Patrol access to your driving record and photo.

Mr. Chairman that concludes my testimony, I would be happy to answer any questions the committee may have.



Homeland Security

Enhanced Drivers Licenses: What Are They?

State-issued enhanced drivers licenses (EDLs) provide proof of identity and U.S. citizenship, are issued in a secure process, and include technology that makes travel easier. They provide travelers with a low-cost, convenient alternative for entering the United States from Canada, Mexico or the Caribbean through a land or sea port of entry, in addition to serving as a permit to drive.

The Department has been working with states to enhance their drivers licenses and identification documents to comply with travel rules under the Western Hemisphere Travel Initiative (WHTI), effective June 1, 2009. The states of Michigan, New York, Vermont and Washington are issuing these enhanced drivers licenses.

Enhanced drivers licenses make it easier for U.S. citizens to cross the border into the United States because they include

- a vicinity Radio Frequency Identification (RFID) chip that will signal a secure system to pull up your biographic and biometric data for the CBP officer as you approach the border inspection booth, and
- a Machine Readable Zone (MRZ) or barcode that the CBP officer can read electronically if RFID isn't available.

The top 39 land ports of entry, which process more than 95 percent of land border crossings, are equipped with RFID technology that helps facilitate travel by individual presenting EDLs or one of the other RFID-enabled documents.

Alternative to Canadian Passport

The Department has worked with Canadian provincial and federal officials to pursue enhanced drivers licenses as an alternative to the Canadian passport. Four Canadian provinces (British Columbia, Manitoba, Ontario, and Quebec) are issuing EDLs to Canadian citizens. Canadian citizens can present an EDL when entering the United States from Canada, Mexico, or the Caribbean through a land or sea port of entry.

Privacy Protection

No personally identifiable information is stored on the card's RFID chip or can be transmitted electronically by the card. The card uses a unique identification number that links to information contained in a secure Department of Homeland Security database. This number does not contain any personally identifiable information.

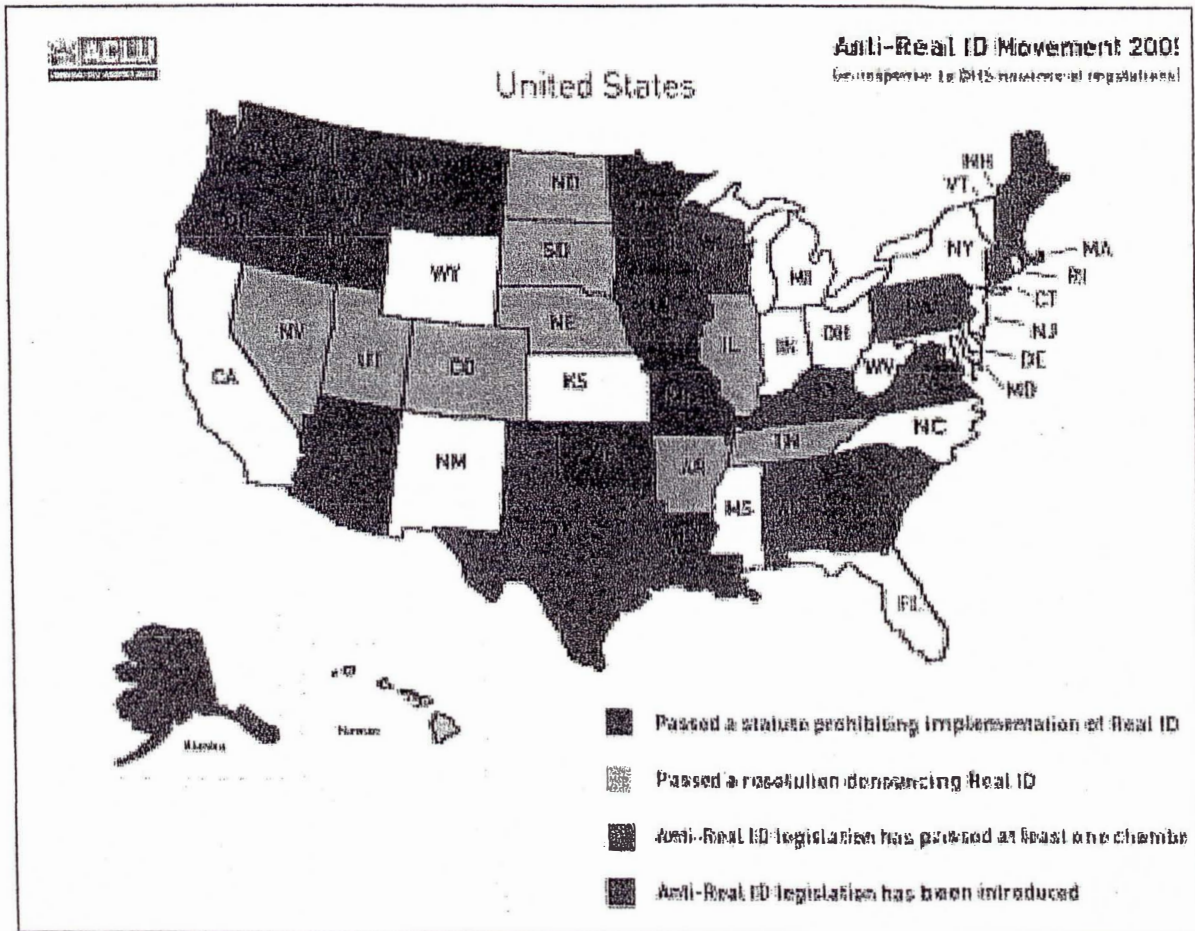
When you get an enhanced drivers license, you will also receive:

- information on how to use, carry and protect your license, and
- a shielded sleeve that prevents anyone from reading your license.

Anti-Real ID Legislation in the States

Following is a list of states where legislation against Real ID is currently active, with links to the relevant legislation and, where available, its status. The map below shows the introduction and passage of anti-Real ID bills, as well as states that have already opted out. This list will be constantly changing as more states act, and it will be updated as quickly as possible.

2009 Legislative Activity:



January 9, 2013 4:06PM <http://www.cato.org/blog/real-id-quarter-billion-dollars-gone>

REAL ID—A Quarter of a Billion Dollars Gone

By [Jim Harper](#)

In an effort to show progress with implementation of our national ID law, the Department of Homeland Security issued a [press release](#) just ahead of Christmas reporting that thirteen states had “met the standards of the REAL ID Act of 2005.” Their compliance is not actually compliance, though. Read on...

Next Tuesday, another ‘deadline’ for REAL ID compliance arrives. Due to widespread public opposition, the majority of states and their people are not complying with the national ID mandate. Many states “have not provided sufficient information, at this time,” the DHS release says. I think that’s bureaucratese for: “They’re ignoring REAL ID.” But it doesn’t matter. The states ignoring REAL ID have been granted deferments. I’ve been looking for the *Federal Register* notice making this deadline extension official so I can put it next to the deadline extension from [March 9, 2007](#), and the one from [January 29, 2008](#), and the one from [December 28, 2009](#), and the one from [March 7, 2011](#).

The states that have tripped over themselves to follow this federal mandate should feel slightly burned. They’re no better off than the states that did nothing. And states need never comply.

We all know by know that the federal government will never use the lever that REAL ID gave them to “force” compliance on the states. The law says that the federal government can refuse IDs from states that aren’t in compliance. Basically, that means TSA would send most American travelers to secondary search. But that means that the federal government—not the states—would be blamed for travel nightmares (even worse than we already experience) all over the country. Deadline extension after deadline extension after deferment make clear that the federal government is not going to hold up air travelers because of REAL ID.

Now, the states that DHS *says* are complying aren’t really complying. You see, DHS long ago retreated from the requirements of REAL ID and established a set of “material compliance benchmarks.” These are 18 steps that bring one closer to REAL ID compliance, but they are not REAL ID compliance. And many of them are things that states were doing anyway. So, to the extent DHS is trumpeting progress, it’s a rooster taking credit for the sunrise.

Nonetheless, REAL ID ‘progress’ is the stitching together of a system to track and control us through our nationally uniform identity cards. It’s the system that will be used to control our access to work, to housing, to medical care and medicine, to guns, to credit and financial services, and much more. Big government, thy administrative tool is national ID.

The DHS release is a little more muted about the \$263 million dollars it has spent or distributed on REAL ID so far—a quarter of a billion dollars toward a national ID system nobody wants. The continued spending is probably what keeps a small coterie of DMV bureaucrats and allied groups pushing for a national ID.

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OFFICE OF THE GOVERNOR
STATE OF MONTANA

Attached testimony 1 page

BRIAN SCHWEITZER
GOVERNOR



JOHN BOHLINGER
LT. GOVERNOR

March 21, 2012

The Honorable James Sensenbrenner
Chairman
Subcommittee on Crime, Terrorism, and
Homeland Security
House Judiciary Committee
B-370B Rayburn House Office Building
Washington, DC 20515

The Honorable Louie Gohmert
Ranking Member
Subcommittee on Crime, Terrorism, and
Homeland Security
House Judiciary Committee
B-370B Rayburn House Office Building
Washington, DC 20515

Dear Chairman Sensenbrenner and Ranking Member Gohmert,

I write in strong opposition to the REAL ID Act.

In 2005, I signed a law forbidding Montana from complying with REAL ID (MCA 61-5-128). This law stated that Montana found the REAL ID to be *"inimical to the security and well-being of the people of Montana, will cause unneeded expense and inconvenience to those people, and was adopted by the U.S. congress in violation of the principles of federalism contained in the 10th amendment to the U.S. constitution."*

Montana objects to the implementation of REAL ID for a number of reasons, the most important of those being its threat to our privacy rights which are enshrined in our 1972 Constitution. The so-called national identity verification hub, and the arbitrary demand that Montanans show a "REAL ID compliant document" before boarding a commercial flight or entering a federal building, are direct threats to Montanans' individual rights and privacy.

Montana will not agree to share its citizens' personal and private information through a national database, nor bear the exorbitant cost building such a database. Furthermore, the Act tramples on our state's right to determine our own licensing procedures and protocols, and would interfere with our state's work to improve drivers' license security.

Montana is in no mood at all for another heavy-handed play by the federal government, such as what transpired in 2008 when the homeland security director threatened to prevent Montanans from boarding an airplane unless we complied with the REAL ID act. We refused, and will refuse again.

While folks in Washington may have believed they knew what was best for Montana when they created the REAL ID Act, in fact, Montanans have little use for this unpopular, unfunded, and completely unfeasible mandate. The House Judiciary Committee Subcommittee on Crime, Terrorism, and Homeland Security should use today's hearing to begin the process of repealing the REAL ID Act.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Schweitzer".

BRIAN SCHWEITZER
Governor

Sixtieth Legislative Assembly of North Dakota In Regular Session Commencing Wednesday, January 3, 2007

SENATE CONCURRENT RESOLUTION NO. 4040
(Senators Stenehjem, O'Connell)
(Representatives Berg, Boucher)
(Approved by the Delayed Bills Committee)

A concurrent resolution urging Congress to repeal the REAL ID Act of 2005.

WHEREAS, the federal REAL ID Act of 2005 mandates an unfunded national driver's license in the state of North Dakota; and

WHEREAS, implementation of the REAL ID Act may cost this state an estimated \$14,000,000; and

WHEREAS, the REAL ID national data base will invite identity theft and invasion of privacy; and

WHEREAS, the REAL ID Act will cost and inconvenience the people of North Dakota without the proffered attendant benefit of protection from terrorism;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

That the Sixtieth Legislative Assembly urges the Congress of the United States to repeal the REAL ID Act of 2005; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President of the United States, the Secretary of Homeland Security, the Secretary of the Department of Transportation, and to each member of the North Dakota Congressional Delegation.

Measure Action

<http://www.legis.nd.gov/assembly/60-2007/bill-actions/a4040.htm>

North Dakota Legislative Branch

Measure Actions

Send me to Measure No. (9999):

Introduced by Sen. Stenehjem, O'Connell

Introduced by Rep. Berg, Boucher

(Approved by the Delayed Bills Committee)

A concurrent resolution urging Congress to repeal the REAL ID Act of 2005.

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|-------|--------|-------------------------------|--------|
| 04/18 | Senate | Introduced, first reading | SJ1444 |
| | | Second reading, adopted | SJ1445 |
| 04/18 | House | Received from Senate | HJ1632 |
| 04/19 | House | Introduced, first reading | HJ1637 |
| | | Second reading, adopted | HJ1638 |
| 04/19 | Senate | Returned to Senate | SJ1462 |
| 04/20 | Senate | Signed by President | SJ1488 |
| 04/20 | House | Signed by Speaker | HJ1655 |
| 04/20 | Senate | Filed with Secretary of State | SJ1488 |

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