

**FISCAL NOTE**  
**Requested by Legislative Council**  
**12/23/2016**

Bill/Resolution No.: HB 1128

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>				\$1,300,500		\$145,000
<b>Appropriations</b>				\$1,300,500		\$145,000

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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 completes implementation of the Federal Real ID Act of 2005.

- 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.*

Required system changes are basis of impact.

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.*

- 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.*

Upgrade of Digital Driver License System - \$625K; Upgrade of Facial Recognition software to new platform - \$500K; biennial fee for participation in non-federal program State to State - \$145K; increased mailing and marketing for notification of citizens on impact - \$35.5K. Total expenditure \$1,300,500.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The appropriation was included in NDDOT's appropriation request.

**Name:** Glenn Jackson

**Agency:** ND Dept of Transportation

**Telephone:** 328-4792

**Date Prepared:** 01/04/2017

**2017 HOUSE TRANSPORTATION**

**HB 1128**

# 2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee  
Fort Totten Room, State Capitol

HB 1128  
1/5/2017  
26616

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Donna Whelan*

## Explanation or reason for introduction of bill/resolution:

Relating to the definition of primary source identity document and driver's license central identity management, and relating to operator's license and non-driver identification card criteria, license, renewals, notice of change of address or name, and the application for commercial driver's license.

## Minutes:

Attachment #1

**Chairman Ruby:** brought HB 1128 before the committee.

**Glen Jackson, Director, Driver's License Division of ND Department of Transportation,** spoke to support HB 1128. He provided written testimony. (See attachment #1.) 00:50-13:43.

**Representative Weisz:** How many forms of identification will you require, birth certificate, social security number because it says it has to be satisfactory evidence?

**Glen Jackson:** The same as it is today. Someone has to have a certified birth certificate and if they got married they have to have a marriage certificate and if they don't have a birth certificate they have to have a US Passport. One primary ID form and the social security card and evidence of a residential address.

**Representative Dobervich:** You had suggested a potential upgrade with a dollar amount attached to that. From a fiscal and Human Resources standpoint what would the impact be for your department?

**Glen Jackson:** The cost associated with implementation of REAL ID are in the budget and it is being addressed in the Appropriations Committee next week. The cost for the system upgrade is roughly \$550,000. We have to have facial recognition technology and have that upgraded. We are going into a program called State to State. It is a state initiative not federal, and are connected so we can verify one credential per person. The is about \$75,000 per year for us. Those are the key costs and as far as staff is concerned, we are pulling 2 staff one from Minot and one from Grand Forks and putting them in the central office to work REAL ID issues. We are not asking for additional staff at this time. Improved

service and cost containment is where we are focused. It will take some time since we have to scan these ID items. We have an online scheduling system so people won't have to stand in line and wait so long.

**Representative Paur:** If you don't have a REAL ID you cannot access Federal Facilities, what are they talking about? Can't we go to the Post Office or the local FSA office?

**Glen Jackson:** I believe they are talking about getting access to the Air Force Base. If you don't have a REAL ID you will have to enter through a separate process to get on the base. It's not to go to the Post office and check the mail it is other things.

**Representative Paur:** There are states that issued driver's licenses to illegal immigrants. So, are they going to be issuing Real ID to these same people and cannot provide that documentation?

**Glen Jackson:** You can't get a REAL ID without demonstrating your residency. There are other states that are issuing driver credentials so someone that is an illegal immigrant can get a driver card. They can use it to drive but it is not a REAL ID.

**Representative Dobervich:** Currently Tribal ID's allow our citizens who are American Indians to travel between countries and they can use it as an ID. Is there any language in the REAL ID that these ID's would be allowed or not?

**Glen Jackson:** A Tribal ID card is similar to identification from any other nation or state or country. It is not a primary document. It is not acceptable under Federal rules to use that type of ID to establish identification. It is still a valid document for the purposes for which it is made. To get a REAL ID those types of documents are not accepted. You would need a birth certificate, US passport or naturalization Paperwork. Things of that nature.

**Representative Grueneich:** The biggest concern I have is the amount of information you will be storing. It may be for clarification. For me to get a REAL ID I would need to bring you a copy of my birth certificate, a social security card, a current driver's license, two forms of proof of my address. How vulnerable I just have become vulnerable to identity theft. The only thing I am not giving you is access to my bank account. In the event someone breaches your computer system or you have a rogue employee. I am very vulnerable. In concept I like the idea but I really need some reassurance that I am not so vulnerable.

**Glen Jackson:** Currently you have to bring that documentation to us and we don't scan it. So now we have to scan it to keep it and we have to make it not part of the public record. No one can request it and get it. As far as the overall part of the information security process that is the reason we have fingerprint background checks on everyone. Because we don't want to have anyone working for us that may have a history of various things we don't want. We do constant auditing and watch for any cases of fraud. We have different layers of security and we have security training with staff on a regular basis. We make it as safe as it can possibly be. This data will be no more unsafe than your data is today.

**Representative Owens:** I come in and I give you all this documentation and I get a REAL ID then I move and I have 10 days to let you know my change of address but I can spend the next 6 months with the wrong address on my REAL ID. Is that correct?

**Glen Jackson:** If you don't notify us of the change we won't know the change. What you do with it is up to you. You do have the option to bring that information in and get a new ID. We will require a new ID if it is a name change. The reason we went that route is when the address is changed it is changed in the system so law enforcement will know what that address is. For identity purposes it is still valid but it doesn't have the right address on it.

**Representative Nelson:** When a license is revoked you don't send it in like in the old days?

**Glen Jackson:** We have also submitted a change to change the statute that says that because someone who has a revoked license can keep that for identification purposes. We know it is revoked and law enforcement know too.

**Representative Nelson:** So if I came in to renew a revoked license I could still renew it?

**Glen Jackson:** No we would only be able to give you an identification card at that time because your license was revoked.

**Representative Nelson:** That is the process then, if you can only have one if you take a person's driver's license. So if my license got reinstated how would that work?

**Glen Jackson:** Then you would have to come in to get a new one.

**Representative Nelson:** When I am in a small town that doesn't have residential mail delivery, there is nothing that lists my physical address since my bills all go to POB number. What would be my proof of address?

**Glen Jackson:** We will have to provide an affidavit that people could provide us something.

**Representative Nelson:** The county has an address for my taxes but I don't necessarily have a readily available form for that. It is on the computer. Will we ever get to a point where we could share data between agencies.

**Glen Jackson:** More and more systems are talking. We want to make sure that we don't let other agencies get possession of the data but they are only validating it with us. We are trying to create ways to have systems talk to each other.

**Representative Nelson:** Last session we had the same idea and the cost was going to be at \$60 a license in addition. We didn't see a benefit to it since you can get a passport card that actually gives you more capabilities for the same price that lasts longer than a driver's license does. Have you come up with a different probable cost to a secure ID?

**Glen Jackson:** That was the enhanced driver's license. We didn't support that, that would be a very high cost increase.

**Representative Jones:** I like what I see but I am concerned about the security and all of the information being out there. Example of New Zealand's having a life time driver's license or until you are age 65 to save the costs of renewal. Is there a purpose served by renewing and how would having a lifetime driver's license affect your budget and manpower?

33:32

**Vice Chairman Rick C. Becker:** We have had bills in the past on that had to do with compliance with REAL ID and they did not pass.

**Glen Jackson:** Those were bills EDL, they were enhanced Driver's License that is not the same as this.

**Vice Chairman Rick C. Becker:** There have been extensions by Homeland Security so effectively executive decree that we are going to keep pushing this down the road. Have you considered that this may continued to be pushed down the road or a repeal of the Real ID act of 2005?

**Glen Jackson:** I do not know the answer. There are roughly 35 states are compliant at this time only 9 states have not complied at all. I don't know if we can afford to not take action.

**Vice Chairman Rick C. Becker:** If we don't take action we would be the same as Minnesota, Montana and several other states?

**Glen Jackson:** Yes, once our waiver expired in October. Then we would be told by DHS we couldn't use our licenses for the purposes of boarding aircraft or entering Federal facilities.

**Vice Chairman Rick C. Becker:** I tend to be cynical with Fiscal Notes, this seems to be a very large undertaking for scanning and everything. It is \$145,000 for continuation in the following biennium. Is that correct? It seems very cheap to me?

**Glen Jackson:** The difference between our implementation and versus Minnesota, since 2009 we have gotten grants and we have taken steps to improve security. We don't have to start from scratch. So we don't have that cost. To start from scratch today it would cost about \$2-2 ½ million. All we need to do REAL ID today is about \$550,000. That is to modify the system and add the scanning capability. So it is a low cost because of the work in the past. A piece at a time doesn't cost so much. We have increased security to help prevent fraud and identity theft.

40.07

**Chairman Ruby:** The fiscal note does show expenditures and appropriations and other funds. But you also mention it is in your budget. So if we pass this bill and we have to take this to appropriations but is it already in their budget? How does that work?

**Glen Jackson:** I think it is already in the budget in appropriations.

**Chairman Ruby:** I was afraid they would say they needed more money.

**Chairman Ruby:** What's the difference between this license and the Enhanced Driver's License. Is it just the scanning capability of the EDL as they go across the border.

**Glen Jackson:** There is a couple differences. To issue an EDL we have to prove someone is a citizen. It is going to be used to cross borders. We would have to go through about a 30- minute process and ask questions to do a document. Secondly the EDL has a chip in it, that is designed so if you approach a border crossing the scanners automatically read it and show your information to the border patrol. So they know who you are. EDL actually grants DHS access to your driver data where REAL ID doesn't do that. REAL ID is not for border crossing it is for internal identification or domestic flights. There are differences. The EDL would cost us more to do. Because of the chip and the verification.

**Chairman Ruby:** Why every time we renew do we have to bring the same documents to be scanned again.

**Glen Jackson:** You don't, that is what the verbiage says, after this one-time renewal after that it just a normal process, even after you have a REAL ID you could renew on line. It is a one-time scanning the documents.

**Chairman Ruby:** I just renewed my CDL in late November and I had to bring in the passport and a utility bill. I was surprised that when I presented the envelope she had me remove the contents to show it was a bill and not a promotion. Do you envision this to be the same as the CDL requirements? It almost seems like the Federal government is requiring the States to prove not only residency but citizenship in some ways.

**Glen Jackson:** For evidence of a physical address we are looking for a document that ties the name of that person to a physical address, such as a utility bill. Just an address on an envelope doesn't mean anything.

**Chairman Ruby:** Where is the opt-in and the opt-out is in the bill?

**Glen Jackson:** If you look at page number 4, line 23 there is a word "where the director may". Originally we were looking at REAL ID be mandatory for everyone we were going to change that word from "may" to "shall" require an applicant to provide this various documentation to do all this stuff. We don't want everyone to have to do this so we are leaving it at "may". So if you want a REAL ID you use the list of documents required and if not it is a different list. That is essentially where it is at.

**Chairman Ruby:** Are you saying you are not going to issue or require those until your waiver s up? The only way they would get one is if they opted in?

**Glen Jackson:** Correct.



**Chairman Ruby:** On the last page on line 3 with the CDL's you are switching it from "may" to "shall"?

**Glen Jackson:** Right now you have to bring everything in because CDL's are always handled differently. We still stay at a 4- year license. That doesn't change. You can get a REAL ID compliant CDL or not. If you want it REAL ID compliant one you will have to bring all the documentation in and we will scan and keep it. That depends on what the Federal government decides to do with that license.

**Chairman Ruby:** What is the difference is of scanning it and having it or just seeing it and verifying it like it has been currently done.

**Glen Jackson:** The real difference is when it comes to investigating. It can help law enforcement have a background for possible investigation.

**Representative Grueneich:** What is currently available through the Driver Data Act now and who has access to it?

**Glen Jackson:** Everything except your bank account number. Title 39 has a list of 12 requirements for people to pass for people to get access.

**Representative Jones:** In the beginning when 911 happened and the problem they run into, they had gotten driver's licenses and the information was fraudulent and there was no trail. So now if you have that information scanned in it would help. This would provide a trail.

**Representative Paur:** When you compared the EDL to the REAL ID, you said that you need to have proof of citizenship for the EDL and not the REAL ID.

**Glen Jackson:** There is a slight variation in the term of the definition of citizenship. We verify people are not non-citizens to get a REAL ID. For an EDL you will have to verify they are a citizen which is different than verifying they are non-citizens. It is a different process to prove someone's citizenship.

**Representative Schobinger:** Why can't someone that has an out of state driver's license be able to by-pass all that by having the option to surrender their current driver's license and give you a fingerprint and be done with it at that point.

**Glen Jackson:** Once a state becomes REAL ID compliant you can accept another states REAL ID compliant card as evidence of ID. Until they are, you cannot. A driver's license from any other state tells us your driving credentials it doesn't tell up who you are. We still have to get primary documents to verify your identity. We do that with everybody.

**Representative Schobinger:** The greatest deterrent would be a fingerprint. Why can't replace bringing all the extra documentation.

**Glen Jackson:** If you get to the point of using the iris code, dna or fingerprint as identity who is going to connect that information to a person. Right there is no national fingerprint system anywhere used. We are not at this point going in that direction.

**Representative Schobinger:** There was a time where I worked I had to do the background checks and fingerprints and banks do that. If it would be an option, to me, it would expedite a lot of this tracking down birth certificates and other documents. They can be manufactured too.

54:31

**Chairman Ruby:** To clarify on the opt-in opt-out basically in your language it is only if someone wants the REAL ID. There really is no reason for an opt-out if you are not going to implement it. Once you implement it there is no opt-out, correct?

**Glen Jackson:** Incorrect. Once we get to the point of being certified as being REAL ID compliant that doesn't mean every document we issue has to be identified as a REAL ID compliant. It does mean the documents we issue that are identified as REAL ID compliant must be and the processes must be in place before that to assure that happens. That is what we are working to achieve. If you have a document that is not REAL ID compliant such as a driver's license. It will not show on the front that it is REAL ID. We want to get started as soon as we can because of the 2020 deadline.

**Representative Nelson:** It seems to me that with Real ID the site has to be secure. I was concerned with our mobile crews. Is here any special implementation problems through them?

**Glen Jackson:** We will not be issuing any REAL ID compliant credentials at field sites. We can collect the data, scan the documents all that will be done. But those credentials will be processed in the central office overnight and mailed out the next day.

**Representative Grueneich:** What are you going to do about awareness to the public?

**Glen Jackson:** We are going to do a number of things. We will have additional information in the flyers we send out with the renewal notices. We will do marketing, local television, newspapers, radio and anything else. We will try to get the message out in as many different ways we can. Even social media to let the people know what they need to bring in.

**Chairman Ruby:** Any further questions, support or opposition to HB 1128. Seeing none. Hearing adjourned on HB 1128.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee  
Fort Totten Room, State Capitol

HB 1128  
1/19/2017  
#27158

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Jeannette Cook*

## Explanation or reason for introduction of bill/resolution:

Relating to the definition of primary source identity document and driver's license central identity management, and relating to operator's license and non-driver identification card criteria, license, renewals, notice of change of address or name, and the application for commercial driver's license.

## Minutes:

Attachment #1

**Chairman Ruby** brought HB 1128 back before the committee and provided an amendment suggested by Representative Owens. See attachment #1.

**Chairman Ruby:** Representative Owen's view was that if they change their address, they MAY obtain a different license. He thinks if they change their address they MUST change their license.

**Vice Chairman Rick C. Becker:** I think that is the only effect of the amendment: MUST rather than MAY.

**Representative Weisz:** The way that I look at the amendment, it seems as if they have deleted out identification cards. I have concerns from the county as far as voter ID as a form of identification. Did he say anything about that?

**Vice Chairman Rick C. Becker:** No, he did not.

**Representative Jones:** I think this is a very bad idea. If someone moves and gets a new address, in ten days they are forced to go in and get a new driver's license. People in the oil field and are moving around a lot, according to this they would have to get a new driver's license every time their job moved from one town to another. I liked it better when it said, they MAY do it. This change would be a huge burden on the drivers' license division.

**Representative Dobervich:** Wouldn't that only be applicable for Real ID?

**Chairman Ruby:** I think this is the section that applies to our current license and would then apply to Real ID as well. Is the 10 days already in law, and this language says they MAY?

**Glen Jackson:** That is correct. This would apply to all licenses.

**Representative Weisz:** I have heard from some of the county auditors that they use a driver's license to verify an address to know if someone is eligible to vote. Now we are saying the address could be 4 years old. That would mean that a driver's license is meaningless as a form of identification for voting from a stand point of knowing if someone is in the proper district.

**Glen Jackson:** The concern has been that we don't validate the residential address with some form of documentation. People tell us on the application, this is where I live, and that is what goes into the system. We do know there are people who use business addresses, and have used it for illegal purposes. It is a valid address, but not a valid residential address. That is the key issue for the auditors. At one time it was validated to be an actual residential address. Now with Real ID, we will have to do that with. The person will have to give us two forms of documentation of an address, something that ties them to that physical location. But for someone with just a regular driver's license or ID card without Real ID, we don't validate the address. We opted not to include that so we could keep this bill clean for Real ID.

**Representative Weisz:** Under Real ID you will be documenting their residential address for the Real ID license? In this case it will not have to be updated on the license, just in your files?

**Glen Jackson:** Yes, that is correct, unless they want to have it changed. Only name changes are **required**. They could have an address in the voter file that would be different from the document that someone would give them.

**Representative Weisz:** They get a list from you that shows voter addresses?

**Glen Jackson:** Yes, we send an updated list at least once a week that show any changes to the driver's license database to the Secretary of State's office.

**Chairman Ruby:** In the next two years the proposal will be an opt in if they want a Real ID. Then after that everyone will have a Real ID unless they opt out. Is that correct?

**Glen Jackson:** No, that is not correct. It is the option approach, period. You have the option of having a Real ID credential at any time going forward. If you don't want to have one, you will not be required to get one, only if you want one. The requirement for Real ID is October 1, 2020. In 2018 states that no longer have a waiver will no longer be able to use theirs. We plan on being compliant by 2018 in January.

**Chairman Ruby:** The fiscal note shows some pretty big numbers. Do you have to put this in place because you assume a lot of people will request Real ID? How are you going to notify people that they may need it? Can you explain this a little bit more?

**Glen Jackson:** I believe that funding is already in Appropriations and is in the budget and being discussed. The total is \$1.3 million this biennium and \$145,000 the next biennium. The \$145,000 is an ongoing cost for a system called State-to-State. It is a project that states have been working on since before 9-11. It helps to make sure that a person does not have

more than one credential nationwide. The \$550,000 for the actual Real ID programing involves the changes we have to make to programing our digital drivers' license system, and the scanners and pieces of equipment that we have to connect to our system so we can scan the documents for Real ID. There is another part for facial recognition software that we use for identity theft protection. We have to upgrade to a different platform. Those are the most expensive part of the fiscal note. We also added some funds for marketing and mailing because we have to get the word out to the citizens that if they want the benefit of a Real ID, they will have to provide us with this information. If you don't, this is what will happen: for example, not being able to board aircraft or get onto military bases. We will need to educate and inform them and then let people make the decision they want to make. We don't want to force people to get a Real ID, if they don't want one.

**Representative Paur moved a motion for DO PASS on HB 1128.  
Representative Dobervich seconded the motion.**

**Vice Chairman Rick C. Becker:** I am going to resist. The Real ID act came about subsequent to 9-11. Most small government minded people didn't think it was a good idea, and thought it was a gross federal overreach. The federal government set up a time line, and then have set up extensions for the timeline. At this point in time there are only 25 states that are compliant. If 25 states were not to become compliant, the law will never go into effect. There is a new administration taking over tomorrow. In my mind there is not a significant down side to agree that this is an interesting bill, and we can revisit it if we need to. We have an extension. We can be granted an extended extension. We will be back before the deadline of 2020. I am going to vote no.

**A roll call vote was taken on HB 1228. Aye 7 Nay 5 Absent 2.  
The motion carried.  
Representative Dobervich will carry HB 1128.**

# 2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee  
Fort Totten Room, State Capitol

HB 1128  
2/2/2017  
#28853

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Jessette Cook*

## Explanation or reason for introduction of bill/resolution:

Relating to the definition of primary source identity document and driver's license central identity management, and relating to operator's license and non-driver identification card criteria, license, renewals, notice of change of address or name, and the application for commercial driver's license.

## Minutes:

**Chairman Ruby** brought HB 1128 back before the committee for reconsideration.

**Chairman Ruby:** This bill was passed out of committee with a 7/5 DO PASS. Initially we didn't think we needed to re-refer this to Appropriations. After further discussion, they have decided that it does need to go to Appropriations. Also, it has been held because we were waiting for some information about the federal government enforcing the lack of ability to board planes or go into government facilities without it. There are two states around us, Minnesota and Montana are not compliant at all. Minnesota might be trying to get this in place this session. One interesting thing that I learned about this talking with Grant Levi is that he believes whether we pass this or not, they have the authority to go through with it. The deciding factor seems to be if it is in their budget. If it not in their budget, then they would not have the authority. Other than us making a motion to NOT give them that authority, which is not what I intend to do with, we certainly can reconsider it with the same motion and just re-refer to Appropriations. They brought it to us to make sure that we are authorizing it, and then Appropriations will work on the budget. I think it is time to get it out.

**Representative Sukut made a motion to reconsider HB 1128.**  
**Representative Jones seconded the motion.**

A review of the above information.

**A voice vote was taken. All aye. The motion carried.**

**Representative Weisz made a motion for a DO PASS on HB 1128 and re-referred to Appropriations.**

**Representative O'Brien seconded the motion.**

**A roll call vote was taken: Aye 10 Nay 1 Absent 3**

**The motion carried.**

**Representative Dobervich will carry HB 1128.**

Date: 1-19-17  
 Roll Call Vote #: 5-1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1128**

House Transportation Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Paur Seconded By Dobervich

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby		X	Rep. Gretchen Dobervich	X	
Vice Chair. Rick C. Becker		X	Rep. Marvin Nelson	A	
Rep. Bert Anderson	X				
Rep. Jim Grueneich		X			
Rep. Terry Jones		X			
Rep. Emily O'Brien	X				
Rep. Mark Owens	A				
Rep. Gary Paur	X				
Rep. Randy Schobinger	X				
Rep. Gary Sukut	X				
Rep. Robin Weisz		X			
Rep. Greg Westlind	X				

Total (Yes) 7 No 5

Absent 2

Floor Assignment Dobervich

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



Date: 2-2-17  
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1128**

House Transportation Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Sukut    Seconded By Jones

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Gretchen Dobervich		
Vice Chair. Rick C. Becker			Rep. Marvin Nelson		
Rep. Bert Anderson					
Rep. Jim Grueneich					
Rep. Terry Jones					
Rep. Emily O'Brien					
Rep. Mark Owens					
Rep. Gary Paur					
Rep. Randy Schobinger					
Rep. Gary Sukut					
Rep. Robin Weisz					
Rep. Greg Westlind					

*Voice Vote*  
~~*All the*~~  
*Motion Carried*

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 2-2-17  
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1128**

House Transportation Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Weisz Seconded By O'Brien

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Gretchen Doberovich	A	
Vice Chair. Rick C. Becker	A		Rep. Marvin Nelson	✓	
Rep. Bert Anderson	A				
Rep. Jim Grueneich		✓			
Rep. Terry Jones	✓				
Rep. Emily O'Brien	✓				
Rep. Mark Owens	✓				
Rep. Gary Paur	✓				
Rep. Randy Schobinger	✓				
Rep. Gary Sukut	✓				
Rep. Robin Weisz	✓				
Rep. Greg Westlind	✓				

Total (Yes) 10 No 1

Absent 3

Floor Assignment Doberovich

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

**REPORT OF STANDING COMMITTEE**

**HB 1128: Transportation Committee (Rep. D. Ruby, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 1 NAYS, 3 ABSENT AND NOT VOTING). HB 1128 was rereferred to the **Appropriations Committee**.

**2017 HOUSE APPROPRIATIONS**

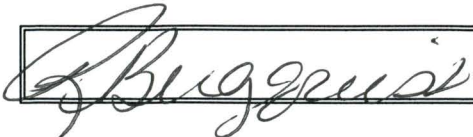
**HB 1128**

# 2017 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1128  
2/8/2017  
28074

- Subcommittee  
 Conference Committee



**Explanation or reason for introduction of bill/resolution:**

Relating to operator's license and nondriver identification card criteria, license renewals, notice of change of address or name, and the application for commercial driver's license

**Minutes:**



**Representative Ruby, District 38,** HB 1128 is dealing with the update of the drivers licenses to meet compliance with Real ID. We have been able to stay in compliance because of exemptions. Our exemptions will go away in October of this year unless we show more advancement. This would take us to full compliance. In the beginning, I was afraid of real ID, I figured it was going to be some kind of a federal data base ID, which is not the case. What this is, is like as a CDL license driver to renew my license I have to take in a birth certificate or a pass port along with a utility bill to show where I lived. And that is what the federal government is requiring of the states, you verify where people live. They just look at it and then gave me my license, the only difference between is that now they would scan it and keep it on record and they would do that for all drivers who wanted a real ID. If you don't want a real ID, you never have to get one.

**Chairman Delzer:** What's the difference fiscally on the card?

**Representative Ruby:** There will be like a star or some kind of a marking on it. If you don't have that you won't be able to go into a federal building or board a plane, you would have to use a passport. It's not going to be a federal data base, it's all state based. If you have the enhanced drivers license, that is a federal data base and that would get scanned as you cross the border. It was less intrusive than I ever thought it would be.

The initial expense is 1.3 million dollars, there is a break down in 3B. Part of that is the annual 145 thousand that you see in the next biennium, that is a nonfederal program of state to state to verify your information.

**Chairman Delzer:** Does that mean the feds can come in and get all that information?

**Representative Ruby:** If you were involved is a plane crash they absolutely will come in and ask for that information. Other than that they would have no reason to want to do it. I think it would have to be an investigation action.

**Representative Boe:** The documents that are being scanned, bank statements are on that list, would we redact account numbers and personal information?

**Representative Ruby:** Yes, they will redact any of your personal information, they just need to make sure that is an actual bill and not a promotional item. Montana is out of compliance, currently they are able to board a plane but you can't enter a federal building. Minnesota isn't compliance at all and they are scrambling right now to get in compliance. By 2020 this will be nationwide and enforced 100%.

**Representative Kempenich:** It's October 1<sup>st</sup> of 2020 you will not fly, it's actually sooner than that if you don't have an extension, it's January 22<sup>nd</sup> of 2018.

**7:00 Representative Meier:** How many states currently have real ID?

**Representative Ruby:** 25 states are compliant, including South Dakota and Wyoming, 20 states have extensions and 5 not compliant including Minnesota, Montana, Washington, Missouri and Maine (**Attachment 1**)

**Representative Kempenich:** You've got real id and then you have enhanced, they talking by 2020 are we going to need the enhanced anyways?

**Representative Ruby:** This is simply real ID

**Chairman Delzer:** Is there any guarantees from the federal government that real ID is going to be suffice into the future?

**Representative Ruby:** This is the only requirement after 911 and it's hasn't changed from that.

**Representative Boehning:** Is there any more cost when we get it, is there an increase to get your license?

**Representative Ruby:** No, not with this bill.


**Chairman Delzer:** Further questions?

# 2017 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB1128  
2/13/2017  
28287


- Subcommittee  
 Conference Committee



## Explanation or reason for introduction of bill/resolution:

Relating to operator's license and nondriver identification card criteria, license renewals, notice of change of address or name, and the application for commercial driver's license.

## Minutes:



**Chairman Delzer:** 1128 is the bill for the enhanced ID The fiscal note is 1.3 million in expenditures and 1.3 in appropriations. The appropriation was included in DOT appropriation request. I don't know if it was funded in the bill or not. Discussion?

**Rep. Kempenich:** The way this country is going, In the past I voted against the real ID because of the tracking ID I think now we should.

**Chairman Delzer:** It was pointed out that it's opted I don't see where that is at, so if you don't want it you can keep the current ID card which would cause you problems in federal buildings and airports.

**Rep. Kempenich:** I move a do Pass.

**Rep. Monson:** Seconded the motion.

**Chairman Delzer:** We have a do pass and a second by Rep. Monson for a do pass on HB 1128. Do we have further discussion?

**Rep. Brandenburg:** This is for real, I couldn't rent a car, they wouldn't rent me a car. The commercial ones are pretty close to that already.

**Chairman Delzer:** We had requested that, Commercial ones are close to that already.

**Rep. Brandenburg:** I have one and ND's doesn't show up.

A Roll Call vote was taken. Yea: 18    Nay: 2    Absent: 1 Floor Assignment Rep. Dobervich

**Rep. Kempenich:** I see that you need a social Security card.

**Chairman Delzer:** Alright that will be carried by Rep. Dobervich.



Date: 2/13/2017  
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB 1128**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Kempenich Seconded By Representative Monson

Representatives			Representatives		Yes	No
Chairman Delzer		X				
Representative Kempenich	X		Representative Streyle	X		
Representative: Boehning	X		Representative Vigesaa		X	
Representative: Brabandt	X					
Representative Brandenburg	X					
Representative Kading	X		Representative Boe	X		
Representative Kreidt	A		Representative Delmore	X		
Representative Martinson	X		Representative Holman	X		
Representative Meier	X					
Representative Monson	X					
Representative Nathe	X					
Representative J. Nelson	X					
Representative Pollert	X					
Representative Sanford	X					
Representative Schatz	X					
Representative Schmidt	X					

Total (Yes) 18 No 2

Absent 1

Floor Assignment Representative Dobervich

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

**Motion Carries**

**REPORT OF STANDING COMMITTEE**

**HB 1128: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS** (18 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1128 was placed on the Eleventh order on the calendar.

**2017 SENATE TRANSPORTATION**

**HB 1128**

# 2017 SENATE STANDING COMMITTEE MINUTES

**Transportation Committee**  
Lewis and Clark Room, State Capitol

HB 1128  
3/9/2017  
28948

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Mary Munder*

## Explanation or reason for introduction of bill/resolution:

Relating to operator's license and non-driver identification card criteria, license renewals, notice of change of address or name, and the application for commercial driver's license.

## Minutes:

Attachment #1

**Chairman Laffen:** Opened the hearing on HB1128. Attendance taken, all present.

**Glenn Jackson, Director of the Driver's License Division at the North Dakota Department of Transportation (DOT). See Attachment #1.** By January of 2018 your driver's license will no longer be a valid ID for flying on an airplane.

**Chairman Laffen:** Will this affect North Dakota and do we need it?

**Glenn:** Yes. All states must be compliant by October 1, 2020.

**Senator Nelson:** What about a passport?

**Glenn:** That will work.

**Chairman Laffen:** Will we have a stamp on our driver's license card or will we be carrying two cards?

**Glenn:** You will be issued a new card and there will be a gold star in the upper right hand corner.

**Chairman Laffen:** It will look like our license? Answer: Yes

**Senator Rust:** Only difference will be the star? Answer Yes

**Chairman Laffen:** It is all done in the background work. Answer Yes.

**Senator Nelson:** What is acceptable for proof of your address?

**Glenn:** An utility bill or anything that ties you to the physical address.

**Senator Clemens:** We use our driver's license and I am sure this new ID will be used for voting too. How do we know if they are a U.S. citizen?

**Glenn:** If the license does not say temporary then the person is not a non-citizen. If it says temporary we know they are a non-citizen because they are here on a visa, they are here for some reason that they have a limited period of stay.

**Glenn:** Went on to finish explaining the bill. We will have only one card in the future, a driver's license with the star or and ID card. Each person will only be issued one card and this will be for identity management for the state.

**Chairman Laffen:** Currently can we have both? **Answer** Yes.

**Chairman Laffen:** Any idea why they are getting 2 cards?

**Glenn:** Sometimes they leave their driver's license at home and just use the ID card when traveling.

**Chairman Laffen:** Then this will get rid of that. **Answer** Yes.

**Senator Nelson:** Will the class still be the same? **Answer** Yes.

**Chairman Laffen:** So why give them the option then?

**Glenn:** There will be some people who will not travel and some who will think the government is getting too deep in their lives with all this data they have to bring in , so we are giving them the option of getting the new card or not getting it.

**Chairman Laffen:** Someday down the line the option might go away too. **Answer** Yes. Chairman welcomed students from Richardton. We are discussing getting a new driver's license card or ID card. In the olden days you passed a test and they took your picture. Now there will be data collected to prove you are who is on the picture.

**Glenn:** The data that we get will stay with the state data. It will not be shared with anyone.

**Chairman Laffen:** The federal government will not be taking over the data and leaving it to the state? **Answer** Yes.

**Chairman Laffen:** Can someone photo shop a receipt found in the garbage and just change their name and fool the department?

**Glenn:** We will be checking more data than just the names. There are other things we check out to verify the information we get. It is not just the photo itself or just a record by itself. But yes somebody possibly could get through and fool us.

**Senator Nelson:** With this current generation, some of them go by a professional name and also a private name. How do you handle that?

**Glenn:** I think they would have to choose which name they would want to use and provide documentation for that name. We need the documentation before we can issue a card to them.

**Chairman Laffen:** Do we need to bring all that information in?

**Glenn:** Yes, if you want the new card.

**Chairman Laffen:** Is there a list of the documents we need?

**Glenn:** Yes, we will be getting a list ready for anyone wanting the new card.

**Senator Nelson:** All this information I assume is being used when you are getting a renewal?

**Glenn:** Anytime you take a photo it is compared against every other photo in the data base for a match. We do catch people on a regular basis who are trying to take someone else's identity. We do check that every day.

**Senator Rust:** Does the federal government provide any dollars to assist you in accomplishing this project?

**Glenn:** They did have some grants out in 2009 and we did take advantage of that to help update our equipment and things needed for security reasons, but currently no.

**Senator Nelson:** Does MT and MN have the same reasoning for these ID's?

**Glenn:** I really can't say if they are, but I do know SD is compliant.

**Chairman Laffen:** Can you give a little history on this? Were there really any issues on the House side?

**Glenn:** There was concern and the biggest is the federal mandate. It's big brother and it is a political consideration for you to take, but in reality it is a fraud prevention process. It is helping us to make sure people aren't stealing your identity and helping to make sure who you see in front of you is who that person is. It is basically stepping up the game to make sure there is no identity fraud.

**Chairman Laffen:** There was no study done on this?

**Glenn:** No, there are some things in this bill that are very necessary but there was no interim process done.

**Senator Rust:** What are the problems having real ID and not real ID? Will there be problems associated with having 2 different ID's?

**Glenn:** The only difference between the two is if you have real ID compliant credential, we have received all your documentation and have printed your card with the star. Everything else we do, we do for anyone else all the time. We already validate the documents. Everything we do now

we still are going to continue to do and that's the only difference. People will only have one credential and it will be compliant or not.

**Chairman Laffen:** If you have the real ID with the star, the information has been collected, scanned, and stored and secured in the right way. If you don't have the real ID you may not have access to planes, federal buildings, or whoever might want the federal ID.

**Glenn:** That's correct.

**Senator Clemens:** So what happens if we don't pass this bill?

**Glenn:** We still have the authority to proceed with the new ID. It just means we won't have the guidance to help us make it clearer. We also won't have the piece that provides the higher security for all the documents we have to scan, which is very important.

**Senator Clemens:** The real ID will still happen regardless of this bill?

**Glenn:** Yes.

**Chairman Laffen:** People would still have access to the double ID's?

**Glenn:** Yes, and we would like to get it down to just one.

**Senator Nelson:** Would you say the most important part of this bill is page 3, line 23? The people don't want their information out there. They want the security.

**Glenn:** Yes, that is a critical part of this bill.

**Senator Rust:** What about the fiscal note?

**Glenn:** Currently we are doing an upgrade of the digital driver's license system and upgrade of the software, changes in software, cost of scanners, facial recognition software, and that includes the cost of all the scanners that we will have at the work stations as well.

**Senator Nelson:** So if someone moves from MN to ND and gets our driver's license what is to stop them from using both if they say they have lost the old one or can't find it or whatever.

**Glenn:** There is nothing we can do to stop that, but if anything happens and law enforcement would check on that old one they would be in trouble running under an invalid driver's license.

**Chairman Laffen:** Any further questions? Testimony in favor of HB 1128, opposition, neutral? So the next renewal we would get the new card?

**Glenn:** Jan of 2018 you will have the option to get one and by 2020 you will have to have it to fly.

**Senator Nelson:** Driver's license is good for 6 years and ID card is good for 8 years, so if they have it for 2 years and want to come in and get the new one are they charged extra money then?

**Glenn:** They would just get a duplicate then.

**Chairman Laffen:** Ok. We will close the hearing on HB 1128. Discussion? Hold for a while? Ok we will hold on this bill for further discussion another time.

# 2017 SENATE STANDING COMMITTEE MINUTES

**Transportation Committee**  
Lewis and Clark Room, State Capitol

HB 1128  
3/17/2017  
29369

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Mary Munder*

## Explanation or reason for introduction of bill/resolution:

Relating to operator's license and non-driver identification card criteria, license renewal, notice of change of address or name, and the application for commercial driver's license.

## Minutes:

**Chairman Laffen:** Opened hearing on HB 1128. Attendance taken. All present. This is the real ID bill. Senator Rust was thinking of some amendments but we have talked to DOT. This is an important bill for them. I have been studying this and because we only meet every other year it is important for us to get this taken care of.

**Senator Nelson: Motion for a Do Pass on HB 1128**

**Senator Campbell: Seconded**

**Chairman Laffen:** Discussion? I actually did not see anything wrong with this bill. I understand why the federal government is doing it and what our part in it is.

**Senator Rust:** I think what helped sell it in the other house is if you have a regular license there is no change. We can get started here with the real ID.

**Roll Call taken: Yeas-6, Nays-0, Absent-0. Motion carried.**

**Senator Nelson will carry the bill**



**2017 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. "Enter Bill/Resolution No." 1128**

Senate Transportation Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Nelson                      Seconded By Campbell

Senators	Yes	No	Senators	Yes	No
Chairman Lonnie J. Laffen	✓		Senator Carolyn Nelson	✓	
Senator Tom Campbell	✓				
Senator David Rust	✓				
Senator David Clemens	✓				
Vice Chairman Jonathan Casper	✓				

Total (Yes) 6                      No 0

Absent 0

Floor Assignment Nelson

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

**REPORT OF STANDING COMMITTEE**

**HB 1128: Transportation Committee (Sen. Laffen, Chairman)** recommends **DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1128 was placed on the  
Fourteenth order on the calendar.

**2017 SENATE APPROPRIATIONS**

**HB 1128**

# 2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee  
Harvest Room, State Capitol

HB 1128  
3/24/2017  
JOB # 29671

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new subsection to the NDCC, relating to the definition of primary source identity document and driver's license central identity management; relating to operator's license and nondriver identification card criteria, license renewals, notice of change of address or name, and the application for commercial driver's license.

## Minutes:

No testimony submitted

**Chairman Holmberg:** called the Committee to order on HB 1128. All committee members were present. Chris Kadrmas, Legislative Council and Stephanie Gullickson, OMB were also present.

**Glenn Jackson, Director of License Division of DOT** testified in favor of HB 1128 and stated DOT supports this bill and he can answer any questions if there are any.

**Chairman Holmberg:** This is what Minnesota got into trouble for, is that correct? He was told yes.

**Chairman Holmberg:** Are there any questions? There were no questions. Who else is testifying on 1128? Do we have enough information to act on this bill? It has to do with federal compliance.

**Senator Mathern:** moved a do pass. 2<sup>nd</sup> by **Senator Grabinger.**

**Senator Mathern:** I introduced this bill a few times in the past. Glad to see it's passing now.

**Chairman Holmberg:** Would you call the roll on a do pass on 1128.

**A Roll Call vote was taken on a Do Pass on HB 1128. Yea: 14; Nay: 0; Absent: 0.**

**Chairman Holmberg:** This goes back to Transportation. Senator Nelson will carry the bill.

The hearing was closed on HB 1128

Date: 3-24-17

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1128

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Mathern Seconded By Grabinger

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment transportation Nelson

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

**REPORT OF STANDING COMMITTEE**

**HB 1128: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1128 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1128

**HOUSE TRANSPORTATION COMMITTEE**  
**January 5, 2017; 11:15 AM, Ft. Totten Room**

#1  
HB1128  
1-5-17

**North Dakota Department of Transportation**  
**Glenn Jackson, Director, Driver's License Division**  
**House Bill 1128**

Mr. Chairman, members of the committee, I am Glenn Jackson, Director of the Driver's License Division at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to address you today.

The REAL ID Act of 2005 was implemented by the federal government because the perpetrators of the September 11, 2001 attack on U. S. soil had driver licenses and identification cards from several states and it was questionable if they were actually eligible for those credentials. Additionally, since no state scanned the documentation these individuals provided to justify gaining these credentials, there was no way to adequately investigate this background, which is the primary generator of the requirement we have yet to implement, to scan primary documents.

HB1128 is the final step to comply with this federal requirement. However, before discussing these changes, I would like to provide a little history and explanation of our progress to date. The legislature provided general statutory authority to take steps aimed at compliance in previous legislative sessions. These changes included steps to assure identity of individuals applying for a driver's license or identification card. Since 2009 the Department has taken several logical steps listed here which are based on that general authority to prevent fraud and identity theft:

- We use the most current card production standard, which includes the most up to date security features in the card collateral
- We upgraded our facilities for security purposes to include security cameras, alarm systems, restricted access to employee areas, safes to store collateral, and a layout that prevents individuals from seeing the personal information of another citizen
- We established a security plan and exception management process
- We implemented facial recognition technology
- We conducted an FBI fingerprint background check on all staff, and conduct this on all new hires, with access to personal information
- We conducted fraudulent documentation training with examiner staff, and conduct yearly refresher training.

These steps were taken because they are sound practices designed to reduce fraud in the identification and credential issuance system. In addition, these are all requirements of the REAL ID Act of 2005, as Real ID is essentially the implementation of security processes and procedures designed to reduce fraud and provide the highest certainty that the individual with the identity document in front of you is who he or she says he or she is.

In January 2016, the U. S. Department of Homeland Security released final implementation guidance for Real ID compliance. In this guidance, individuals with state identification from states without a waiver, or states who have not taken any steps toward compliance, will no longer be able to use their identification credentials for access to federal facilities or aircraft boarding beginning January 22, 2018. In addition, all states must be compliant by October 1, 2020, with no further waivers provided.



North Dakota has a waiver valid until October 10, 2017 that carries us very close to our projected implementation date of January 1, 2018. With the steps we are taking to finalize compliance, we expect to gain a short-term waiver that will carry us over to 2018. The primary reason we have had a waiver for implementation is that we have accomplished nearly every step in the compliance process, as outlined above, except completion of a process to scan source documents. That process is moving forward at this time from a technology perspective. However, as we prepare to implement the federal REAL ID Act of 2005, we need statute modification to provide enhanced data security and provide clarity to smooth the implementation process.

HB1128 provides several changes necessary for final implementation, related to three essential items.

1. Establishing that all source documents scanned and saved in the driver's license system will have an additional level of security, by designating them as not public record,
2. Clarifying that an individual can have only one identification credential, that being either a driver's license or an identification card, and,
3. Clarifying that individuals applying for a license or identification card, even at renewal or for a duplicate credential, are required to provide certain source documents relating to establishing their identity, unless previously provided.

As mentioned above, the key item we must complete for compliance is scanning original documents. This means having individuals bring birth certificates, SSN cards, marriage certificates, passports, or other required documents for identity, as well as two forms of documentation to validate a residential address, to complete their application for a Real ID compliant credential. This is also the driver for our request to establish a higher level of protection for these documents by making them not part of the public record, similar to the status of driver photos.

The process for implementation of Real ID compliance will begin on the date our systems are modified, which we are working to achieve by January 2018. Because of the need to provide such documentation, a key feature of the process of implementation of Real ID is providing an option for individuals to choose whether they want a Real ID or not. Under our process, individuals may choose. That means an individual desiring to obtain a Real ID will be required to provide all the documentation required and will gain access to federal facilities and be able to use the license/identification card for boarding aircraft. However, an individual who opts out of the process will not be required to provide the required documentation, but will also not be able to use the DL/ID for access to federal facilities or boarding aircraft. Beginning in January 2018, or once we complete the system upgrade, we will proceed along two tracks.

1. During the renewal process from January 2018 to October 2020 individuals may opt to receive a Real ID credential, or not.
2. During the time period between January 2018 and October 2020, individuals who are not scheduled to renew their credential may opt in for a Real ID compliant credential by bringing in required documentation and being issued a duplicate license that is compliant.

At this time, I would like to review the specific bill changes.

It is important to remember two key points.

1. Implementation and compliance with federal REAL ID Act of 2005 requirements does not require a new driver's license system. We need a new system simply because our current legacy system is based on old technology and is increasingly costly to maintain, but it is not necessary for this program.

2. The data in the state driver's license system is state data. The federal REAL ID Act of 2005 has no requirement for this data to be shared with anyone. We do not share personal private information except as provided in NDCC 39-33. The proposed bill would add an additional layer of security for scanned identity documents.

In closing, the U. S. Department of Homeland Security has established a final compliance date of October 1, 2020. Absent our compliance with this federal requirement our citizens will be unable to use their driver licenses and identification cards to access federal facilities or to board aircraft after that date.

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

HB 1128  
1-19-17  
#1

**SECTION 8. AMENDMENT.** Section 39-06-20 of the North Dakota Century Code is amended and reenacted as follows:

**39-06-20. Notice of change of address or name.**

If an individual after applying for or receiving an operator's license or identification card moves from the address named in the application or on the license or identification card, or if the name of a licensee is changed by marriage or otherwise, that individual within ten days after moving or the name change shall notify the director in writing or in person of that individual's old and new addresses or of the individual's former and new names and of the number of any operator's license or identification card then held by that person. An individual ~~may~~ must obtain a corrected operator's license ~~or identification card~~ for address ~~only~~ changes, ~~but must obtain a new operator's license or identification card~~ or for a name change, by making an application as provided for in section 39-06-18. The department may change the address based on information received from any authorized address correction service of the United States postal service. The department may also develop procedures for receiving notification of address changes by telephone or electronic means.

**What is REAL ID?**

- Passed by Congress in 2005, the REAL ID Act enacted the 9/11 Commission’s recommendation that the Federal Government “set standards for the issuance of sources of identification, such as driver's licenses.”

**What does REAL ID do?**

- Real ID implements security processes designed to reduce identity fraud and provide the highest certainty that the individual with the identity document in front of you is who he or she says he or she is. Documents scanned will verify birthplace, current residence, etc.
- It prohibits Federal agencies from accepting driver’s licenses and identification cards from states that do not meet requirements for official purposes such as: boarding an airplane or obtaining access to a federal building.

**What does Real ID not do?**

- It does not create a federal database or federally controlled or issued identification document. The U.S. Passport does that.
- It does not replace a passport used for international travel such as visiting Canada or other countries.
- It does not include an RFID chip in it. The Enhanced Driver’s License (EDL) does have the chip in it which provides information to a federal database.

**Why is it important to move forward now?**

- The U. S. Department of Homeland Security requires all states to be compliant by October 1, 2020, with no further waivers provided (perhaps earlier if North Dakota does not get a waiver following the current extension valid through October 10, 2017.)
- It is important to move forward because it will take one year to obtain equipment and update software needed for processing the documents.
- Failure to begin REAL ID implementation now will result in the inability of the NDDOT to process the high volume demand from our citizens. Even if we started the process after this session, we will not be able to begin issuing licenses until July 2018. This gives us only two years to process 300,000-600,000 driver’s licenses, depending on how many opt-in.
- State residents who opt-in will need to have the REAL ID driver’s license in their possession by the federal deadline of October 2020 (perhaps earlier if we do not get a waiver following the current extension valid through October 10, 2017.)

**How is a North Dakota resident affected if the state does not comply?**

- If North Dakota does not meet the federal deadline for REAL ID, the Transportation Security Administration (TSA) or a federal agency will not accept a North Dakota driver’s license or ID card for identification purposes.
- A resident planning to travel on a domestic flight or access a federal facility will need to go through an additional extensive on-site screening process with TSA. The resident will be pulled aside and required to provide information to the TSA agent to be put in a federal database. The additional screening may occur each time unless the resident has a passport.
- A resident can purchase a passport at a federally approved facility. An adult passport which needs to be issued every 10 years currently costs \$135 and takes approximately six weeks to process from the time of application. Comparatively, a driver’s license or identification card that needs to be issued every 6 years costs \$15 and can be processed immediately at the driver’s license office.

### What does a resident need to do to get a REAL ID compliant driver's license?

- A resident will need to bring in identification documents such as a birth certificate, passport, marriage license, utility bill or mortgage statement to obtain a REAL ID compliant document by October 1, 2020.

### What happens to the information collected?

- Unlike a passport, the REAL ID information is scanned and retained in the state driver's license system. It is state data so it is kept in-state only. The federal REAL ID Act of 2005 has no requirement for this data to be shared with anyone. We do not share personal private information except as provided in NDCC 39-33. The proposed bill would add an additional layer of security for scanned identity documents.

### What does a REAL ID Driver's License do?

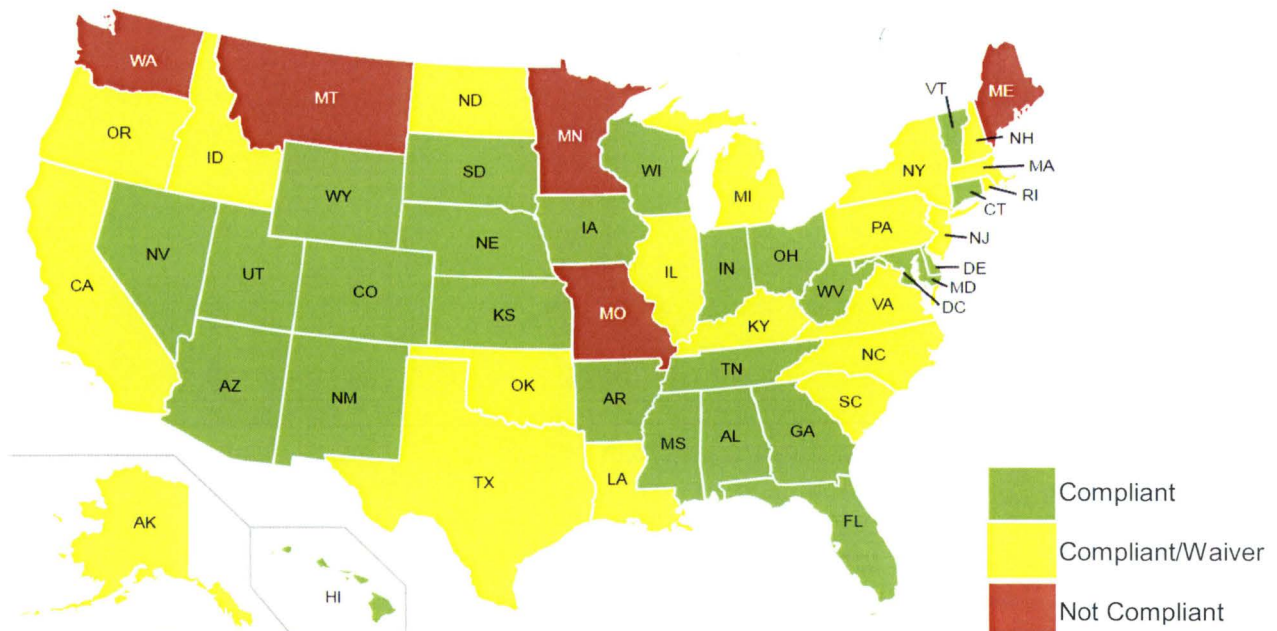
- It allows a North Dakota resident to use their driver's license as a form of identification to complete domestic airline travel and access a federal facility such as a federal courthouse or airbase.

### Why should North Dakota have an Opt-In feature?

- NDDOT's agency bill - HB 1128 - is recommending an 'opt-in' feature for citizens who desire to have a REAL-ID compliant document. The opt-in feature was recommended by numerous states that already have REAL-ID because they observed that a portion of their population had no interest in having a REAL-ID compliant document.
- If citizens choose to opt-out of the REAL-ID process, they will see no change in how they currently renew their driver's license.

### Are other states REAL ID compliant?

- Yes. As of January 19, 2017, a total of 25 states are compliant including South Dakota and Wyoming; 20 states have Extension/Waivers that are enabling them to complete compliance actions, including North Dakota; 5 states are not compliant including Minnesota. Residents in states that are not compliant cannot use their driver's license as a form of identification for domestic flights or access to federal facilities. Minnesota is working hard to become compliant.



**SENATE TRANSPORTATION COMMITTEE**  
**March 9, 2017; 9:30 AM, Lewis & Clark Room**

*Attachment #1 pg1*  
*HB1128 3/9/17*

**North Dakota Department of Transportation**  
**Glenn Jackson, Director, Driver's License Division**  
**House Bill 1128**

Mr. Chairman, members of the committee, I am Glenn Jackson, Director of the Driver's License Division at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to address you today.

The REAL ID Act of 2005 was implemented by the federal government because the perpetrators of the September 11, 2001 attack on U. S. soil had driver licenses and identification cards from several states and it was questionable if they were actually eligible for those credentials. Additionally, since no state scanned the documentation these individuals provided to justify gaining these credentials, there was no way to adequately investigate this background, which is the primary generator of the requirement we have yet to implement, to scan primary documents.

HB1128 is the final step to comply with this federal requirement. However, before discussing these changes, I would like to provide a little history and explanation of our progress to date. The legislature provided general statutory authority to take steps aimed at compliance in previous legislative sessions. These changes included steps to assure identity of individuals applying for a driver's license or identification card. Since 2009 the Department has taken several logical steps listed here which are based on that general authority to prevent fraud and identity theft:

- We use the most current card production standard, which includes the most up to date security features in the card collateral
- We upgraded our facilities for security purposes to include security cameras, alarm systems, restricted access to employee areas, safes to store collateral, and a layout that prevents individuals from seeing the personal information of another citizen
- We established a security plan and exception management process
- We implemented facial recognition technology
- We conducted an FBI fingerprint background check on all staff, and conduct this on all new hires, with access to personal information
- We conducted fraudulent documentation training with examiner staff, and conduct yearly refresher training.

These steps were taken because they are sound practices designed to reduce fraud in the identification and credential issuance system. In addition, these are all requirements of the REAL ID Act of 2005, as Real ID is essentially the implementation of security processes and procedures designed to reduce fraud and provide the highest certainty that the individual with the identity document in front of you is who he or she says he or she is.

In January 2016, the U. S. Department of Homeland Security released final implementation guidance for Real ID compliance. In this guidance, individuals with state identification from states without a waiver, or states who have not taken any steps toward compliance, will no longer be able to use their identification credentials for access to federal facilities or aircraft boarding beginning January 22, 2018. In addition, all states must be compliant by October 1, 2020, with no further waivers provided.

North Dakota has a waiver valid until October 10, 2017 that carries us very close to our projected implementation in early 2018. With the steps we are taking to finalize compliance, we expect to gain a short-term waiver that will carry us over to 2018. The primary reason we have had a waiver for implementation is that we have accomplished nearly every step in the compliance process, as outlined above, except completion of a process to scan source documents. That process is moving forward at this time from a technology perspective. However, as we prepare to implement the federal REAL ID Act of 2005, we need statute modification to provide enhanced data security and provide clarity to smooth the implementation process.

HB1128 provides several changes related to three essential items.

1. Establishing that all source documents scanned and saved in the driver's license system will have an additional level of security, by designating them as not public record,
2. Clarifying that an individual can have only one identification credential, that being either a driver's license or an identification card, and,
3. Clarifying that individuals applying for a license or identification card, even at renewal or for a duplicate credential, are required to provide certain source documents relating to establishing their identity, unless previously provided.

As mentioned above, the key item we must complete for compliance is scanning original documents. This means having individuals bring birth certificates, SSN cards, marriage certificates, passports, or other required documents for identity, as well as two forms of documentation to validate a residential address, to complete their application for a Real ID compliant credential. This is also the driver for our request to establish a higher level of protection for these documents by making them not part of the public record, similar to the status of driver photos.

The process for implementation of Real ID compliance will begin on the date our systems are modified, which we are working to achieve by January 2018. Because of the need to provide such documentation, a key feature of the process of implementation of Real ID is providing an option for individuals to choose whether they want a Real ID or not. Under our process, individuals may choose. That means an individual desiring to obtain a Real ID will be required to provide all the documentation required and will gain access to federal facilities and be able to use the license/identification card for boarding aircraft. However, an individual who opts out of the process will not be required to provide the required documentation, but will also not be able to use the DL/ID for access to federal facilities or boarding aircraft. Beginning in January 2018, or once we complete the system upgrade, we will proceed along two tracks.

1. During the renewal process from January 2018 to October 2020 individuals may opt to receive a Real ID credential, or not.
2. During the time period between January 2018 and October 2020, individuals who are not scheduled to renew their credential before October 2020 may opt in for a Real ID compliant credential by bringing in required documentation and being issued a duplicate license that is compliant.

At this time, I would like to review the specific bill changes.

It is important to remember two key points.

1. Implementation and compliance with federal REAL ID Act of 2005 requirements does not require a new driver's license system. We need a new system simply because our current legacy system is based on old technology and is increasingly costly to maintain, but it is not necessary for this program.

2. The data in the state driver's license system is state data. The federal REAL ID Act of 2005 has no requirement for this data to be shared with anyone. We do not share personal private information except as provided in NDCC 39-33. The proposed bill would add an additional layer of security for scanned identity documents.

In closing, the U. S. Department of Homeland Security has established a final compliance date of October 1, 2020. Absent our compliance with this federal requirement our citizens will be unable to use their driver licenses and identification cards to access federal facilities or to board aircraft after that date.

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



### **What is REAL ID?**

- Passed by Congress in 2005, the REAL ID Act enacted the 9/11 Commission's recommendation that the Federal Government "set standards for the issuance of sources of identification, such as driver's licenses."

### **What does REAL ID do?**

- Real ID implements security processes designed to reduce identity fraud and provide the highest certainty that the individual with the identity document in front of you is who he or she says he or she is. Documents scanned will verify birthplace, current residence, etc.
- It prohibits Federal agencies from accepting driver's licenses and identification cards from states that do not meet requirements for official purposes such as: boarding an airplane or obtaining access to a federal building.

### **What does Real ID not do?**

- It does not create a federal database or federally controlled or issued identification document. The U.S. Passport does that.
- It does not replace a passport used for international travel such as visiting Canada or other countries.
- It does not include an RFID chip in it. The Enhanced Driver's License (EDL) does have the chip in it which provides information to a federal database.

### **Why is it important to move forward now?**

- The U. S. Department of Homeland Security requires all states to be compliant by October 1, 2020, with no further waivers provided (perhaps earlier if North Dakota does not get a waiver following the current extension valid through October 10, 2017.)
- It is important to move forward because it will take one year to obtain equipment and update software needed for processing the documents.
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