

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2019**

Amendment to: HB 1544

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>				\$3,500,000		
<b>Appropriations</b>				\$3,500,000		

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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 creates a mobile driver/identity credential.

- 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.*

Section 1 directs NDDOT to implement a computerized licensing system that allows a licensed motor vehicle operator to provide electronic proof of valid licensing on an electronic communications device. The costs associated with implementation of this provision are based on input from industry and other jurisdictions.

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.*

This measure as written would not impact revenues.

- 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.*

The cost estimate reflects the cost to modify our computer systems to provide the mobile functionality. We estimate it would cost \$3.5 million for these modifications.

- 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 executive budget did not include the costs associated with this bill. Accordingly, NDDOT would need \$3.5 million additional appropriation authority to implement the provisions of this bill.

**Name:** Glenn Jackson

**Agency:** NDDOT

**Telephone:** 328-4792

**Date Prepared:** 01/16/2019

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2019**

Bill/Resolution No.: HB 1544

- 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.*

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**Name:** Glenn Jackson

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**Date Prepared:** 01/16/2019

**2019 HOUSE TRANSPORTATION COMMITTEE**

**HB 1544**

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Transportation Committee Fort Totten Room, State Capitol

HB 1544  
1/24/2019  
31434

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature Jeanette Cook
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### Explanation or reason for introduction of bill/resolution:

A BILL relating to electronic operators' licenses; and relating to the renewal of operators' licenses.

### Minutes:

Attachment 1-2
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**Vice Chairman Rick C. Becker** opened the hearing on HB 1544.

**Representative Sebastian Ertelt**, District 26, introduced HB 1544. Written testimony was provided. See attachment #1.

**Representative Kading:** If you have your license on your phone and get pulled over, are you obligated to give the officer your phone?

**Rep. Ertelt:** I don't know the answer to that.

**Representative Grueneich:** I like the concept, but how did it get such a crazy fiscal note?

**Rep. Ertelt:** I am not sure, but I will tell you that I am not too concerned about it. There are currently 650,000-700,000 license holders in the state. If you divide that into the cost, it is fairly minimal for savings well into the future.

5:15

**Glenn Jackson, North Dakota Department of Transportation, Driver's License Division,** spoke to support HB 1544 and provided written testimony. See attachment # 2.

**Glenn Jackson:** In response to Representative Kading's question, #1 nobody wants to have law enforcement have to touch someone's smart phone. One idea of what might happen is when an officer pulls up to a vehicle, they use a Bluetooth system to ping the vehicle. If someone is in the car that has a mobile driver's license, it will ping their driver's license to ask if they will share their information. They may select yes. The two will connect, and the two share information. The other way may be a QR code on a card. When the officer walks up to the window, the driver scans that, and it does the same thing, which is share the information with law enforcement. There will never be anyone taking, touching, or holding a

smart phone back to a vehicle to look through it. Privacy and security is far too important; we won't do that.

**Representative Paur:** This biennium I have received more calls about problems with the driver's license system than I ever have. Has something changed in the last few years?

**Glenn Jackson:** Not that I am aware of.

**Representative Nelson:** Are we looking at eliminating the driver's license like we carry now and just having it in electronic form?

**Glenn Jackson:** Currently, we are looking at just adding this, but not getting away from the physical card. There has to be a certain point in time that we have a higher level of confidence in the connectivity at all times, or the system has to be designed in some way. We were going to pilot one in about two months, but then this bill came up. When you are offline, their concept shows the last time it was validated.

**Representative Jones:** There is a section that talks about someone going to a school to take a test. Is this where the director will adopt the rules to actually get it figured out, so people can do it close to their own location?

**Glenn Jackson:** This summer we are looking at putting in a RFP to upgrade our digital driver's license system. It is not the mainframe; not the platform we are on, it is just the actual system used to process photos and information so we can issue the credentials. As part of the RFP update we are going to roll the testing process into the RFP. As part of the testing process, we want to adapt the same rules as other people are using, which allow people to take a proctored test away from a driver's license office. Right now we are thinking classroom, drivers' education classes and things like that. They would be able to take the written knowledge test in a **proctored manner at the school**. Then get their certificate of completion and bring it in to us. We could then use it, so they don't have to take a test every time. That will be something we are going to do that is not part of this bill.

**Vice Chairman Rick C. Becker:** You indicated that you are going to do a pilot program on this. If this bill is passed, would a pilot program be part of the roll-out?

**Glenn Jackson:** We were going to do a pilot, but the group that was going to do the pilot with us would want to bid our RFP 4 and actual system. If they did the pilot and had access to our system, they would gain some knowledge of our system. But if we did it now and there was a year's gap, before we did it and the RFP, then there wouldn't be enough connectivity for anyone to think that was improper. With the bill as it came out, and if we have to do the RFP this year because the bill passes, they didn't want to participate because they wouldn't be able to bid. We will just go straight to the RFP process.

**Vice Chairman Rick C. Becker:** If you were going to figure out how to roll out a pilot program, then that would, in theory, make the subsequent roll-out of the entire program less expensive. If we had done it with the pilot program with your existing budget, would it make the fiscal note be 30% less.

**Glenn Jackson:** The pilot was going to be free. We were trying to work with South Dakota and Manitoba to get them to join us. It would be three different jurisdictions trying to do different various interoperability tests to make sure that it didn't just work in North Dakota, but everywhere else. We were looking at that as a learning exercise. As far as costs are concerned, that will be system upgrades, system modifications and things we have to do. I put \$3.5 million in the fiscal note, but I also put in a note that it could be \$2.5 million. We are not **exactly** sure what it will cost. If we had a pilot working and try to leverage that, I don't think it would reduce the cost of the modifications that we'd have to make to implement the final product.

**Representative Kading:** Within this bill I don't see any constraints of privacy. What would stop law enforcement from picking a system that allows pinging a phone?

**Glenn Jackson:** That is a difficult question to answer. If someone wants to violate someone's privacy, it doesn't matter how many rules we put in the books, it will still happen. We have the driver privacy protection Act, which is part of Chapter 33. We have more privacy rules and restrictions. Our program of implementing the individual driver's license is only going to provide a different means of showing the information. It will not go outside of the rules of privacy that we currently have. Law enforcement through the CGIS program can access our data base. I get a report every Monday that tell me which law enforcement agents have accessed it how many times this past week. If we see someone apparently beginning to abuse it, we can go back and ask why. We have kicked a couple of people out because they have. There will be robust reporting with the program. We will see if there is a way to add checks and balances into it. The important piece is that as an owner of the phone, and I am driving down the road and doing nothing wrong, even if someone pings me, I don't have to give permission to get my information.

**Representative Kading:** Does that need to be in the bill that we need to say yes?

**Glenn Jackson:** I'm not sure it would need to be in the bill. It would be something in the implementation process, working with law enforcement, marketing it to people to let them know. If you get a mobile DL they will have to come in to get the technology on their phone. They will be advised of the rules and regulations.

**Representative Jones:** Will the ping alert the driver, and the driver must give the affirmation that it is ok to send the information?

**Glenn Jackson:** That is correct.

There was no further testimony in support of HB 1544.

There was no testimony in opposition to HB 1544.

The hearing on HB 1544 was closed.



# 2019 HOUSE STANDING COMMITTEE MINUTES

## Transportation Committee Fort Totten Room, State Capitol

HB 1544  
1/24/2019  
#31435

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature Jeanette Cook
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### Explanation or reason for introduction of bill/resolution:

A BILL relating to electronic operators' licenses; and relating to the renewal of operators' licenses.

### Minutes:

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**Chairman Ruby** brought HB 1544 back before the committee.

**Vice Chairman Rick C. Becker** reviewed the hearing information, since Chairman Ruby was in another hearing at the time of the hearing.

**Chairman Ruby:** Was there any discussion about using the electronic driver's license for an ID when voting?

**Vice Chairman Rick C. Becker:** No discussion was brought, but I don't think that would be a problem since this would be a valid ID.

Review of **Glen Jackson's** testimony.

**Chairman Ruby:** It doesn't look like they are going to charge for this service. Maybe they should because people who want this will probably pay to have it.

**Representative Owens:** Mr. Jackson did mention that the more people who used the electronic DL would eventually see less traffic and lose FTEs.

**Representative Weisz:** Did we approve a full new driver's license system in another session?

**Chairman Ruby:** I don't remember that. Should we hold this and ask Glenn Jackson to come back and give us some more information?

**Representative Owens:** I have to admit with the amount of information that is provided to them, scanned documents for real ID, I am concerned about cyber security. You can do a lot with a person's name and birthday.

**Chairman Ruby:** There are a lot of Apps that you can put on your phone that require your personal information. So, people are already exposed the way it is now.

**Representative Owens:** That is not the government doing it.

**Representative Kading:** I would agree with Representative Owens. I think there are Fourth Amendment issues here. I know it is going this direction, but from the outset we have to be very careful to make sure we are protecting people and making sure that law enforcement can't just get your information on a whim.

**Vice Chairman Rick C. Becker:** Mr. Jackson testified that would not be a pull for the data; it would be a push. Would your concerns be eliminated if it said in the bill that the data would have to be pushed? That would mean you would have to go on your phone and say, "Yes, send data."

**Representative Owens:** I believe they did say that. It would be better, if it were actually in the bill.

**Representative Kading:** It would for me.

**Chairman Ruby:** We will hold the bill and get Glenn back to answer a few more questions.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Transportation Committee Fort Totten Room, State Capitol

HB 1544-3  
1/31/2019  
#31946

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature   Jeanette Cook
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### Explanation or reason for introduction of bill/resolution:

A bill relating to electronic operator's licenses; and relating to the renewal of operator's licenses.

### Minutes:

Attachment 1
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**Chairman Ruby** brought HB 1544 back before the committee.

**Representative Kading** provided amendments for HB 1544. See attachment #1. This addresses concerns about Fourth Amendment rights.

**Chairman Ruby:** Department of Transportation seems to be okay with this overall. There is a large fiscal note, which would be for the modification of the computer system.

**Representative Kading moved the amendments for HB 1544.** It doesn't mean that I will support the bill, but if it goes to the floor, I think that we should at least protect our rights.  
**Vice Chairman Rick C. Becker seconded the motion.**

**Representative Hanson:** Is the information on a driver's license public information?

**Representative Kading:** In part it is, but when an officer comes up to you, you don't have to tell them who you are. That is constitutional law.

**Representative Hanson:** If that is the law today, then how would it not apply if the license is in physical form or electronic form?

**Representative Kading:** I think that it would create a new gray area in the law. If you were to litigate it, attorneys could argue that this is a different form of communication.

**Chairman Ruby:** You can say that you don't have to show your license, but law enforcement will detain you until they determine who you are.

**Representative Kading:** Under constitutional law you have the right to leave the scene if there is no cause.

**A voice vote was taken on the amendment. The motion carried.**

**Representative Paulson:** We should add into the amendment that the information needs to be pushed when officer requests the information.

**Representative Kading:** The amendment does that.

**Vice Chairman Rick C. Becker:** I agree. It does that.

**Representative Grueneich:** I am going to resist the bill. The amendment makes it better, but the \$3.5 million is my biggest concern. It seems like every bill we get from the Department of Transportation has an upgrade.

**Representative Jones:** I'm confused about what we gain here. When I get pulled over, they already know who I am.

**Representative Weisz:** Is this \$3.5 million for a whole rewrite for the driver's license system, or does it just do what is in this bill?

**Representative Kading:** If we pass this bill, they don't have to spend the whole appropriation. Appropriations would have to approve the system in some for or the other. How would they get the \$3.5 million?

**Chairman Ruby:** It would get put in their budget and line itemed for this purpose.

**Representative Weisz:** I think that they might just be using this for a rewrite of the driver's license system.

**Representative Grueneich moved a DO NOT PASS as amended on HB 1544.**

**Representative Paulson seconded the motion.**

**A roll call vote was taken: Aye 10 Nay 4 Absent 0**

**The motion carried.**

**Representative Jones will carry HB 1544.**

DE 1/31/19

19.1040.01003  
Title.02000

Adopted by the Transportation Committee

January 31, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1544

Page 1, line 15, after "3." insert "A law enforcement officer may not scan, retrieve, or in any other manner request electronic possession of any information contained on a electronic operator's license without permission from the licensed motor vehicle operator.

4. If a law enforcement officer requests identification via electronic method, the computerized licensing system must display to the licensed motor vehicle operator whether the officer has reasonable suspicion the licensed motor vehicle operator is in violation of the law.

5."

Renumber accordingly

Date: 1-31-14  
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1544

House Transportation Committee☐ Subcommittee

Amendment LC# or Description: 19.1040.01003 (Attach.#1)

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 Xading Seconded By Becker

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY			REP LAURIEBETH HAGER		
VICE CHAIR BECKER			REP KARLA ROSE HANSON		
REP JIM GRUENEICH			REP MARVIN NELSON		
REP TERRY JONES					
REP TOM KADING					
REP EMILY O'BRIEN					
REP MARK OWENS					
REP BOB PAULSON					
REP GARY PAUR					
REP ROBIN WEISZ					
REP GREG WESTLIND					

Total	(Yes)	No
10	7	3

Absent

## Floor Assignment

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

Date: 1-31-19  
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1544

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 Grueneich seconded By Paulson

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY	X		REP LAURIEBETH HAGER	X	
VICE CHAIR BECKER		X	REP KARLA ROSE HANSON		X
REP JIM GRUENEICH	X		REP MARVIN NELSON	X	
REP TERRY JONES	X				
REP TOM KADING		X			
REP EMILY O'BRIEN	X				
REP MARK OWENS	X				
REP BOB PAULSON	X				
REP GARY PAUR	X				
REP ROBIN WEISZ		X			
REP GREG WESTLIND	X				

Total (Yes) 10 No 4

Absent 0

Floor Assignment Jones

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

**REPORT OF STANDING COMMITTEE**

**HB 1544: Transportation Committee (Rep. D. Ruby, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1544 was placed on the Sixth order on the calendar.

Page 1, line 15, after "3." insert "A law enforcement officer may not scan, retrieve, or in any other manner request electronic possession of any information contained on a electronic operator's license without permission from the licensed motor vehicle operator.

4. If a law enforcement officer requests identification via electronic method, the computerized licensing system must display to the licensed motor vehicle operator whether the officer has reasonable suspicion the licensed motor vehicle operator is in violation of the law.

5."

Renumber accordingly



**2019 TESTIMONY**

**HB 1544**

Testimony in Support of House Bill 1544  
Rep. Sebastian Ertelt  
ND District 26

HB 1544  
1-24-19  
#1  
p.1

Chairman Ruby and Members of the Committee,

For the record, I am Representative Sebastian Ertelt, representing North Dakota District 26, which includes all of Sargent County, the eastern half of Dickey County, the southern half of Ransom County, and the western half of Richland County. This is a primarily rural district with small communities of less than 2,500 people. There is only one location in the district that offers drivers license services 6 hours per month on a single day. It is no surprise that I have received numerous requests from the residences of District 26 to address the issue of access to drivers license services.

House Bill 1544 intends to do just that, for rural districts such as mine, and across the entire state. The initial draft of this bill had a much different approach. I initially sought to bring drivers license services from the 8 full-time and 11 part-time sites across the state and add them to the county treasurers' offices as some counties already offer vehicle registration services. After consultation with the North Dakota Association of Counties and the Drivers License Division of the North Dakota Department of Transportation, the bill has taken the form you see before you.

The bill does basically two things. First, it would allow the issuance of electronic drivers licenses. Second it allows for the continual renewal of drivers licenses by mail or online. The bill does not allow for a change to the photo or other information on the face of the license, including residential address. Although not included in the bill, the intention was to include identification cards as well, which you will hear in an amendment offered by the Drivers License Division.

Chairman Ruby and members of the committee, I thank you for your time today and urge a unanimous DO PASS recommendation on House Bill 1544 to improve access to drivers license services in the state. Since the state requires the license, it should to its best to provide the service at the least cost and burden to its citizens. Let's use available technology to do that.

HB1544  
1-24-19  
#1  
p.2  
(Rev. 9-1-18)

## DRIVERS LICENSE SITES

### LUNCH HOUR SCHEDULE

All sites closed from 12:00-1:00 pm except Bismarck, Minot, Grand Forks, and Fargo.

All offices are ADA and LEP accessible. TTY users may call Relay North Dakota at 711.

Questions: 1-855-633-6835

If you want to make an appointment, go to <http://appt.dl.dot.nd.gov>

ONLINE RENEWAL NOW AVAILABLE FOR CLASS D AND DM DRIVERS! VISIT [dot.nd.gov](http://dot.nd.gov)

CITY	PLACE	DAYS	TIMES
Beulah	Civic Center, 250 7 <sup>th</sup> St NE	2 <sup>nd</sup> & 4 <sup>th</sup> W	9:40 AM-3:20 PM
Bismarck	NDDOT, 608 E Blvd Ave (east doors)	M,Tu,W,Th,F	7:30 AM-4:45 PM
Bottineau	Armory, 115 6 <sup>th</sup> St W	1 <sup>st</sup> & 3 <sup>rd</sup> Tu	9:40 AM-3:05 PM
Bowman	City Hall, 100 1 <sup>st</sup> St E	1 <sup>st</sup> W	9:40 AM-3:20 PM
Devils Lake *	516 Hwy 2 E	M,Tu,Th,F	8:00 AM-4:45 PM
Dickinson *	T-Rex Plaza, 1173 3 <sup>rd</sup> Ave W, Ste 37	M,Tu,Th,F	8:00 AM-4:45 PM
Fargo	NDDOT, 503 38 <sup>th</sup> St S	M,Tu,W,Th,F	7:30 AM-4:45 PM
Grafton	701 W 6 <sup>th</sup> St	1 <sup>st</sup> & 3 <sup>rd</sup> Tu	9:20 AM-3:45 PM
Grand Forks	NDDOT, 1951 N Washington St	M,Tu,W,Th,F	8:00 AM-4:45 PM
Harvey	Armory, 120 W 8 <sup>th</sup> St	3 <sup>rd</sup> W	9:45 AM-3:20 PM
Jamestown	300 2 <sup>nd</sup> Ave NE, Suite 139	M,Tu,Th,F	8:00 AM-4:45 PM
Linton	Community Center, 101 1 <sup>st</sup> St NE	3 <sup>rd</sup> W	9:40 AM-3:30 PM
Minot	Arrowhead Ctr, 1600 2 <sup>nd</sup> Ave SW	M,Tu,W,Th,F	8:00 AM-4:45 PM
Oakes	Armory, 124 S 5 <sup>th</sup> St	2 <sup>nd</sup> W	10:00 AM-3:00 PM
Rolla	City Hall, 14 1 <sup>st</sup> St SE	1 <sup>st</sup> W	10:20 AM-2:35 PM
Valley City	VFW, 138 Main St E	1 <sup>st</sup> & 3 <sup>rd</sup> W	9:00 AM-4:00 PM
Wahpeton	Senior Ctr (north door), 520 3 <sup>rd</sup> Ave S	1 <sup>st</sup> & 3 <sup>rd</sup> Th	9:20 AM-3:40 PM
Watford City	112 2 <sup>nd</sup> Ave NE (Library)	1 <sup>st</sup> & 3 <sup>rd</sup> W	9:40 AM-3:40 PM
Williston	NDDOT, 537 Dakota Parkway W	M,Tu,Th,F	8:00 AM-4:45 PM

\* Devils Lake and Dickinson also open 2<sup>nd</sup> & 4<sup>th</sup> W

**NOTE:** If you have an address change you will need to provide documented proof.

**Road Tests:** By appointment only at <http://roadtest.dl.dot.nd.gov> or dial toll-free at 1-855-633-6835

**Road Tests** conducted in:

*Fargo, Grand Forks, Devils Lake, Jamestown, Bismarck, Williston, Dickinson, and Minot*

**Knowledge Tests:** No appointment needed but encouraged. Arrive no later than one hour prior to noon if testing at an office that closes for lunch, and no later than one hour prior to closing. Allow yourself extra time if you will be taking more than one knowledge test.

### HOLIDAY SCHEDULE

Sites will be closed on the following holidays:

New Year's Day, January 1; Martin Luther King Jr. Day, the third Monday in January; President's Day, the third Monday in February; Good Friday, the Friday preceding Easter Sunday; Memorial Day, the last Monday in May; Independence Day, July 4; Labor Day, the first Monday in September; Veterans' Day, November 11; Thanksgiving Day, the fourth Thursday in November; Christmas Eve, December 24 (offices close at noon); Christmas Day, December 25.

If January 1st, July 4<sup>th</sup>, November 11<sup>th</sup>, or December 25<sup>th</sup> falls on a Sunday, the following Monday shall be the holiday. If these holidays fall on a Saturday, the preceding Friday is the holiday.

**HOUSE TRANSPORTATION COMMITTEE**  
**January 24, 2019; 2:15 PM; Ft. Totten Room**

**North Dakota Department of Transportation**  
**Dr. Glenn Jackson, Director, Driver's License Division**  
**HB1544**

HB1544  
1-24-19  
#2  
P.1

Mr. Chairman and members of the Committee, good morning, my name is Dr. Glenn Jackson, Director of the Driver's License Division for the North Dakota Department of Transportation (DOT).

HB1544 provides for the implementation of the Mobile DL and changes in the renewal process that enable both an improvement in services and the beginning of a reduction in long term costs of government.

Section 1 of the bill simply enables the department to implement a Mobile DL/identification system.

Section 2 of the bill allows for continuous online renewal from the first licensure until age sixty-five.

This supports the concept of completing services without the need to visit an office.

This technology would bring with it several opportunities, such as establishing a wallet concept where multiple licenses could be carried simultaneously. These could be fishing or hunting licenses, or other items, such as identification of individuals authorized as responders during an emergency; there are many ways this mobile identity could be used in addition to standard uses. With an upgrade to our digital driver license system and a shift away from mainframe onto a modern platform, the photo can eventually be taken from a smartphone and uploaded to be used to update the record, eliminating the need to walk into an office for renewal, just to take a photo.

There is always concern about the address. Our data is provided to the Voter File, and we work hard to ensure it is accurate. We are pursuing technology that would enable us to accept utility bills that are imaged, as evidence of an address. For example, today you can take a photo of the front and back of a check and deposit it in your account without having to go to the bank. Perhaps we can leverage this type of technology using artificial intelligence to scan and evaluate documents for credibility and use them. We will see, but the idea is we are moving in a new direction.

These changes, when added to the other technology changes we are pursuing, will finally bring us to a point we have discussed many times. When does technology begin to reduce staff and enable a reduction in long term costs of government? These changes put us in the position to do that. Imagine, if you will, that one day soon an individual can take their written test in a classroom at school, come to an examiner office to be issued their very first credential – a learner's permit, and then come back to take the skill test, and upon licensure, never have to come back to an examiner's office until they turn sixty five. The reduction in foot traffic this bill

could generate should lead to a reduction of a significant amount of staff, while providing services to our citizens at their most convenient place and time in the comfort of their own home.

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P.2

There is one area of the bill we need modified. The verbiage in the bill does not include identification cards, which will also be digital. To overcome this limitation, we propose a very slight modification of the bill. Please see attachment.

This would not eliminate the need for office visits, but it would greatly reduce the ones for the single purpose of renewing the license. We urge the committee to modify the bill as provided, and after such modification, to provide a do pass recommendation to this bill.

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

Attachment 1. Proposed Modification HB1544

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Section 1.

**Electronic operator's license.**

1. The department shall implement a computerized licensing and identification system that allows a licensed motor vehicle operator or a photo identification card holder to provide electronic proof of valid licensing and identification on an electronic communications device.
2. The electronic proof of valid licensing and identification may be used:

Section 2.

10. A noncommercial applicant for an operator's license or a photo identification card may not renew by mail or electronically if the applicant is seeking a new photo or changes to the information on the face of the physical operator's license or identification card.

HB 1544 #1  
1-31-19

19.1040.01002  
Title.

Prepared by the Legislative Council staff for  
Representative Kading  
January 31, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1544

Page 1, line 15, after the "3." insert "A law enforcement officer may not scan, retrieve, or in any other manner request electronic possession of any information contained on a electronic operator's license without permission from the licensed motor vehicle operator.

~~4. The computerized licensing system must require a law enforcement officer to verify there is reasonable suspicion the licensed motor vehicle operator has violated an ordinance or state law for which identification is required.~~

5. If a law enforcement officer requests identification via electronic method, the computerized licensing system must display to the licensed motor vehicle operator whether the officer has reasonable suspicion the licensed motor vehicle operator is in violation of the law.

6."

Renumber accordingly