

- 2) Prohibits a licensee from renewing his or her driver's license by mail two consecutive times.

COMMENTS:

- 1) *Purpose.* According to the author, "this is a simple measure that aims to have less people head into the DMV to update their license. The pandemic has shown us that in extraordinary times, Californians can renew from the safety of their own home. That we know of, there have been no issues with this. This bill just provides an additional three years for 25 to 70 before they have to renew all together."
- 2) *How do we renew driver's licenses now?* Approximately 30 million Californians hold a driver's license or identification card issued by DMV. Currently an individual must renew his or her driver's license every five years. While an original driver's license must be obtained at a DMV field office, DMV allows an individual to renew his or her license by mail up to two consecutive times, with every third renewal taking place in person. This process means an individual only needs to physically visit a DMV field office once every 15 years. When an individual renews his or her license in person, he or she must also complete a vision exam, on some occasions a written knowledge test, and have his or her photograph updated.

As with DMV vehicle registration renewals, driver's license renewal transactions can be conducted by mail or online. In 2018-2019, DMV renewed 6 million driver licenses, with approximately 1.9 million transactions occurring online or through the mail. Approximately 4.1 million renewal transactions were performed in a DMV field office. In total, DMV handled 20.2 million field office visits in 2019, with renewal transactions accounting for roughly 20%.

- 3) *REAL ID.* There has been an increase in field offices visits for driver's license renewals in recent years with the full implementation of the REAL ID Act. The REAL ID Act requires state-issued driver licenses and identification cards meet minimum identity verification and security standards in order for them to be accepted by the federal government for official purposes, such as accessing most federal facilities or boarding federally regulated commercial aircraft. Due to the COVID 19 pandemic, the federal government extended the deadline for compliance with REAL ID to October 1, 2021. After that date only REAL ID compliant driver licenses or ID cards, and other federally acceptable forms of ID (such as a passport) can be used for these purposes. Individuals initially applying for a REAL ID compliant driver license or ID card must visit a field

office and provide certain specified documents that DMV staff verify and scan. Therefore, individuals who would have been able to renew their driver's license or ID through the mail or on-line are visiting a DMV field office. As of January 2021, there are 9.6 million Californians with a REAL ID-compliant driver's license or ID. Once individuals been issued their REAL ID, they will be able to renew through the mail or online.

- 4) *REAL ID, COVID-19, and DMV wait times.* The increase in individuals visiting field office for a REAL ID compliant driver's licenses dramatically increased wait times at the DMV. In fact, at its peak, some individuals visiting certain offices could experience wait times of several hours. For example, average wait times for a non-appointment customer averaged 114 minutes in August 2018. After increased budget resources and implementation of new measures to change DMV operations, average wait times for a non-appointment customer was reduced to 37 minutes in December 2019.

In March 2020, the COVID-19 pandemic caused the shutdown of most state facilities. DMV field offices remained open to the public for limited appointments and walk-in, in-person transactions. Governor Gavin Newsom, through deceleration of a State of Emergency and a series of executive orders, authorized DMV to implement measures to allow more transactions to occur without having to visit a DMV field office. For example, seniors over age 70 can now renew their driver's license online. This was in addition to a one-year extension for senior driver's license renewals for those expiring from March – December 2020. It is unclear if these options will remain after the pandemic ends, as the DMV notes that they are part of the COVID-19 emergency response. As of January 2021, DMV wait times for non-appointment customers averaged 22 minutes.

- 5) *SB 486 extends driver's licenses from five to eight years.* SB 486 would extend the period for a driver's license renewal from five years to eight years for persons between the ages of 25 and 70, with every other renewal taking place in person. An eight-year renewal period is allowed under the REAL ID Act, and roughly, 20 states allow eight-year renewals. This would mean that an individual could renew his or her license by mail or online one time after eight years. They would be required to renew in person at the DMV every 16 years.
- 6) *Does SB 486 save trips to the DMV?* Under SB 486, individuals would only be required to come into a DMV field office for an in-person renewal once every 16 years instead of once every 15 years. It is unclear if this would reduce the number of DMV field office visits or alleviate customer wait times. As noted, wait times have significantly decreased, including pre-COVID-19, and as

individuals come into compliance with REAL ID the number of in-person DMV visit should decrease.

- 7) *Is this the right time for change?* As noted, the DMV is currently managing the increased in-person visits from individuals trying to meet the deadline for a REAL ID-complaint driver's license or ID by October 1, 2021. Additionally, there have been numerous changes in the operation of the DMV during the COVID-19 emergency and it is unclear whether any of those will continue after the end of the pandemic. Changing the renewal schedule for driver's licenses from five to eight years would be a major undertaking for DMV, and coupled with all that is currently happening; this is likely not the right time.
- 8) *SB 486 creates two systems.* SB 486 would essentially create two systems for license renewals to be implemented and managed by the DMV. Those individuals under 25 years of age who obtain an original driver's license would remain on the five-year renewal cycle until they are 25, but would only be able to renew once online or by mail. For example, if an individual obtains a license at 17 years of age, they would be eligible to renew online or by mail at age 22 for five more years. However, at age 27, they would be required to come into a DMV field office after a total of ten years. At that time, they would obtain a driver's license on the eight-year renewal cycle.

It is also anticipated it would take many years to get current license holders onto the new renewal schedule. It is unclear what implications this would have for DMV administration and possible confusion for driver's license holders.

- 9) *Problems with the Motor Vehicle Account?*
When an individual obtains an original driver's license or a renewal, they are charged a \$38 fee. Those fees collected, plus vehicle registration and other fees, are deposited into the Motor Vehicle Account (MVA). The MVA has been fiscally constrained for a number of years and is projected to have a negative fund balance beginning in 2024-25. The DMV and the California Highway Patrol are predominately funded by the MVA. In 2018-19, the renewal of driver's licenses generated roughly \$216 million, of the total \$4 billion MVA revenues, with vehicle registration and other fees making up the total. The current system requires individuals to pay this \$38 fee every five years. SB 486 would extend this time to eight years. It is unclear what financial impact this would have on the MVA, but would likely result in a decrease in revenue.

RELATED LEGISLATION:

AB 1049 (Melendez, 2017) — would have extended the period of time before a driver's license expires from five years to eight years for persons between the ages of 25 and 70 and prohibited a licensee from renewing his or her driver's license by mail two consecutive times. AB 1049 failed passage in the Assembly Transportation Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

None received.

OPPOSITION:

None received.

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