

**BILL #** HB 2067

**TITLE:** driver license renewal; seniors

**SPONSOR:** Gleason

**STATUS:** As Amended by House Transportation

**REQUESTED BY:** House

**PREPARED BY:** Bob Hull

**FISCAL YEAR**

	<b>2001</b>	<b>2002</b>	<b>2003*</b>
<b>EXPENDITURES</b>			
State Highway Fund	\$-0-	\$-0-	\$-0-
<b>REVENUES</b>			
State Highway Fund	\$-0-	\$-0-	\$-0-

\*The bill would have a net cost of \$(507,900) to the State Highway Fund beginning in FY 2006.

**FISCAL ANALYSIS**

**Description**

The amended bill would change the driver license renewal period from 5 years to 2 years beginning at age 75, effective July 1, 2003. In addition, if a person 75 or older were convicted of a moving traffic violation, the Arizona Department of Transportation (ADOT) would be required to order the person to successfully complete traffic survival school. If a person receives a second conviction during the term of their license, ADOT must give them a driving test. In the original bill, driving tests were mandatory to renew one's license.

**Estimated Impact**

The amended bill would have a net annual impact of \$(507,900) to the State Highway Fund, including increased revenue of \$461,100 and an increased cost of \$(969,000), beginning with FY 2006. This is the same estimated fiscal impact as the fiscal note on the original bill, since ADOT's marginal cost of \$9.00 per field office driver license transaction was used for both the original bill and the amended bill. This \$9.00 estimate makes no distinction between whether or not the transaction includes a driving test. In reality, the cost of the original bill should have been higher since it would have required more extensive driving tests than normal, and the marginal cost would have been higher than \$9.00 per transaction. On the other hand, the amended bill would have some additional cost for an unknown number of people with 2 moving traffic violations during the term of their license, who would have to take driving tests which are separate from the driver license renewal process.

**Assumptions**

Currently driver licenses are renewed for 5-year periods from age 60 on, and cost the applicant \$10 per renewal. With the amended bill's 2-year renewal cycle for drivers age 75 and up, the number of annual renewals would increase by 107,672 beginning in FY 2006, when we would start to see the impact of 2-year renewals. Under the amended bill, each driver license renewal applicant age 75 and older would be required to pass a vision test, but not a driving test. Annual revenues would increase by \$1,076,700 to the Highway User Revenue Fund, including \$461,100 to the State Highway Fund and \$615,600 to local governments.

(Continued)

### **Assumptions (Continued)**

In a separate provision, the amended bill would require a person 75 or older, who was convicted of a moving traffic violation, to successfully complete traffic survival school. If such a person received a second violation during the term of their license they would then have to take a driving test. Currently, 6,021 people aged 75 and older have had 2 or more violations. It is unknown how many of these people would have had to take a driving test under the provisions of the amended bill, since violations stay on a person's record for 5 years. No cost estimate is made for ADOT sending these people with one violation to traffic survival school or for giving people with 2 violations during the term of their license additional driving tests which are separate from the driver license renewal process.

ADOT reports a marginal cost of \$9.00 per field office driver license transaction, for an annual increased cost of \$(969,000) for 107,672 transactions. The \$9.00 cost for a driver license transaction makes no distinction between whether or not the transaction includes a driving test.

The bill would be effective beginning with Fiscal Year 2004.

### **Local Government Impact**

Annual revenues to local governments would increase by \$615,600 from the Highway User Revenue Fund, including increases of \$328,400 for cities, \$204,600 for counties, and \$82,600 for controlled access highways in Maricopa and Pima counties.

### **Amendments**

The original bill would have required each driver license renewal applicant age 75 and older to pass a vision test and a basic driving test. The bill as amended by the House Transportation Committee retains a vision test, but eliminates the requirement for a driving test. In a separate provision, the amended bill would require a person 75 or older, who was convicted of a moving traffic violation, to successfully complete traffic survival school. If such a person received a second violation during the term of their license they would then have to take a driving test which would be separate from the 2-year term of the driver license renewal process.