



Oregon Department of Transportation

Driver and Motor Vehicle Services

HOUSE BILL 3624 REPORT REPORT ON IMPLEMENTATION OF SENATE BILL 1080

STANDARDS FOR ISSUANCE OF OREGON DRIVER LICENSES AND IDENTIFICATION CARDS

Tom McClellan, DMV Administrator

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Background

Senate Bill 1080 (2008 Supplemental Session) tightened documentation and identity verification requirements for the issuance, replacement and renewal of Oregon driver licenses, driver permits and identification cards. The law was signed by the Governor on March 11, 2008, and partially implemented on July 1, 2008.

Governor Kulongoski's Executive Order No. 07-22 imposed similar requirements when it was implemented nearly five months earlier, on February 4, 2008. The executive order directed DMV to tighten identity requirements and verify the social security number (SSN) of applicants. Although the executive order did not require proof of United States (U.S.) citizenship or legal presence, applicants who did not have a verifiable SSN were required to submit U.S.-issued identity documents such as a U.S. passport or U.S. immigration document with a valid foreign passport. The executive order had minimal impact on U.S. citizens, but significantly impacted non-citizens who did not possess a valid SSN since U.S. immigration documents were required. As a result, many applicants who were not legally in the United States were unable to receive a driver license or ID card as of February 2008.

SB 1080 put provisions of the executive order into statute, expanded the new requirements to all applicants, and added some additional requirements. The new law applies to everyone who applies for a driver license or ID card, no matter who they are, how long they have had an Oregon license, or how long they have lived in the state.

As required by SB 1080, the Department implemented the bill in three phases:

- Phase 1 required the presentation of documents proving legal presence, SSN and full legal name (implemented on July 1, 2008)
- Phase 2 required the verification of legal presence documents using the federal Systematic Alien Verification for Entitlements (SAVE) program (implemented on January 1, 2009)
- Phase 3 will require the issuance of limited term cards that expire when immigration documents expire (to be implemented on January 1, 2010).

This report was prepared in accordance with House Bill 3624 (2008 Special Session), which requires that:

The Department of Transportation shall prepare and submit an annual report to each regular session of the Legislative Assembly and to the appropriate interim committees of the Legislative Assembly. The report shall describe the effects of the implementation of chapter 1, Oregon Laws 2008 (Enrolled Senate Bill 1080), by including data and analysis on:

- (a) The fiscal impact of chapter 1, Oregon Laws 2008 (Enrolled Senate Bill 1080).*
- (b) Changes in the rates of uninsured drivers in Oregon.*
- (c) Changes in the rates of unlicensed drivers in Oregon.*
- (d) Changes in the number of accidents occurring in Oregon, particularly accidents that involve:
 - (A) Injuries or fatalities when an uninsured or unlicensed driver is involved; and*
 - (B) Multiple-passenger accidents related to the transportation of laborers.**
- (e) Any trends in the information described in paragraphs (a) to (d) of this subsection, as compared to previous reports.*

Fiscal Impact

DMV is implementing SB 1080 in three phases over an 18-month period. The cost to implement SB 1080 has been approximately \$765,000 through November 2009. Some additional costs remain to complete the final phase of implementation on January 1, 2010. Approximately 75% of the implementation cost has been funded by a Department of Homeland Security grant.

Following is a summary of the fiscal impact of each phase of the implementation.

Phase 1: Effective July 1, 2008, SB 1080 required applicants to provide proof of legal presence, SSN and full legal name in order to obtain an original, renewal or replacement driver license, driver permit or identification card. The law also required DMV to electronically verify SSNs (electronic SSN verification was implemented on February 4, 2008, as required by Executive Order 07-22). SB 1080 also allowed the Department to renew or replace licenses and ID cards using a previous photo from the DMV database for individuals who were out-of-state and unable to come to a DMV office. The cost to implement Phase 1 was approximately \$175,000.

Phase 2: DMV began verifying immigration documents electronically on January 1, 2009. The SAVE system allows DMV to verify the validity of immigration status prior to issuing driver licenses, driver permits, and ID cards. Inclusion of a legal presence indicator on the customer record enables U.S. citizens and permanent legal residents to obtain future renewal or replacement licenses, permits and ID cards without submitting legal presence documents again. The cost to implement Phase 2 was approximately \$220,000. DMV secured a grant from the federal Department of Homeland Security to cover this cost in full.

Phase 3: Beginning January 1, 2010, DMV will issue limited term driver licenses, permits and ID cards to applicants with limited approved stays in the United States. Limited term cards will expire on the ending date of the customer's approved stay in the United States, or sooner if the regular expiration period for the privilege is less than the customer's approved length of stay. Customers who have an indefinite length of stay will receive a card that is valid for one year. SB 1080 specifies fees for the limited term cards that are lower than the fees charged for cards with a standard eight-year expiration period. The cost to implement Phase 3 has been about \$370,000 through the end of November 2009. Some additional costs will be incurred before implementation is completed on January 1, 2010. All costs to implement Phase 3 have been funded by a grant from the Department of Homeland Security.

Changes in the Rates of Unlicensed and Uninsured Driving and the Number of Accidents

House Bill 3624 requires the Department to present annual reports to the Legislature on changes in the rates of unlicensed drivers, uninsured drivers, accidents involving unlicensed or uninsured drivers, particularly those that involve injuries or fatalities, and multiple passenger accidents related to the transport of laborers¹.

Due to Oregon's eight-year driver license renewal period, it is expected that an increasing number of drivers will be unable to renew their driver license because they no longer qualify under the new

¹Data on multiple passenger accidents involving the transport of laborers cannot be reported because the employment status of passengers is not recorded on accident reports.

requirements of SB 1080. As a result, any change in the rate of uninsured or unlicensed drivers and in the number of accidents will most likely be gradual over an eight-year period. However, it is likely that factors other than the new requirements of SB 1080 may also affect the number of unlicensed and uninsured drivers and the number of accidents. These factors include the recent recession, an increase in the price of gasoline, and the high unemployment rate in Oregon.

Changes in the Rates of Uninsured and Unlicensed Driving: The general research design was to pull data on drivers involved in accidents in July 2007, July 2008, and July 2009. While it is arguable that drivers in accidents are not representative of Oregon drivers, accidents are the principle focus of concern for driver safety and financial responsibility. Accident involvement is of paramount concern in terms of transportation safety policy. Because unlicensed driving is an illegal and covert activity, unlicensed driving comes to light primarily through either accidents or traffic enforcement.

Traffic violations for unlicensed driving do not provide a credible alternative. Because a traffic stop requires probable cause, data based on traffic violations entails selection bias. In addition, the number of violations written for unlicensed driving is also influenced by the overall investment in enforcement, and the priority given by enforcement agencies to traffic enforcement versus other traffic patrol strategies.

July 2007 provides a good “base” period for the analysis because it was prior to implementation of the Governor’s Executive Order and SB 1080. The Executive Order, which included similar requirements to SB 1080, was implemented nearly five months before SB 1080. July was chosen for several reasons. First, this was the month that the most significant changes went into effect in 2008. Second, a single month will yield between 6,000 to 7,000 accident involvements, which is a sufficient number to yield reliable results. Finally, selecting data from the same month each year will tend to neutralize any seasonal patterns. Since there is a process in place for determining and verifying the insured status of drivers involved in accidents, the information on insurance status is very reliable. By manually reviewing driver records, it was possible to confirm the license status of each driver on the date of the accident.

The ODOT Research Section worked with DMV to select and analyze driver and accident records to determine the rate of unlicensed and uninsured driving in 2007, 2008, and 2009. A data file containing license and insurance information on all drivers in the sample was the basis for the research. Drivers were initially sorted into one of the following four groups based on the best available information about their license and insurance status:

- Group 1: Licensed and Insured
- Group 2: Licensed and Uninsured
- Group 3: Unlicensed and Insured
- Group 4: Unlicensed and Uninsured

For purposes of this research, the following definitions were used:

- *Unlicensed:* A resident of Oregon whose license was not valid on the date of the accident. Unlicensed drivers include the following:
 - Never licensed in Oregon
 - License expired, but not suspended, revoked, or cancelled
 - License expired and suspended, revoked, or cancelled
 - License not expired, but suspended, revoked, or cancelled
- *Licensed:* A resident of Oregon who had a valid Oregon driver license on the date of the accident. The license was not suspended, revoked, or cancelled and the license was not expired at the time of the accident.
- *Uninsured:* A driver who received a Code 219 (Uninsured Accident) suspension with an accident reference number matching the date of the accident. Suspensions rescinded or vacated within three months of the accident date are excluded.

Non-resident drivers were eliminated from the sample, as it was not possible to verify license or insurance status. The initial data file showed license status as of the download date. Consequently, driver records for all drivers in Groups 2, 3 and 4 were manually reviewed to confirm license status on the date of the accident. Driver records and accident reports were used to manually confirm insurance status. A check of the driver records for a sample of drivers in Group 1 confirmed that the initial determination of license and insurance status was accurate in more than 99 percent of the cases, so there was no need to manually review the driver record. Based on the data collected from driver files, the final assignment of drivers to each group was made.

The license and insurance status information on each driver was compiled and the results analyzed. Table I presents the total number and percent for each group. Also included in the table are changes in each rate between 2007 and 2008 and for the two years between 2007 and 2009.

Table I: Rate of Unlicensed and Uninsured Driving in Oregon, July 2007, 2008 and 2009

Licensed/Insured Status	2007	2008	Change in Rate 2007 to 2008*	2009	Change in Rate 2007 to 2009*
Licensed Drivers					
Insured	6397 (93.0%)	5606 (93.5%)	0.5%(+)	5675 (91.9%)	1.1%(-)
Uninsured	177 (2.6%)	168 (2.8%)	0.2%(+)	247 (4.0%)	1.4%(+)
Unlicensed Drivers					
Insured	88 (1.3%)	78 (1.3%)	0%	64 (1.0%)	0.3%(-)
Uninsured	213(3.1%)	144 (2.4%)	0.7%(-)	193 (3.1%)	0
Total	6875 (100%)	5996 (100%)		6179 (100%)	

Source: Oregon Department of Transportation, Driver and Motor Vehicle Services

Notes:

- License status was determined by reviewing the driver records of all drivers involved in an accident that was reported to DMV to determine license status at the time of the accident.
- Insured status was determined by reviewing the driver records of all persons involved in an accident that was reported to DMV and determining if the driver received a suspension for an uninsured accident with an accident reference number matching the date of the accident.

* Rates of change shown in **boldfaced type** are significant at the .05 level

The data in Table I was used to develop three tables that highlight specific relationships in the results (Tables II-IV).

Table II: Relationship of License Status

License Status	2007	2007 (%)	2008	2008 (%)	2009	2009 (%)
Licensed	6574	95.6%	5774	96.3%	5922	95.9%
Unlicensed	301	4.4%	220	3.7%	256	4.1%
	6875	100.0%	5994	100.0%	6178	100.0%

From this we can conclude that unlicensed driving declined in both 2008 and 2009, compared to 2007.

Table III: Relationship of Insured Status

Insured Status	2007	2007 (%)	2008	2008 (%)	2009	2009 (%)
Insured	6485	94.3%	5682	94.8%	5738	92.9%
Uninsured	390	5.7%	312	5.2%	440	7.1%
	6875	100.0%	5994	100.0%	6178	100.0%

From this we can conclude that uninsured driving (based on accidents) decreased in 2008 but then increased in 2009.

Table IV: Relationship of Insured Status and License Status

Insured Status	2007	2007 (%)	2008	2008 (%)	2009	2009 (%)
Insured	6485	94.3%	5682	94.8%	5738	92.9%
Uninsured						
Licensed	177	2.6%	168	2.8%	247	4.0%
Unlicensed	213	3.1%	144	2.4%	193	3.1%
	6875	100.0%	5994	100.0%	6178	100.0%

From this we can conclude that the increase in uninsured accidents is concentrated among licensed drivers, and that the percent of drivers in accidents who are both unlicensed and uninsured is not increasing.

In short, there is no evidence that unlicensed driving is increasing and that while uninsured driving spiked in 2009, the increase is not associated with unlicensed driving, and is more likely the result of a weak economy.

Unlicensed and Uninsured Drivers and Severity of Accidents: The Oregon Legislature asked ODOT to report annually on changes in the number of unlicensed and uninsured drivers involved in accidents in Oregon. Specific information on the number of unlicensed and uninsured drivers involved in fatal and injury accidents was requested.

Accident reports filed by drivers involved in accidents occurring in July of 2007, 2008, and 2009 or by police officers investigating an accident were the basis for determining the severity of each accident. This information was obtained for the drivers in the same sample as described above, either by matching the accident by reference number to data in the Statewide Crash Data System, or by reviewing the actual accident reports filed. Due to the reporting timeline, information about the severity of accidents occurring in July 2009 was collected manually. Because of this constraint, accident severity information was collected only for drivers that were unlicensed and/or uninsured and not for the large group of licensed, insured drivers.

The Research Section used the accident severity information to determine the number of drivers, by license and insurance status, involved in fatal, injury and property damage accidents. The results of this analysis are presented in Table V. Also included are changes in each rate of involvement between 2007 and 2008 and, where the data was available, for the two years between 2007 and 2009.

Several interesting observations can be drawn from Table V. First, the increase in drivers who are licensed but uninsured is evident in both property damage and injury accidents. Otherwise there are no notable changes from 2007 to 2008. Second, unlicensed and uninsured drivers are disproportionately involved in the more serious fatal and injury accidents, regardless of year. However, at this point there is no reason to conclude that this trend will persist if unlicensed or uninsured rates rise due to de-licensing.

New requirements for driver licensing have been in effect since July 2008, but the full impact of the change will may not be evident until 2016 because Oregon has an eight-year driver license

renewal cycle. Consequently, it is not possible to draw definitive conclusions on the law's impact on the number of accidents involving an unlicensed or uninsured driver.

Table V: Unlicensed and Uninsured Drivers Involved in Accidents by Severity, July 2007, 2008, and 2009

	2007	2008	Change in Rate 2007 to 2008*	2009	Change in Rate 2007 to 2009*
All Accidents					
Licensed Drivers					
Insured	6397 (93.0%)	5606 (93.5%)	0.5%(+)	5675 (91.9%)	1.1%(-)
Uninsured	177 (2.6%)	168 (2.8%)	0.2%(+)	247 (4.0%)	1.4%(+)
Unlicensed Drivers					
Insured	88 (1.3%)	78 (1.3%)	0%	64 (1.0%)	0.3%(-)
Uninsured	213 (3.1%)	144 (2.4%)	0.7%(-)	193(3.1%)	0
Total	6875 (100%)	5996(100%)		6179 (100%)	
Fatal and Injury Accidents					
Licensed Drivers					
Insured	2994 (89.9%)	2022 (88.5%)	1.4%(-)	**	**
Uninsured	134 (4.2%)	118 (5.2%)	1.0%(+)	173	**
Unlicensed Drivers					
Insured	57 (1.7%)	49 (2.1%)	0.4%(-)	44	**
Uninsured	144 (4.3%)	95 (4.2%)	0.1%(-)	128	**
Total	3329 (100%)	2284 (100%)		**	
Property Damage Only					
Licensed Drivers					
Insured***	1908 (93.0%)	1616 (92.7%)	0.3%(-)	**	**
Uninsured	43 (2.1%)	50 (2.9%)	0.8%(+)	74	**
Unlicensed Drivers					
Insured	31(1.5%)	29 (1.7%)	0.2%(+)	20	**
Uninsured	69 (3.4%)	49 (2.8%)	0.6%(-)	65	**
Total	2051(100%)	1744 (100%)		**	

Source: Oregon Department of Transportation, Driver and Motor Vehicle Services and Statewide Crash Data System

Notes:

- License status was determined by reviewing the driver record of all drivers involved in an accident that was reported to DMV to determine license status at the time of the accident.
- Insured status was determined by reviewing the driver record of all persons involved in an accident that was reported to DMV and determining if the driver received a suspension for an uninsured accident with an accident reference number consistent with the date of the accident.

*rates of change shown in **boldfaced type** are significant at the .05 level.

**data unavailable

***crash severity frequencies for insured, licensed drivers were projected from a sample, rather than manually reviewing thousands of accident reports.

Conclusions

Senate Bill 1080 tightened documentation and identity verification requirements for the issuance of Oregon driver licenses and ID cards. The new law impacts everyone who applies for a driver license or ID card. Implementation began in July 2008 and will be completed on January 1, 2010. Due to Oregon's eight-year renewal cycle, it is likely that an increasing number of drivers will be unable to renew their driver license because they no longer qualify under the requirements of SB 1080. As a result, it is expected that any change in the rate of uninsured or unlicensed drivers and in the number of accidents will be gradual over an eight-year period.

The fiscal cost to implement SB 1080 has been approximately \$765,000. Some additional costs remain before completion of the final phase of implementation on January 1, 2010. Approximately 75% of the implementation cost has been funded by a grant from the Department of Homeland Security.

The results of the analysis of data from before and after changes in driver licensing requirements occurred show no apparent impact on unlicensed and uninsured driving. Due to the fact that driver licenses are now issued for eight years, relatively few drivers have been affected by the law. As more drivers are unable to obtain an original driver license or renew their driver license due to additional identification requirements, the effects of the law on unlicensed and uninsured driving will become clearer.

The increase in driving uninsured is most likely explained by poor economic conditions that have led to drivers not being able to afford auto insurance.