

## COST-BENEFIT ANALYSIS

In performing a cost-benefit analysis, each rulemaking entity must provide the information requested for the cost-benefit analysis to be considered a good faith effort. The cost-benefit analysis must be submitted to the Office of Policy, Research and Regulatory Reform at least ten (10) days before the administrative hearing on the proposed rule and posted on your agency's web site. For all questions, please attach all underlying data that supports the statements or figures stated in this cost-benefit analysis.

DEPARTMENT: Department of Revenue AGENCY: DMV / Driver License

CCR: 1 CCR 204-30 Rule 16 DATE: June 1, 2021

### **RULE TITLE OR SUBJECT:**

## **RULES FOR EXCEPTIONS PROCESSING**

Per the provisions of 24-4-103(2.5)(a), Colorado Revised Statutes, the cost-benefit analysis must include the following:

1. The reason for the rule or amendment;

The purpose of this rule is to set forth regulations for an Exceptions Process and identify the alternative documents the Department will accept. Exceptions Processing is the procedure the Department has established for persons who are unable, for reasons beyond their control, to present all the necessary documents required for a Colorado driver license or identification card, and must rely on alternative documents. U.S. Congress has passed the bipartisan REAL ID Modernization Act. The Act modernizes REAL ID requirements and provides some immediate relief by allowing applicants to provide their social security number verbally without having to bring in a separate document containing the Social Security Number during the application process for a driver license or identification card. The social security number is still electronically verified via an interface with the social security administration.

2. The anticipated economic benefits of the rule or amendment, which shall include economic growth, the creation of new jobs, and increased economic competitiveness;

Currently an applicant for a driver license or identification card must present a proof document that shows the applicant's name and Social Security Number (SSN). There are currently five acceptable proof documents to obtain an applicant's SSN. The SSN is then verified through the Social Security Administration. Under the current process, applicants frequently do not bring acceptable proof documents for their SSN and are required to return with the acceptable document, and must return for a subsequent visit to the DMV in order to be issued a credential.

The new law informing this rule change provides SSN verification checks identical to the current process through the SSA database, as well as substantial economic benefit in time savings to the public through elimination of the common need for secondary and tertiary applicant appointments in order to obtain a credential through DMV. Additionally, this change opens an opportunity to increase the number of individual applicants served effectively in their first trip, significantly boosting the ratio of one customer trip equating to one complete customer transaction vs the current trend of several customer trips for one customer transaction due to lack of SSN proof documents. Currently there is an average of 13,840 customers monthly who could be making additional trips to the DMV because they were not issued a credential on the initial visit. ( some just take a knowledge test and do not get issued a credential) We can assume that 10% of these customers did not need an issuance, resulting in 12,456 customers assumed as needing an additional trip due to missing documentation. Of the several missing documents that a customer could be missing that is required for issuance, we can assume (and based on manager anecdotal testimony) a conservative 10% of those are due to insufficient proof of social security number. That would mean that an estimated total of 1,245 customers a month will not need a second trip to the DMV with monetary savings in gas, time from work, and planning, as well as obtaining a SSN proof document.

Month	Number Seen in a DLO	Issuances in a DLO	Delta
July 2020	79,989	72,509	7,480
Aug 2020	78,124	70,196	7,928
Sept 2020	81,603	72,715	8,888
Oct 2020	81,927	71,792	10,135
Nov 2020	60,580	52,983	7,597
Dec 2020	64,063	56,971	7,092
Jan 2021	60,955	54,323	6,632
Feb 2021	65,086	58,628	6,458
Mar 2021	76,756	73,214	3,542
Apr 2021	87,162	76,793	10,369
<b>TOTAL</b>	<b>736,245</b>	<b>660,124</b>	<b>76,121</b>
<b>AVG</b>	<b>66,931</b>	<b>66,012</b>	<b>13,840</b>

The elimination of SSN proof document requirements is also of economic benefit to customers under any litany of hardship under which they do not physically possess any of the five accepted SSN proof documents, but can be verified as having an assigned and legal social security number through the SSN federal record and decreases any burden financially or otherwise to the applicant eliminating the need to go through the additional processes of obtaining an SSN proof document in order to receive a credential through the DMV. This rule change results in no additional cost to the public.

3. The anticipated costs of the rule or amendment, which shall include the direct costs to the government to administer the rule or amendment and the direct and indirect costs to business and other entities required to comply with the rule or amendment;

There are no additional costs, direct or indirect to administer this rule change. Also, there are no additional costs, direct or indirect to the public as a result of this rule change.

1. Any adverse effects on the economy, consumers, private markets, small businesses, job creation, and economic competitiveness; and

There are no adverse effects as a result of this rule change. The change makes the process less restrictive and more efficient for the applicant and helps to reduce the wait times in a driver license office.

4. At least two alternatives to the proposed rule or amendment that can be identified by the submitting agency or a member of the public, including the costs and benefits of pursuing each of the alternatives identified.

The federal law outlines minimum standards that are required.

1. The Department could continue to require a proof document to obtain an applicant's SSN. There would be no additional costs associated with this option, but it would make the process of obtaining a driver license or identification card more restrictive and fewer applicants would successfully get an identification document in their first visit to a driver license office.
2. A second option could be to require an applicant to present their Social Security account number card issued by the Social Security Administration. This option would make the process of obtaining a driver license or identification card even more restrictive.

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**DEPARTMENT:** Department of Revenue **AGENCY:** DMV / Driver License

**CCR:** 1 CCR 204-30 Rule 6 **DATE:** June 1, 2021

### **RULE TITLE OR SUBJECT:**

**RULES FOR THE APPLICATION FOR A DRIVER'S LICENSE OR IDENTIFICATION CARD FOR U.S. CITIZENS AND INDIVIDUALS WHO CAN DEMONSTRATE PERMANENT LAWFUL PRESENCE AND COLORADO RESIDENCY**

Per the provisions of 24-4-103(2.5)(a), Colorado Revised Statutes, the cost-benefit analysis must include the following:

1. The reason for the rule or amendment;

The purpose of this rule is to set forth regulations for the types of documents the Department will accept as proof of the applicant's identity, date of birth, Social Security Number, residency, and U.S. citizenship or permanent lawful presence when applying for a driver's license or identification card. The U.S. Congress has passed the bipartisan REAL ID Modernization Act. The Act modernizes REAL ID requirements and provides some immediate relief by allowing applicants to provide their social security number verbally without having to bring in a separate document containing the Social Security Number during the application process for a driver license or identification card. The social security number is still electronically verified via an interface with the social security administration.

2. The anticipated economic benefits of the rule or amendment, which shall include economic growth, the creation of new jobs, and increased economic competitiveness;

Currently an applicant for a driver license or identification card must present a proof document that shows the applicant's name and Social Security Number (SSN). There are currently five acceptable proof documents to obtain an applicant's SSN. The SSN is then verified through the Social Security Administration. Under the current process, applicants frequently do not bring acceptable proof documents for their SSN and are required to return with the acceptable document, and must return for a subsequent visit to the DMV in order to be issued a credential.

The new law informing this rule change provides SSN verification checks identical to the current process through the SSA database, as well as substantial economic benefit in time savings to the public through elimination of the common need for secondary and tertiary applicant appointments in order to obtain a credential through DMV. Additionally, this change opens an opportunity to increase the number of individual applicants served effectively in their first trip, significantly boosting the ratio of one customer trip equating to one complete customer transaction vs the current trend of several customer trips for one customer transaction due to lack of SSN proof documents. Currently there is an average of 13,840 customers monthly who could be making additional trips to the DMV because they were not issued a credential on the initial visit. ( some just take a knowledge test and do not get issued a credential) We can assume that 10% of these customers did not need an issuance, resulting in 12,456 customers assumed as needing an additional trip due to missing documentation. Of the several missing documents that a customer could be missing that is required for issuance, we can assume (and based on manager anecdotal testimony) a conservative 10% of those are due to insufficient proof of social security number. That would mean that an estimated total of 1,245 customers a month will not need a second trip to the DMV with monetary savings in gas, time from work, and planning, as well as obtaining a SSN proof document.

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3. The anticipated costs of the rule or amendment, which shall include the direct costs to the government to administer the rule or amendment and the direct and indirect costs to business and other entities required to comply with the rule or amendment;

There are no additional costs, direct or indirect to administer this rule change. Also, there are no additional costs, direct or indirect to the public as a result of this rule change.

4. Any adverse effects on the economy, consumers, private markets, small businesses, job creation, and economic competitiveness; and

There are no adverse effects as a result of this rule change. The change makes the process less restrictive and more efficient for the applicant and helps to reduce the wait times in a driver license office.

5. At least two alternatives to the proposed rule or amendment that can be identified by the submitting agency or a member of the public, including the costs and benefits of pursuing each of the alternatives identified.

The federal law outlines minimum standards that are required.

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