
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2023 - 2024 Regular Session

SB 1081 (Archuleta) - Vehicles: driver's license: selective service

Version: April 2, 2024

Urgency: No

Hearing Date: April 22, 2024

Policy Vote: TRANS. 12 - 2

Mandate: No

Consultant: Mark McKenzie

Bill Summary: SB 1081 would automatically register a driver's license or identification card applicant with the federal Selective Service System (SSS), if that person is required to be registered under federal law, unless the applicant declines to consent to registration by checking a box on the application, as specified. Implementation of the SSS registration provisions is contingent upon the Department of Motor Vehicles (DMV's) receipt of federal funds to pay *an unspecified amount* of the initial startup costs.

Fiscal Impact:

- Unknown, likely significant one-time DMV implementation costs in a future fiscal year, contingent upon the receipt of federal funding to partially offset implementation costs. One-time costs are primarily related to IT systems upgrades for identifying applicants between the age of 16 and 26, modifying online forms to accommodate additional disclosures, providing for the opt-out, and additional data collection and transmission capabilities. Staff notes that DMV is currently undertaking an Enterprise Modernization Project (the Digital eXperience Project, or DXP), which is scheduled to be complete at the end of 2025-26. If DMV were to implement the bill prior to the completion of DXP, IT costs to construct a temporary solution outside of core legacy systems, and potentially acquire new technology and services, would be substantial. If implementation were to occur after completion of the DXP, DMV indicates that IT costs related to the bill cannot be predicted because its functionalities are currently under development. (federal funds, as well as Motor Vehicle Account [MVA] and/or General Fund)
- Unknown, potentially significant ongoing annual DMV costs for additional printing and mailing costs related to the expanded forms in multiple languages, for increases in field office and call center staff time regarding the requirements in the bill, and for ongoing data transmission to the SSS. Ongoing costs are likely to be a General Fund obligation because the Motor Vehicle Account is an ineligible fund source for these activities.

Background: Existing federal law requires all men who are 18 through 25 years of age to register with the Selective Service System within 30 days of their 18th birthday, and to keep registration current up to age 26. The SSS is an independent federal agency whose mission is to register men for a possible military draft, which enables the nation to expand the military forces rapidly and efficiently during a period of warfare or other national emergency. Failure to register is a felony violation, subject to a fine of up to \$250,000 and/or up to five years of imprisonment. In addition, violators lose eligibility for federal benefits, including job training, employment opportunities with federal agencies, and citizenship for immigrants.

Existing state law requires all state agencies to cooperate with the SSS in efforts to publicize the necessity of, and requirements for, compliance with the federal military Selective Service Act. As a result, DMV entered into a memorandum of understanding with the SSS in 1990 that authorizes the release of personal information on driver's license holders who are required to register for selective service. Since that time, DMV has provided the SSS with certain personal information of men 17 to 25 years of age who apply for an original driver's license or identification card, including the person's name, address, birthdate, and driver's license number. The SSS matches this information with its registry and notifies any person that has not registered.

Existing law, Article XIX, Section 3 of the California Constitution, requires revenues from fees and taxes imposed by the state upon vehicles or their use or operation to be used for specified transportation-related infrastructure and the state administration and enforcement of laws regulating the use, operation, or registration of vehicles used on public roadways, including the enforcement of traffic and vehicle laws by state agencies and the mitigation of vehicles' environmental impacts.

Proposed Law: SB 1081 would provide a mechanism to automatically register an applicant for an original or renewal driver's license or identification card with the SSS, if that person is required to be registered under federal law, except as specified. Specifically this bill would:

- Specify that an applicant for a driver's license, identification card, or renewal who is under the age of 26 authorizes DMV to register the applicant with the SSS in compliance with the Military Selective Service Act through their signature on the application, unless they indicate otherwise.
- Require DMV to give notice to an applicant between 16 and 26 years of age of their duty to register with the SSS at 18 years of age. If the applicant is not registered within 30 days after reaching the age of 18, they will be informed of their affirmative obligation under federal law to register before reaching 26 years of age.
- Require DMV to notify an applicant that their signature on an application for a driver's license, identification card, or renewal constitutes consent to the DMV forwarding the applicant's information to the SSS to register them, or register them once they reach 18 years of age, unless they decline to consent by checking the "Don't Register" box on the application.
- Require DMV to notify the applicant that refusal to consent is not grounds for denial of an application or renewal of a driver's license or identification card. This notice shall be in English, Spanish, and any other language the DMV determines.
- Require DMV to transmit, in an electronic format, only the information necessary for the registration of the applicant to the SSS unless the applicant opts-out.
- Specify that refusal to grant authority to register for the SSS is not a basis for the DMV or any related agency to discriminate against the applicant, including the denial of driving privileges.
- Prohibit DMV from compiling, developing, or maintaining a list of applicants who declined to grant the DMV authority to transmit their information to the SSS unless it is necessary for the administration and operation of the DMV. The bill prohibits DMV from distributing or making any such list available to any entity.

- Require DMV to initiate and monitor efforts to obtain federal funds to implement the bill, and to report to the Legislature and post on its website, when it receives these federal funds.
- Make implementation of the above requirements contingent upon DMV's receipt of federal funds to pay *an unspecified amount* of the initial startup costs to implement these provisions.
- Require each application for an original or renewal of an identification card or driver's license to contain information required under these provisions.

Related Legislation: There have been numerous attempts to pass legislation tying the driver's license to registration with the Selective Service System over the past two decades, as follows:

- AB 82 (Garcia), which was vetoed by Governor Brown in 2015, would have required the DMV to include in the driver's license application an option for an eligible individual to register with the SSS (an "opt in"), as specified. The Governor's veto message stated the following: "In view of the relatively easy ways that young men can register for the U.S. Selective Service System such as registering online, at their high school, or at a local post office, I don't think this new responsibility for the Department of Motor Vehicles is advisable."
- AB 2201 (Chavez), which was held on the Senate Appropriations Committee Suspense File in 2014, would have provided for automatic registration with the SSS upon application for an original or renewal driver's license, beginning in 2016.
- SB 251 (Correa), which was held on the Senate Appropriations Committee Suspense File in 2011, would have provided for an "opt-in" on driver's license applications that allows for consent to register with the SSS.
- AB 1661 (Cook), which was held on the Assembly Appropriations Committee Suspense File in 2007, would have provided for an "opt-in" on driver's license applications that allows for consent to register with the SSS.
- SB 1276 (Speier), which was held on the Senate Appropriations Committee Suspense File in 2002, would have provided for an "opt-in" on driver's license applications that allows for consent to register with the SSS.
- AB 1572 (Briggs), which was held on the Assembly Appropriations Committee Suspense File in 2001, would have provided for automatic registration with the SSS upon application for a driver's license.
- AB 2574 (Briggs), which was held on the Assembly Appropriations Committee Suspense File in 2000, would have provided for automatic registration with the SSS upon application for a driver's license.

Staff Comments: SB 1081 would require DMV to add several prescribed notices regarding SSS registration and opt-out procedures on the standard "Driver License or Identification Card Application" DL-44 form. DMV anticipates the addition of these notices would extend the paper version of the DL-44 form to a third page, as well as increase the size and content of paper renewal notices. In addition, the bill requires notices to be provided in multiple languages, as specified. These issues would create ongoing costs for printing forms and renewal notices, and additional postage for mailed notices. DMV would also incur ongoing costs for data transmission and IT maintenance.

The bill requires DMV to transmit, in an electronic format, only the information necessary for the registration of the applicant to the SSS unless the applicant opts-out. Under the current MOU with the SSS, the DMV sends specified information to the SSS that is used to send registration reminder letters to those required to register. DMV sends the name, birthdate, driver's license/identification card number, and address of males under the age of 26 in periodic electronic data transfers. Staff notes that this bill requires DMV to send information necessary for the registration of the applicant to the SSS, which would include Social Security numbers (SSNs). Current law prohibits the DMV from sharing SSNs that it collects from applicants for driver's licenses and identification cards, except in four narrow circumstances specified in Vehicle Code Section 1653.5. This bill does not expand the authority for DMV to share SSN info with the SSS, so it is unclear whether the SSS would be able to register individuals whose information is shared by the DMV pursuant to this bill without obtaining that information independently.

The bill would only be implemented to the extent that the DMV receives federal funding to pay an unspecified amount of the initial startup costs. There is no known source of federal funding available for payment of DMV implementation costs. The Motor Vehicle Account is the DMV's primary source of funding, with revenues generated by vehicle registration fees, driver's license and ID card fees, and several other fees imposed by the DMV for particular services earmarked to the MVA. Since the expenditure of these revenues is constitutionally limited to specified transportation and vehicle-related uses, DMV indicates that the MVA cannot be used to support ongoing activities related to SSS registration of driver's license applicants. To avoid legal challenge, staff assumes DMV's ongoing costs related to the bill would be borne by the General Fund.

The Legislative Analyst's Office (LAO) recently published a report as part of its analysis of the Governor's proposed 2024-25 Budget entitled "Insolvency Risks for Environmental and Transportation Special Funds" that includes an evaluation of the MVA. The report notes that between 2018-19 and 2023-24, MVA revenues have increased by \$714 million while expenditures have increased by about \$1 billion, and since 2021-22, annual expenditures have exceeded yearly revenues, resulting in a structural imbalance. The MVA is expected to fully exhaust its reserves and become insolvent in 2025-26 (Budget Year +1). Specifically, the administration projects expenditures will exceed available resources by roughly \$140 million in 2025-26. Absent actions to address the MVA fund condition, approving any new proposals that would increase MVA expenditures would exacerbate the structural imbalance and hasten the insolvency timeline. As such, the LAO recommends that "the Legislature set a high bar for considering approval of any proposals that create additional MVA cost pressures and accelerate the risk of insolvency." To the extent that DMV's administrative costs are borne by the MVA, staff notes that this bill would make the structural imbalance of the MVA worse.

Recommended Amendments: Staff notes that the bill is contingent upon DMV's receipt federal funds to pay an unspecified amount of the initial startup costs. The bill should be amended to specify the amount of funding necessary to implement the bill, at a minimum.