

JOHN BEL EDWARDS
GOVERNOR



KAREN G. ST. GERMAIN
COMMISSIONER

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

April 7, 2017

The Honorable John Alario
President, Louisiana State Senate
P.O. Box 94183
Baton Rouge, LA 70804

VIA E-MAIL ONLY:
apa.senatepresident@la.gov

The Honorable Kenneth E. Havard
Chairman, House Committee on
Transportation, Highways and Public Works
P.O. Box 44486
Baton Rouge, LA 70804

VIA E-MAIL ONLY:
apa.h-thpw@legis.la.gov

The Honorable Taylor Barras
Speaker, Louisiana House of Representatives
P.O. Box 94062
Baton Rouge, LA 70804-9062

VIA E-MAIL ONLY:
apa.housespeaker@la.gov

The Honorable Gary Smith
Chairman, Senate Committee on the
Judiciary, Section B
P.O. Box 94183
Baton Rouge, LA 70804

VIA E-MAIL ONLY:
apa.s-judb@legis.la.gov

Re: Rules Proposed by the Department of Public Safety and Corrections, Public Safety Services,
Office of Motor Vehicles Pertaining to Digitized Driver's Licenses

Dear Sirs:

Notice is hereby given that the Department of Public Safety and Corrections, Public Safety Services, Office of Motor Vehicles intends to promulgate rules regarding digitized driver's licenses. These rules are proposed in accordance with the Administrative Procedure Act, R.S. 49:950, et. seq. and La. R.S. 32:411(F)(1) and (3)(d) and (f).

This notice includes the following items:

1. The insertion order authorizing the Office of the State Register to publish the Notice of Intent in the April 2017 Louisiana Register;
2. The Notice of Intent which includes the text of the proposed rule LAC 55:III:161;

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3. The Fiscal and Economic Impact Statement; and,
4. The text of the proposed LAC 55:III:161 coded in accordance with La. R.S. 49:968(C)(1).


Louisiana Revised Statute 32:411(F)(3)(d) provides that rules shall be promulgated as are necessary to implement a digitized driver's license and that no digitized driver's license shall be valid until such rules are adopted. Additionally, La. R.S. 32: 32:411(F)(3)(f) provides that the fee to install the application to display a digitized driver's license shall not exceed six dollars.

The proposed rule provides for the process by which a person will obtain a digitized driver's license and sets the fee to install the application to display a digitized driver's license on a mobile device. The proposed rule also provides that the licensee is responsible for the successful operation of the application displaying the digitized driver's license.

If you have any questions or need any additional information, please do not hesitate to call.

Sincerely,

KAREN ST. GERMAIN, COMMISSIONER
OFFICE OF MOTOR VEHICLES

By: 

Kimberly Callaway, Attorney
Louisiana Department of Public Safety and
Corrections, Office of Motor Vehicles
Telephone (225) 985-4089

OFFICE OF THE STATE REGISTER INSERTION ORDER (e/f.08/02)

Claiborne Building 1201 North Third Street Suite 3-220 Post Office Box 94095
Baton Rouge, LA 70804-9095 (225)342-5015 FAX (225)342-0284

(SUBMIT A SEPARATE INSERTION ORDER PER DOCUMENT)

EMERGENCY RULE NOTICE OF INTENT RULE POTPOURRI

REFER TO INSTRUCTIONS ON REVERSE SIDE

This is your authority to publish in the (month) April, 20 17 Louisiana Register the document indicated above.

Office of Motor Vehicles

Office/Board/Commission promulgating this document

Karen G. St. Germain Commissioner

(name) (title)
Name and title of person whose signature will appear in the publication (at the end of the document)

Public Safety & Corrections, Public Safety Services

Department under which office/board/commission is classified

Kim Callaway 925-4089 925-6303

(name) (phone) (fax)
Name, phone number, and FAX number of person to contact regarding this document

kimberly.callaway@la.gov

E-mail address of contact person

Digitized driver's license

Short descriptive listing for this document to be used in the Louisiana Register's TABLE OF CONTENTS/INDEX

Digitized driver's license

File name

Karen G. St. Germain

Signature of Agency Head or Designee

Karen G. St. Germain, Commissioner

Print Name and Title of Agency Head or Designee

Important: If submitting both an Emergency Rule (ER) and a Notice of Intent (NOI) to be published this month, AND if the rule text in the ER is identical to the rule text in the NOI, check here:

CERTIFICATION OF AVAILABLE FUNDS

DOCUMENT # _____

ISIS AGENCY: I certify the availability of fiscal year 16-17 appropriated funds for the payment of the above referenced publication and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental sheet for additional lines of coding.

<u>420</u>	<u>2951</u>	<u>3000</u>	<u>n/a</u>	<u>5102</u>
AGENCY	ORGANIZATION #	OBJECT	SUB-OBJECT	REPORTING CATEGORY

NON-ISIS AGENCY: I certify the availability of fiscal year 16-17 appropriated funds for the payment of the above referenced publication and agree to place corresponding invoice in line for payment upon receipt.

Karen G. St. Germain

Signature of Agency Head or Designee - Phone #

Billing Address for Agencies:

P.O. Box 64886

Agency Name

Office of Motor Vehicles

Street Address or Post Office Box

Baton Rouge LA 70896

City

State

Zip Code

Lines/Other Charges _____ Typesetting \$ _____ TOTAL \$ _____

**Department of Public Safety and Corrections
Office of Motor Vehicles**

Digitized Driver's License (LAC 55:III.161)

In accordance with the provisions of R.S. 32:411(F)(1) and (3)(d) and (f) regarding the implementation of a digitized driver's license and the fee to install the application to display a digitized driver's license, the Department of Public Safety and Corrections, Office of Motor Vehicles, hereby publishes, and proposes to adopt LAC 55:III, Chapter 1, Subchapter A, §161 to implement rules as are necessary to implement a digitized driver's license as no digitized driver's license is valid until such rules are adopted. This is a completely new section.

Title 55

PUBLIC SAFETY

Part III. Motor Vehicles

Chapter 1. Driver's License

Subchapter A. General Requirements

§161. Digitized Driver's License

A. As used in this Section, digitized driver's license shall have the meaning assigned to it as in Title 32 of the 1950 Louisiana Revised Statutes.

B. A licensee may obtain a digitized driver's license by purchasing the digitized driver's license application from the department or its authorized representative. The fee to initially install the application to display a digitized driver's license on a mobile device shall be six dollars.

C. The application shall be installed upon initial purchase and upon renewal of a driver's license.

D. The number of active applications per driver's license is limited to one unless the capability to add additional devices is approved by the commissioner.

E. In the case of lost, stolen, or replaced mobile devices, the holder of a digitized driver's license shall re-assign the application to another mobile device and terminate use of the application on the lost, stolen, or replaced mobile device.

F. The licensee utilizing the digitized driver's license is responsible for the successful operation of the application. If the person to whom the licensee is presenting the digitized driver's license is unable to read the digitized driver's license, it will be as if the licensee did not present a driver's license at all.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:411(F)(1) and (3)(d) and (f).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of Motor Vehicles, LR 43:

Family Impact Statement

The proposed Rule will not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically there should be no known or foreseeable effect on:

1. the stability of the family;
2. the authority and rights of parents regarding the education and supervision of their children;
3. the functioning of the family;
4. family earnings and family budget;
5. the behavior and personal responsibility of the children;

6. local governmental entities have the ability to perform the enforcement of the action proposed in accordance with R.S. 40:1571(A).

Provider Impact Statement

In compliance with House Concurrent Resolution (HCR 107) of the 2014 Regular Session of the Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have a positive impact on providers. However, the particular proposed Rule does not impact or affect the staffing level requirements required to provide the same level of service.

Small Business Analysis

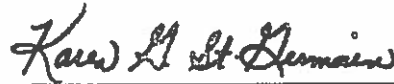
The impact of the proposed Rule on small businesses has been considered and it is estimated that the proposed action is not expected to have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed Rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed Rule on small businesses.

Poverty Impact Statement

The impact of the proposed Rule on child, individual, or family poverty has been considered and it is estimated that the proposed action is not expected to have significant adverse impact on poverty in relation to individual or community asset development as provided in R.S. 49:973. The agency has considered economic welfare factors and, where possible, utilized regulatory methods in the drafting of the proposed Rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed Rule on poverty.

Public Comments

Interested persons may submit written comments or requests for public hearing on this proposed rule to Kim Callaway, Department of Public Safety and Corrections, Public Safety Services, Office of Motor Vehicles, at 7979 Independence Boulevard, Suite 301, 70806, P.O. Box 64886, Baton Rouge, Louisiana, 70896, (225) 925-4089 (phone); (225) 925-6303 (facsimile). Comments will be accepted through close of business May 10, 2017. A public hearing will be held on May 26, 2017, at 10:00 a.m. at 7979 Independence Boulevard, Suite 301, Baton Rouge, Louisiana, 70806. If the requisites to hold a hearing are not met, the hearing will be cancelled. Please call and confirm that the hearing will be conducted.



Karen G. St. Germain
Commissioner

1704# 027
RECEIVED

APR 11 2017
MAR 07 2017

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

OFFICE OF THE
STATE REGISTER

Person Preparing Statement: Kim Callaway Dept: DPS&C, Public Safety Services
Phone: (225) 925-4089 Office: Office of Motor Vehicles
Return Address: P.O. Box 64886 Rule Title: Digitized driver's license
Baton Rouge, LA
70896 Date Rule Takes Effect: Upon adoption

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rules are not anticipated to result in costs or savings to state or local governmental units. The proposed rules allow for the Office of Motor Vehicles to supply a digital driver's license to drivers statewide pursuant to Act 625 of the 2016 Regular Session. The digital license is optional and will consist of an application that motorists can download and install on mobile devices. OMV has amended an existing contract with a firm (Envoc) to develop the application with no costs borne by the office, as persons downloading the application must pay a \$6 fee (see Part III) that Envoc will collect directly prior to download and installation. Furthermore, persons downloading the application must acknowledge and agree to Terms of Use prior to installing the application.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rules will not affect revenue collections for state or local governmental units. All fee revenues associated with download and installation of the digital driver's license application will accrue to Envoc.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed rules create a cost of \$6 for persons who choose to obtain an optional digitized driver's license. The total cost paid by persons who desire a digital driver's license is dependent upon the number of motorists who choose to download the application. Because the number of motorists who may download the application is unknown, the total cost to consumers is indeterminable. Motorists must pay a \$6 fee to re-install the application upon renewal of a driver's license every 4 - 6 years.

Furthermore, the proposed rules create a revenue stream for Envoc, as all fee revenues resulting from downloads of the digital driver's license application will accrue to the firm. The fee revenues will offset any development costs for the application and instructional materials for law enforcement regarding the application's functionality and uses. The amount of fee revenues Envoc will realize is indeterminable, as the number of persons who will download the digital driver's license is unknown.

For reference, there are 2,976,761 licensed drivers in Louisiana (all classes) as of March 1, 2017. For illustrative purposes, assuming 10% of licensed drivers statewide (297,767) download the application for a digital license, it would result in a total cost of approximately \$1.78 M (297,767 drivers * \$6 per application download). Envoc would realize gross revenues of \$1.78 M that would be offset by the aforementioned development expenditures.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rules will not affect competition and employment.

Lt. Col. Jason Starnes
Signature of Agency Head or Designee

Lt. Col. Jason Starnes, Chief Administrative Officer

Lt. Col. Jason Starnes
Typed Name & Title of Agency Head or Designee

4/6/17
Date of Signature

Evan Brassfield, Staff Director
Legislative Fiscal Officer or Designee

4/6/17
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed rules provide for the process by which a person will obtain a digitized driver's license and sets the fee to install the application to display a digitized driver's license on a mobile device. The proposed rules also provide that the licensee is responsible for the successful operation of the application displaying the digitized driver's license.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

Administrative rules are required to set the fee to install the application to display a digitized driver's license on a mobile device. Additionally, per Act No. 625 of the 2016 Regular Legislative Session no digitized driver's license is effective until such rules are adopted.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ Yes. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

COSTS	FY 17	FY 18	FY 19
Personal Services	0	0	0
Operating Expenses	0	0	0
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
TOTAL	0	0	0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rules are not anticipated to result in costs or savings to state or local governmental units. The proposed rules allow for the Office of Motor Vehicles to supply a digital driver's license to drivers statewide pursuant to Act 625 of the 2016 Regular Session. The digital license is optional and will consist of an application that motorists can download and install on mobile devices. OMV has amended an existing contract with a firm (Envoc) to develop the application with no costs borne by the office, as persons downloading the application must pay a \$6 fee (see Part III) that Envoc will collect directly prior to download and installation. Furthermore, persons downloading the application must acknowledge and agree to Terms of Use prior to installing the application.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 17	FY 18	FY 19
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated	0	0	0
Federal Funds	0	0	0
Other (Specify)	0	0	0
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There is no anticipated impact on local government units.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 17	FY 18	FY 19
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds*	0	0	0
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL	0	0	0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

The proposed rules will not affect revenue collections for state or local governmental units. All fee revenues associated with download and installation of the digital driver's license application will accrue to Envoc.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The proposed rules create a cost of \$6 for persons who choose to obtain an optional digitized driver's license. The total cost paid by persons who desire a digital driver's license is dependent upon the number of motorists who choose to download the application. Because the number of motorists who may download the application is unknown, the total cost to consumers is indeterminable. Motorists must pay a \$6 fee to re-install the application upon renewal of a driver's license every 4 – 6 years.

Furthermore, the proposed rules create a revenue stream for Envoc, as all fee revenues resulting from downloads of the digital driver's license application will accrue to the firm. The fee revenues will offset any development costs for the application and instructional materials for law enforcement regarding the application's functionality and uses. The amount of fee revenues Envoc will realize is indeterminable, as the number of persons who will download the digital driver's license is unknown.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

The total impact on receipts and income is indeterminable. However, for reference, there are 2,976,761 licensed drivers in Louisiana (all classes) as of March 1, 2017. For illustrative purposes, assuming 10% of licensed drivers statewide (297,767) download the application for a digital license, it would result in a total cost of approximately \$1.78 M (297,767 drivers * \$6 per application download). Envoc would realize gross revenues of \$1.78 M that would be offset by the aforementioned development expenditures.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rules will not affect competition and employment.

Title 55
PUBLIC SAFETY
Part III. Motor Vehicles
Chapter 1. Driver's License
Subchapter A. General Requirements

§161. Digitized Driver's License

A. As used in this Section, digitized driver's license shall have the meaning assigned to it as in Title 32 of the 1950 Louisiana Revised Statutes.

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AUTHORITY NOTE: Promulgated in accordance with R.S. 32:411(F)(1) and (3)(d) and (f).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of Motor Vehicles, LR 43:

3. The Fiscal and Economic Impact Statement; and
4. The text of the proposed LAC 55:III:161 ^e coded in accordance with La. R.S. 49:968(C)(1).

Louisiana Revised Statute 32:411(F)(3)(d) provides that rules shall be promulgated as are necessary to implement a digitized driver's license and that no digitized driver's license shall be valid until such rules are adopted. Additionally, La. R.S. 32: 32:411(F)(3)(f) provides that the fee to install the application to display a digitized driver's license shall not exceed six dollars.

The proposed rule provides for the process by which a person will obtain a digitized driver's license and sets the fee to install the application to display a digitized driver's license on a mobile device. The proposed rule also provides that the licensee is responsible for the successful operation of the application displaying the digitized driver's license.

If you have any questions or need any additional information, please do not hesitate to call.

Sincerely,

KAREN ST. GERMAIN, COMMISSIONER
OFFICE OF MOTOR VEHICLES

By: Kimberly Callaway
Kimberly Callaway, Attorney
Louisiana Department of Public Safety and
Corrections, Office of Motor Vehicles
Telephone (225) 985-4089