

Top Six Reasons to Expand Access to Driver's Licenses

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Removing barriers to opportunity is necessary for growing strong economies and resilient communities. Over the past few years, <u>14 states</u>, <u>the District of Columbia</u>, <u>and Puerto Rico</u> have expanded access to driver's licenses to all residents, creating broadly-shared opportunity through safer roads, increased state revenue, and enhanced economic opportunities for working people while removing the fear of deportation for minor traffic offenses.¹

The latest proposal in the New Jersey legislature (A4743 / S3229) includes best practices from other states and would make it possible for 737,418 more New Jersey residents to obtain a much-needed driver's license.² It would also give everyone the opportunity to apply for a standard license if they do not want to get a REAL-ID due to privacy concerns.³

Here are the top six reasons why driver's license expansion is good public policy for all New Jersey residents.

1. Makes the Road Safer for Everyone

Driver's license expansion would ensure that all drivers are trained, tested, and insured, making New Jersey's roads safer. Road safety is critical in the Garden State, where over four in five workers commute to work by some form of private transportation each day.⁴

Based on the experiences of some other states, licensing more drivers reduces fatal car accidents and the overall number of hit-and-run accidents. A 2017 study of California's law found that driver's license expansion reduced hit-and-run accidents by 10 percent (or 4,000 accidents) within just a few years of implementation.⁵ Connecticut had a similar decline between 2016 and 2018 when hit-and-run accidents dropped by nine percent.⁶

New Jersey is primed to experience a similar reduction in accidents with driver's license expansion due in part to the state's high percentage of uninsured drivers. As of 2015, one in seven New Jersey drivers were uninsured, ranking among the top 15 states with the highest rate of uninsured drivers in the nation.⁷

For more information, see "Share the Road: Allowing Eligible Undocumented Residents Access to Driver's Licenses Makes Sense for New Jersey."

2. Keeps Families Together and Makes Communities Safer

Immigrants without documents are under constant threat of deportation. In fact, routine traffic stops can lead to kids being separated from their parents.⁸ In addition, immigrants are uncertain how minor traffic violations can impact their future in the country since they are asked about it on the application to cancel their deportation and adjustment of status.⁹

Family separation comes with a social cost to immigrant families in New Jersey. Across the state, there are 168,000 children — of which, 76 percent of U.S. citizens — who have a parent without status and at risk of deportation.¹⁰ In total, there are more than 605,000 U.S. citizens in the state who have at least one family member without status living in the same household; these residents live in constant fear that their families will be torn apart.¹¹ Driver's license expansion will make these families more mobile with a renewed peace of mind.

In addition to helping families stay together, expanding access to driver's licenses will make state and local law enforcement more efficient because new drivers more forthcoming in interacting with the police and other government agencies.¹² Law enforcement would thus have more time to spend on critical priorities.¹³

3. Benefits a Large and Diverse Group of People

The ability to drive legally and safely is central to vibrant New Jersey communities where everyone can get where they need to go and provide for themselves and their families. Some communities, however, cannot access the documents they need to obtain a license. Driver's license expansion would address these barriers for a diverse group of New Jerseyans by expanding the scope of documents accepted by the New Jersey Motor Vehicle Commission's (MVC) 6 Point ID Verification process.

New Jersey Policy Perspective (NJPP) estimates that approximately 737,418 people will benefit from driver's license expansion, 40 percent of whom are low-income residents.

Impacted Community	Number o	f Residents
Immigrants Without Status		444,000
Earning Less Than \$25,000		288,000
Formerly Incarcerated, Reentering Society		5,418
Total:		737,418
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Many New Jerseyans Will Benefit from Driver's License Expansion

Those Earning Under \$25,000 Per Year

Residents who work in low-paying jobs face financial barriers to obtaining a driver's license. In the Garden State, there are 288,000 adult citizens (including naturalized citizens) who earn less than \$25,000 per year and are thus less likely to have state-issued identification.¹⁴ For example, some low-paid residents are less likely to use a lease or utility bill as proof of address to demonstrate New Jersey residence to the MVC because they lack the financial resources to rent an entire apartment on their own.¹⁵

Allowing more documents to verify New Jersey residence, such as proof of eligibility or enrollment in a state or federal safety net program, could help low-paid residents secure a license and more fully participate in their community.

Formerly Incarcerated Individuals

Individuals who were formerly incarcerated are often prevented from obtaining a driver's license because they lack basic identification documents like a birth certificate, Social Security card, or a state-issued photo ID. Allowing residents to verify their identify with a prison discharge slip or Department of Corrections identification card — neither of which are currently accepted by the MVC — would help thousands of New Jersey residents. In total, approximately 10,800 inmates are released each year,¹⁶ about half of those individuals do not have basic identification.¹⁷

Survivors of Domestic Violence

Survivors of domestic violence often have to flee abusive partners and risk losing identifying documents. Under driver's license expansion, the MVC would expand the scope of acceptable documents to verify one's identity. This would benefit some of the estimated 40,000 annual survivors of domestic violence in the Garden State, helping them gain freedom and independence from their abusive partners and restart their lives.¹⁸

Immigrants Without Status

Expanding access to driver's licenses will benefit 444,000 driving-aged residents who do not have status. Based on the experiences of other states, NJPP projects that approximately half of these residents — 222,000 — will obtain a license for the first time during the first three years of implementation.¹⁹ Residents across the entire state will benefit from this proposal, especially those in Central and North Jersey. Hudson County has the largest number of driving-aged immigrants without status, followed by Middlesex, Bergen, Essex, and Union Counties.²⁰

Residents Concerned About Privacy

To obtain a REAL ID license, identifying documents must be scanned into the MVC database and cross-checked by the federal government. Privacy concerns with the federal REAL ID implementation have been raised from groups on both sides of the political spectrum, including the Tea Party and the American Civil Liberties Union.²¹ New Jersey residents who do not want

their documents scanned into a federal database would be able to get a standard license without having sensitive information collected by the MVC.

For more information, see "Explainer: Why New Jersey Should Expand Access to Driver's Licenses."

4. Stabilizes Insurance Premiums

New Jersey drivers pay some of the highest automobile insurance premiums in the nation, with an average payment of \$1,309 per year.²² At the same time, the state has among the highest rates of uninsured drivers in the nation at nearly 15 percent.²³ When these uninsured drivers are in an accident, the associated costs are covered by drivers who are insured.

With driver's license expansion comes a larger auto insurance pool, which would help hold down premium costs for all while generating fewer claims that originate with uninsured drivers. This was seen in California, where drivers saved \$3.5 million in out-of-pocket expenses for car repairs.²⁴

In Utah, which has allowed immigrants without status to drive legally since 1999, the rate of uninsured motorists dropped from 28 percent in 1999 to 8 percent in 2011 — an astonishing 250 percent drop.²⁵ As a result, auto insurance rates increased at a lower rate than in other states that restricted access to driver's licenses.²⁶

5. Promotes Healthier Communities

Expanding access to driver's licenses not only broadens mobility for more residents in the state, it also addresses social determinants of health, which includes factors like neighborhood and physical environments and access to health care and education.

The effects of early childhood education are far-reaching. It can narrow achievement gaps, increase access to health-care screenings, improve nutrition, increase graduation rates, and decrease the chance of substance abuse as adults.²⁷ However, due to the lack of a robust public transportation system, many low-income families without licenses cannot fully participate in early education and care programs.²⁸ Yet, immigrant parents are three to five percentage points more likely to enroll their children if they have access to a driver's license, according to a 2018 study by the University of Rhode Island.²⁹

6. Increases State Revenue and Boosts Local Economies

Over the first three years of implementation, driver's license expansion is projected to generate \$21 million in revenue from permit, title, and driver's license fees.³⁰ New Jersey could also expect an additional \$90 million from registration fees, the gas tax, and taxes paid on the sales of motor vehicles and auto parts.

Projected Annual Revenue from Driver's License Expansion

Revenue Source	Annual Revenue
Registration Fees	\$3,700,000
Sales Tax from Gas Stations; Motor Vehicle and Parts Dealers	\$32,300,000
Gasoline Tax	\$54,000,000
Total:	\$90,000,000

Source: NJPP analysis of New Jersey Department of Treasury, Office of Revenue and Economic Analysis, Statistics of Income (2019) and FY 2018 motor fuel and petroleum business taxes.

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For more information, see "Fast Facts: Driver's License Expansion Would Pay for Itself and <u>More."</u>

New Jersey's economy will benefit further from expanding driver's licenses to immigrants without status, who have \$9.8 billion in spending power per year. Immigrants support local businesses, contribute to our communities, and form an essential part of our workforce. In fact, they pay over half a billion dollars each year in state and local taxes.³¹

For more information, see "Undocumented Immigrants Pay Taxes: County Breakdown of Taxes Paid."

End Notes

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⁶ WGBH News, Licenses for Undocumented Immigrants Seem to be Showing Benefits in Connecticut, April 2019. <u>https://www.wgbh.org/news/local-news/2019/04/16/licenses-for-undocumented-immigrants-seem-to-be-showing-benefits-in-connecticut</u>

⁷ Insurance Information Institute, *Estimated Percentage of Uninsured Motorist by State, 2015*, last accessed December 2019. <u>https://www.iii.org/table-archive/20641</u>

⁸ American Immigration Lawyers Association, *Immigration Enforcement Minor Offenses with Major Consequences*, August 2011. <u>https://www.aila.org/File/Related/11081609.pdf</u>

⁹ See question 54 on U.S. Department of Justice's *Application for Cancellation of Removal and Adjustment of Status for Certain Nonpermanent Residents.*

https://www.justice.gov/sites/default/files/pages/attachments/2015/07/24/eoir42b.pdf

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 ¹³ Ibid 12.

¹⁴ Ibid 2.

¹⁵ The Pew Charitable Trusts, Without ID, Homeless Trapped in Vicious Cycle, May 2017.

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https://www.state.nj.us/corrections/pdf/offender_statistics/2016/Release_Outcome_Report_2011.pdf ¹⁷ Urban Policy Institute, *Release Planning for Successful Reentry: A Guide for Corrections, Services, Providers, and Community Groups*, September 2008. <u>https://www.urban.org/sites/default/files/publication/32056/411767-Release-Planning-for-Successful-Reentry.PDF</u>

¹⁸ New Jersey Coalition to End Domestic Violence, Advocates for Domestic Violence Survivors, Women's Reproductive Health Voice Support for Expanded Access to Driver's Licenses for All, December 2019. <u>https://www.insidernj.com/press-release/advocates-domestic-violence-survivors-womens-reproductive-health-voice-support-expanded-access-drivers-licenses-regardless-immigration-status-new-jersey/</u>

¹⁹ For methodology, see: New Jersey Policy Perspective, *Fast Facts: Driver's License Expansion Would Pay for Itself and More,* May 2019. <u>https://www.njpp.org/budget/fast-facts-drivers-license-expansion-pay-for-itself-and-more</u>

²⁰ The Migration Policy Institute estimates the undocumented population by county. We assume that New Jersey would have a high-end participation rate, similar to Illinois' rate of 47 percent. We project New Jersey's rate will be slightly higher at 50 percent given driving is necessary to getting around the state's sprawling suburbs. The Fiscal Policy Institute (FPI) similarly uses this take-up rate in their projections for New York. Thus, we multiply the number of undocumented residents of driving age (93 percent) by the take-up rate of 50 percent to project that the number of immigrants without status by county who would obtain a driver's license during the first three years of implementation.
²¹ The Pew Hispanic Center, *Real ID, Real Problems: States Cope With Changing Rules, Late Rollout,* August 2019. https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2019/08/06/real-id-real-problems-states-cope-with-changing-rules-late-rollouts

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²⁴ Ibid 5.

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⁴ Social Explorer Tables: ACS 2018 (1-Year Estimates) (SE), ACS 2018 (1-Year Estimates), Social Explorer; U.S. Census.

²⁵ Latino Policy Institute at Roger Williams University, A Legal and Policy Analysis of Driver's Licenses for Undocumented Rhode Islanders, June 2016. <u>https://www.rwu.edu/sites/default/files/downloads/lpi/drivers-license_report-legal.pdf</u>

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²⁷ Health Affairs, *The Effects Of Early Care And Education On Children's Health*, April 2015. https://www.healthaffairs.org/do/10.1377/hpb20190325.519221/full/

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³⁰ For methodology, see: New Jersey Policy Perspective, *Fast Facts: Driver's License Expansion Would Pay for Itself and More*, May 2019. https://www.njpp.org/budget/fast-facts-drivers-license-expansion-pay-for-itself-and-more
 ³¹ Institute for Taxation and Economic Policy, *State and Local Contributions of Undocumented*

Immigrants in New Jersey, June 2017. <u>http://www.njpp.org/wp-content/uploads/2018/04/NJ-Undoc-Immigrant-by-County-1.pdf</u>