



Expanding Access to Driver's Licenses

Getting a License Without Regard to Immigration Status

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Policies affecting access to driver's licenses have changed in numerous ways over the years in New York State, and around the country. Today, 12 states, plus the District of Columbia and Puerto Rico, make it possible for immigrants to get driver's licenses without regard to their immigration status.¹

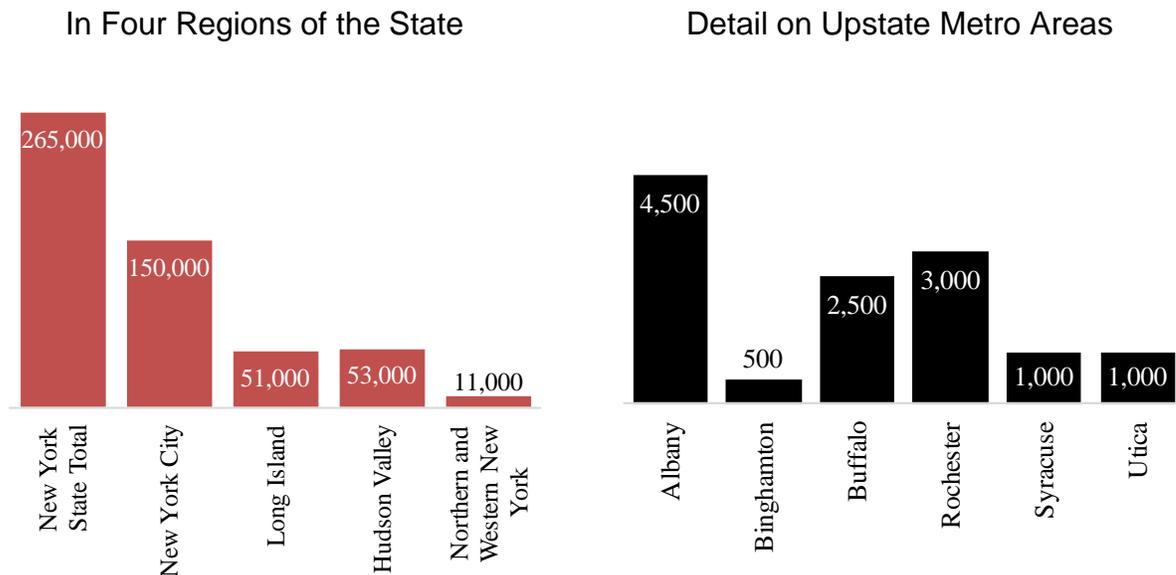
Until 2003, New York State allowed residents to apply for driver's licenses without regard to their immigration status. Proposals are now pending in the New York State legislature that would allow all state residents to apply for a driver's license, irrespective of their immigration status. Currently, 37 percent of unauthorized immigrants live in a place where they can get a driver's license; if a bill passed in New York, that share would increase to 44 percent.²

More People Would Get Licenses, And More Would Buy Cars

Based on the analysis detailed below, the Fiscal Policy Institute is able to estimate the number of unauthorized immigrants who would get licenses if the policy permitted it, and the number of new cars that would be purchased. This analysis shows that, within three years:

— **An estimated 265,000 unauthorized immigrants would get licenses**, a two percent increase in the total number of people with licenses. That includes 150,000 in New York City, where the majority of the state's unauthorized immigrants live, 51,000 on Long Island, 53,000 in the Hudson Valley, and 11,000 in Northern and Western New York.

Estimated Number of New Licenses



Source: Fiscal Policy Institute. See analysis below for details.

An estimated 97,000 additional cars would be purchased and registered in New York within three years, a one percent increase in the number of vehicles registered.

Revenues Would Easily Outweigh Costs

The estimate of the number of people who would get a driver's license allows us to estimate the revenue generated from driver's license fees. The anticipated number of additional cars purchased makes it possible to estimate added revenues from car registration and related fees, as well as from sales tax and gasoline taxes paid. The Fiscal Policy analysis projects that revenues from expanding access to driver's licenses would more than cover expenses to the Department of Motor Vehicles, and would generate some modest additional revenues for public transportation authorities and county governments. The analysis shows:

An estimated \$57 million in combined annual government revenues, plus \$26 million in one-time revenues are projected to be attributable to more people getting licenses and buying cars, including:

\$24 million in one-time revenue to New York State. This includes \$7.3 million in new projected revenues from vehicle license plate and title fees. It also includes \$17 million that would offset the modest cost increases required for the Department of Motor Vehicles to produce the licenses. As a general principle, costs for services in New York match the fees charged.

\$28 million in annual revenue to New York State from car registration and related fees, sales taxes, and gas tax.

\$21 million in annual revenue to the county governments, combined, from the county component of sales tax and vehicle use tax fees.

\$8.6 million in annual revenues and \$2.2 million in one-time revenue to the Metropolitan Transportation Authority. Recurrent revenues come from the surcharge to car registration, gas tax, and sales tax in New York City, Long Island, and Lower Hudson. One-time fees come from a surcharge to driver's licenses.

\$288,000 in annual revenue to the upstate mass transportation authorities from a portion of surcharge to the gas tax in that region.

Payment of fees for licenses and registration are clearly new revenues, and gas is taxed at a higher rate than other goods so that spending on gas returns more revenue to the state than other spending. Sales taxes included here may represent in part a shift from spending on other taxable items to goods and services related to car ownership. However, the sales tax increase is added revenue to the extent that having a car and a license allows for higher wages or higher labor force participation.

Projected Revenues to State, County, and Public Transit Authorities

From Fees and Taxes for Driver's Licenses, Car Registration and Related, Sales Tax, and Gas Tax

	One-Time Revenue	Recurrent Annual Revenue
Revenue to State	\$24,000,000	\$28,000,000
Driver's License Fees	\$17,000,000	
Vehicle License & Title	\$7,300,000	
Revenue to Counties		\$21,000,000
New York City		\$12,400,000
Long Island		\$2,600,000
Lower Hudson Valley		\$1,400,000
Mid- and Upper Hudson Valley		\$1,000,000
Northern and Western NY		\$3,100,000
Revenue to MTA	\$2,200,000	\$8,600,000
Revenue to Upstate		
Metropolitan Transit Authorities		\$288,000
Total	\$26,000,000	\$57,000,000

All figures independently rounded.

In the context of the scale of the overall state budget—with \$72 billion in total tax revenues collected by New York State in 2015-16—these additional revenues are not large, but they are undoubtedly positive. The fiscal impact on counties and the public transit authorities would be similarly modest but clearly positive.

Additional Costs

The cost of providing licenses to unauthorized immigrants should be offset by the fee the Department of Motor Vehicles charges for getting the license, generally \$64.25 per license, with some additional revenues going to the Metropolitan Transportation Authority from a surcharge in the relevant downstate region.

Processing the added licenses would require some added staff at the Department of Motor Vehicles in order to process more licenses without adding to the wait time for processing.

In Illinois, 100 new people were hired to service about the same number of license applicants as anticipated in New York, and in California about 800 people were hired to process about three times the anticipated number of applicants in New York. While the fees from licenses should cover these costs, it would be appropriate to allocate the funding to the agency prior to the fee revenues coming in, so that it can staff up to accommodate anticipated demand.³

Other states have also invested in training, outreach, and translation and interpretation services to ensure that the licenses are not only available but also truly accessible. This would make sense in New York, and could add some to the cost of implementation.

In other states, there have been some additional costs associated with designing a special license for unauthorized immigrants, such as California's AB 60 Licenses. These costs would not be required in New York, since the proposal here is to use the same license as is already being issued.

Additional Benefits

In addition to the direct fiscal impacts outlined above, New York could expect:

- **Better Job Match and Improvements to the Local Economy.** Being able to drive means being able to get to a wider range of job sites. When everyone can get to every available job, the local labor market will function more smoothly, with businesses and employees finding the best job match.

Unauthorized immigrants make up five percent of the adult population in New York State (and 8 percent in New York City),⁴ so the impact on the overall labor market would again be modest, but clearly positive. The impact for those who could get licenses, however, would be substantial: it should result in less likelihood of being taken advantage of by employers when they have more possibility of moving jobs, better matching of their skills to the needs of employers, higher earnings, and correspondingly higher taxes paid.⁵

- **Reinforcing New York's Position as a State that Welcomes Immigrants and Benefits from their Contributions.** Taking positive action on immigration, particularly in the current political climate, is also a way to send a message to businesses thinking about locating or expanding in New York that the state values its diverse labor force and welcomes immigrant business owners, employees, customers, and residents. While unauthorized immigrants make up a moderate share of the overall labor force, immigrants in general—both those lawfully present and those who are unauthorized—play a very significant role in the state. Immigrants make up 23 percent of the population, 28 percent of the labor force, and 29 percent of small business owners in New York State, and their contribution to the state economy is well documented.⁶

- **Improved Public Safety.** Our roads are safer when all drivers can be tested, licensed and insured. Research on the issue has shown that undocumented immigrants are particularly careful drivers today, but that they are safer drivers still in states that allow them to get driver's licenses.⁷

As a matter of public safety, numerous law enforcement agents have urged that unauthorized immigrants be allowed to have driver's licenses. In supporting passage of California's bill, for example, Bill Bratton—then chief of police in Los Angeles—made the point that, “when we prevent people from obeying the law, we place them and ourselves needlessly at risk.”⁸ And, as Sheriff Timothy Bukowski of Kankakee, Illinois, put it when Illinois was passing its bill, “the issues of illegal immigration and obtaining a driver's license need to be considered separately. The safety of the driving public should be the issue.”⁹ Public safety is further enhanced when expanded access to driver's licenses frees law enforcement officers from spending half a day at a time bringing unlicensed drivers to the station for booking, allowing officers to concentrate on other law enforcement priorities.

- **A Modest Decrease in Insurance Costs.** When more people can get licenses, more drivers will have car insurance. Reducing the number of people driving without insurance is a major benefit if you are involved in a crash. It is also a benefit to people who currently pay for auto insurance, since states that have expanded eligibility for driver's licenses have also seen a reduction in insurance rates for everyone. One extensive study of the question found that on average states that allowed unauthorized immigrants to get driver's licenses saw a moderate but statistically significant savings of \$17 per year for all residents who hold an auto insurance policy.¹⁰

Every year, the Insurance Commissioner of California tracks the number of cars registered, and the number of cars insured. In the first year after California expanded access to driver's licenses, the commissioner reported that 200,000 more vehicles were registered than would have been expected based on continuation of prior trends.¹¹ This means not only an increase in the number of people insured, but also a decrease in the number of people driving without insurance.

The number of people insured and the dollar figure for cost savings will vary for New York, but the logic is straightforward: when more people have licenses, more get insurance, and the rates for car insurance for everyone are lower. Perhaps that's why the Illinois Insurance Association and four major insurance companies expressed their support for the state's policy to extend driver's licenses to unauthorized immigrants, Illinois SB 957.¹²

- **Unanticipated Benefits.** Although increasing the number of organ donors was surely not the reason for implementing a change in policy, California's Department of Motor Vehicles saw an increase in the list of potential donors after it allowed unauthorized immigrants to have driver's licenses.¹³ The scale of the increase in California is large enough that it seems almost certain that there are other factors at play. But having more people with driver's licenses almost surely also means more people on the list to be organ donors.

Conclusion

Expanding access to driver's licenses would have a number of benefits for unauthorized immigrants, and for New Yorkers altogether. Undocumented immigrants would have an easier time getting to work, to doctor's appointments, to the grocery store, or taking their kids to after-school programs. Having access to a car might allow more people to get jobs, and would allow those who do work to find a better job match. This fuller utilization of the human resources in our communities would also be good for local economies, helping them to reach a higher productive capacity. And, the more that drivers are fully tested and licensed, and insured, the safer New York's roads are for all of us.

Unauthorized immigrants already pay an estimated \$1.1 billion in New York State and local taxes.¹⁴ The costs of allowing unauthorized immigrants access to driver's licenses are minimal. The fees charged for licenses would offset those costs, and the state, county governments, and transit authorities around the state would see additional revenues. This is a policy that has been tested and worked well in 12 states, the District of Columbia and Puerto Rico. It's one that would bring benefits to New York State that would far outweigh any costs.

Analysis of Fiscal Impacts

1. An additional 265,000 licenses, a 2 percent increase in the number of New York State licenses held.

To estimate the number of people who would get licenses if New York State once again allows unauthorized immigrants to apply, we start with the number of unauthorized immigrants who are 16 years and older. We use the experience of other states to predict the “take-up rate” for New York—the share of unauthorized immigrants who would get licenses if the policy was changed. Finally, we make an adjustment for New York City, where public transportation is widely available and in general many people do not get a driver’s license.

The number of unauthorized immigrants is drawn from the Center for Migration Studies (CMS) Estimates of the Unauthorized Population; it is one of the most reliable estimates in general, and is the best estimate of local-level data. **In New York State, the total number of unauthorized immigrants 16 years and older is 752,000.**¹⁵

The “take-up rate” for unauthorized immigrants to get licenses when they are allowed to do so is derived from an analysis of the experience of other states, as reported in a brief by the Fiscal Policy Institute.¹⁶ The share of age-eligible unauthorized immigrants who get a license within three years of implementation of the policy ranges from about a quarter (25 percent in Nevada) to about a half (47 percent in Illinois). In New York, we assume that the policy would be implemented well, and that the take-up rate would be at the top of this range. **Our estimate is that half (50 percent) of age-eligible unauthorized immigrants would get a license.**

The adjustment for New York City is made by taking the total city population that is 16 and older (6.9 million) and subtracting the number of unauthorized immigrants of that age (525,000) to get the number of people currently eligible for a license (6.375 million). Data from the Department of Motor Vehicles show that there are 3.6 million New York State driver’s licenses held by New York City residents. The number of people eligible to get a license divided by the number of people currently holding a license gives us the appropriate adjustment for New York City. **Our estimate of the share of age-eligible adults in New York City that generally get a license is 57 percent.**¹⁷

The table below shows the resulting estimate: **265,000 people in New York State could be expected to get a driver’s license within three years of the policy being implemented. This represents a two percent increase over the 11.3 million people who currently hold a New York State license.**¹⁸ The majority are in New York City despite a lower tendency of New York City residents to have licenses because the large majority of unauthorized immigrants in the state live in New York City (525,000 out of 752,000 over 16 years old, or 70 percent). The table shows figures for Long Island, the Hudson Valley, Northern and Western New York, and for major upstate metro areas. For the purposes of subsequent calculations, the Hudson Valley is divided into Lower Hudson Valley—the counties inside the Metropolitan Commuter Transportation District (Dutchess, Orange, Putnam, Rockland, and Westchester), and Mid- and Upper Hudson Valley (Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Sullivan, Ulster, Warren, and Washington counties).

Policy Would Result in 265,000 More New Yorkers Getting a Driver's License, a 2 Percent Increase

	Number of unauthorized immigrants 16 and older	New York City adjustment for share of eligible drivers who have a license	Estimated percent of unauthorized immigrants who would get licenses	Estimated number of unauthorized immigrants who would get driver's licenses within 3 years
New York State	752,000			265,000
New York City	525,000	57%	50%	150,000
Long Island	101,000		50%	51,000
Hudson Valley	105,000		50%	53,000
Lower Hudson Valley	92,000		50%	46,000
Mid- and Upper Hudson Valley	13,000		50%	6,500
Northern and Western New York	21,000		50%	11,000
Albany Metro Area	9,000		50%	4,500
Binghamton Metro Area	1,000		50%	500
Buffalo Metro Area	5,000		50%	2,500
Rochester Metro Area	6,000		50%	3,000
Syracuse Metro Area	2,000		50%	1,000
Utica Metro Area	2,000		50%	1,000

Currently 11.3 million people hold New York State driver's licenses. Adding 265,000 would be an increase of 2 percent.

Sources: Number of unauthorized immigrants from the Center for Migration Studies, state- and PUMA-level data based on the 2014 IPUMS sample. Share of age-eligible population of unauthorized immigrants who receive licenses is assumed to be 50 percent—see text for details. Numbers may not sum due to independent rounding. Regional totals rounded to nearest thousand, local totals rounded to nearest 500. Current driver's licenses are from the U.S. Department of Transportation Highway Statistics Series for 2014.

*Lower Hudson Valley includes Dutchess, Orange, Putnam, Rockland, and Westchester counties. These counties, plus Long Island and New York City, make up the Metropolitan Commuter Transportation District. Mid- and Upper Hudson Valley includes Ulster, Columbia, Greene, and Sullivan counties.

2. Direct costs and revenues associated with issuing driver's licenses.

Processing two percent more licenses would involve some new costs, and would also bring in some new revenues. Any additional costs would be more than offset by the revenues to the Department of Motor Vehicles. It is a general principle of New York governance that fees should cover the cost of the services provided, as noted in a recent report surveying fees and taxes around the country by the Tax Foundation.¹⁹

In this case, it is also important to note the difference between marginal costs and average costs. The marginal cost, or added cost, of processing more licenses should be significantly less than the average cost of producing a license, since existing facilities can be used even if extra staff might in some cases need to be hired.

As a representative of the New York State Department of Motor Vehicles put it in an email, “The fees that are charged for a driver license, which are set by statute, likely exceed the marginal cost to process, produce, and issue a driver license.”²⁰

The experience of other states indicates that it would take roughly three years for the full 265,000 licenses to be granted. Increased revenue from license fees would come in step with the increase in the number of people applying for licenses.

In the case of driver's licenses, in addition to the \$64.25 fee that covers the cost of providing the license the state also administers a \$9 fee in the Metropolitan Commuter Transportation District (MCTD) that helps support the Metropolitan Transportation Authority (MTA) that runs the Long Island Railroad, Metro North, and the New York City Transit Authority.

The table below shows the aggregate projected revenue from driver's license applications. **The total of \$19.2 million includes \$17 million to the Department of Motor Vehicles and \$2.2 million to the Metropolitan Transit Authority.**

Revenues from Driver's License Fees

	Cost of license	MCTD Surcharge	Revenues to State	Revenues to MTA
Statewide Total			\$16,994,125	\$2,223,000
New York City	\$64.25	\$9.00	\$9,637,500	\$1,350,000
Long Island	\$64.25	\$9.00	\$3,276,750	\$459,000
Hudson Valley			\$3,373,125	
Lower Hudson Valley	\$64.25	\$9.00	\$2,955,500	\$414,000
Mid- and Upper Hudson Valley	\$64.25		\$417,625	
Northern and Western New York	\$64.25		\$706,750	

Notes: MCTD is the Metropolitan Commuter Transportation District, where a higher license fee applies. This applies to Long Island, New York City, and the Lower Hudson Valley as defined here—Dutchess, Orange, Putnam, Rockland and Westchester counties. Cost of license is conservatively taken to be \$64.25; the fee for people under 21 can be up to \$92.50.

Totals: Revenues from Driver's License Fees

Revenue to State	\$17,000,000
Revenue to MTA	\$2,200,000
Total	\$19,200,000

All figures rounded independently.

3. An additional 97,000 cars purchased, a one percent expansion of cars registered in New York State

In a brief issued in tandem with this report, the Fiscal Policy Institute estimates the number of cars that can be expected to be purchased if New York State expands access to driver's licenses.

The analysis is made possible by the invaluable microdata from the Center for Migration Studies, which is based on the augmented American Community Survey data files hosted by IPUMS (the Integrated Public Use Microdata Series). We begin by comparing the rate of vehicle ownership in two types of households: "households including an unauthorized immigrant" (those with at least one unauthorized immigrant adult), and "other immigrant households" (those with at least one foreign-born adult who is lawfully present and no unauthorized immigrant adults).

Recognizing that income is a big factor in whether or not someone can buy a car, we compare the two types of households at the same level of household income. And, recognizing that the number of adults in a household affects the number of cars, we calculate a per person rate of car ownership for each household. We adjust for New York City's lower rate of car ownership by performing the analysis twice, once for New York City and once for the balance of the state. Finally, we divide the total by two, in line with our assumption that half of age-eligible unauthorized immigrants would get a license if they were permitted to do so.

Our conclusion is that **97,000 additional cars would be purchased under the proposed policy change, a one percent expansion of the number of cars registered in the state.** New York City would see a three percent expansion of the number of cars, or 56,000 added cars, and the balance of the state would see a 0.5 percent increase, or 41,000 additional cars.

While more cars might be purchased, a modest decline might also be seen in the use of public transportation, and a bigger decline in walking on the sides of streets and perhaps also bicycling (though the overall rate of bicycle-riding is simultaneously increasing).

For a detailed analysis of this projection, see the Fiscal Policy Institute's study, "Expanding Access to Driver's Licenses: How Many Additional Cars Might Be Purchased?"²¹

4. Revenues from Car Registration and Related Fees

People buying cars in New York State will pay several fees: a one-time fee for a vehicle license plate and title certificate, a registration fee that must be renewed every two years, and in most counties also a vehicle use tax that is renewed every two years. In addition, for New York City, Long Island, and the Lower Hudson Valley there is also a bi-annual supplemental fee that helps finance the MTA.

To calculate the amount of revenue generated by these fees, we started with the number of cars projected to be purchased in each region. The number of added cars is assumed to be in proportion to our estimate of the number of added drivers in the region. Westchester is calculated separately because it has a different county vehicle use fee than other parts of the Lower Hudson Valley.

New York State would see \$1.3 million in annual revenues from these fees, plus \$7.3 million in one-time fees. The counties would see a combined \$1.3 million in added vehicle use tax revenues, and the MTA would see an added \$2.3 million in annual revenues.

Revenues from Car Registration and Related Fees

Where Revenues Go		One-time fee	Recurrent fee (annualized)	New York City	Long Island	Westchester	Dutchess, Orange, Putnam and Rockland*	Mid- and Upper Hudson Valley	Northern and Western New York
	Projected Number of Additional Vehicles			56,003	18,090	11,317	6,056	1,457	3,779
State Revenues	Vehicle License Plate	\$25		\$1,400,075	\$452,239	\$282,922	\$151,391	\$36,422	\$94,476
	Title Certificate	\$50		\$2,800,150	\$904,478	\$565,844	\$302,782	\$72,845	\$188,953
	Registration Fee		\$13/year (\$26.00 every 2 years)	\$728,039	\$235,164	\$147,119	\$78,723	\$18,940	\$49,128
County Revenues	County Vehicle Use Tax For New York City Long Island & Westchester		\$15/year (\$30 every 2 years)	\$840,045	\$271,343	\$169,753	\$0	\$0	\$0
	County Vehicle Use Tax for All Other Counties**		\$5/year (\$10 every 2 years)	\$0	\$0	\$0	\$17,561	\$4,225	\$10,959
MTA Revenues	Supplemental MCTD Fee		\$25/year (\$50.00 every 2 years)	\$1,400,075	\$452,239	\$282,922	\$151,391	\$0	\$0

* All of these counties are in the MCTD, and all except Orange have a \$10 vehicle use tax. For the purpose of this analysis, Orange is assumed to be like the other counties. The number of added cars is apportioned to the regions outside of New York City in proportion to their share of unauthorized immigrants 16 years and older.

**29 of the 50 counties outside of the MCTD region have a vehicle use tax that is approximately \$10, and some do not have a fee. For the purpose of this calculation we assume all counties outside of the MCTD have a \$10 fee and multiply by the ratio 29/50.

Totals: Revenues from Car Registration and Related Fees

	One-time Fees	Recurrent Fees (annualized)
Revenue to State	\$7,300,000	\$1,300,000
Revenue to Counties		\$1,300,000
New York City		\$800,000
Long Island		\$300,000
Lower Hudson Valley		\$200,000
Mid- and Upper Hudson Valley		\$4,000
Northern and Western New York		\$11,000
Revenue to MTA		\$2,300,000
Total	\$7,300,000	\$4,900,000

All figures rounded independently.

5. Revenues from Sales Tax on Cars and Servicing

Sales taxes will also be paid on the cars purchased, as well as repairs and servicing. To estimate these costs, we begin with data from New York State Comptroller's office on Local Government Sales Tax. We assume there will be an increase in each region's car-related sales, in all categories of spending, and that they will be proportionate to the number of cars purchased. Included in the analysis are sales of car dealers, auto parts and accessories stores, repair enterprises, gas stations, vehicle and parts wholesalers, and other motor vehicle dealers. We apply the state, local, and public transportation-related tax as appropriate to each region of the state.

The revenue from the associated sales taxes to New York State is \$17.8 million. The revenue to the combined counties is \$19.2 million. And the revenue to the MTA from a surcharge in New York City, Long Island, and Lower Hudson Valley is \$1.3 million.

Since some of the money unauthorized immigrants spend on cars will come from money they would have otherwise spent on different taxable items, not all of the taxes collected here represent additional government revenue. However, since having a car will allow some people to work who otherwise didn't, and will allow some people to get jobs that pay more than they otherwise would have earned, in many cases we may expect that cars "pay for themselves," and the associated sales taxes are indeed new revenues.

Revenues from Sales Tax on Cars and Servicing

	Increase in Sales Related to Cars	Total Sales Tax Rate	Increase in NYS Sales Tax Revenue	Increase in Local Sales Tax	Increase in MTA Revenues	Total Revenue Increase
New York City	\$257,000,000	8.875%	\$10,300,000	\$11,600,000	\$1,000,000	\$22,900,000
Long Island	\$53,000,000	8.625%	\$2,100,000	\$2,300,000	\$200,000	\$4,600,000
Lower Hudson Valley	\$32,000,000	8.08%	\$1,300,000	\$1,200,000	\$100,000	\$2,600,000
Mid- and Upper Hudson Valley	\$28,000,000	8%	\$1,100,000	\$1,000,000	\$0	\$2,100,000
Northern & Western	\$76,000,000	8%	\$3,000,000	\$3,100,000	\$0	\$6,100,000
New York State Total	\$446,000,000		\$17,800,000	\$19,200,000	\$1,300,000	\$38,300,000

Assumes an increase in sales related to cars that is proportionate to the increase in the number of new cars projected for each region. Base is total taxable sales, as reported in Taxable Sales and Purchases Quarterly Data for the four quarters in calendar year 2015/2016. Included are dealers in automobiles and other vehicles, auto parts and accessories, repair, gas stations, vehicle and parts wholesalers, and other motor vehicle dealers.

Sales tax rate is the average for each region. Assumes the increase in cars will result in proportionate increased expenses.

Fiscal Policy Institute analysis of New York State Comptroller, Local Government Sales Tax in New York State: 2015.

Totals: Revenues from Sales Tax on Cars and Servicing

Revenue to State	\$17,800,000
Revenue to Counties	\$19,200,000
New York City	\$11,600,000
Long Island	\$2,300,000
Lower Hudson Valley	\$1,200,000
Mid- and Upper Hudson Valley	\$1,000,000
Northern and Western New York	\$3,100,000
Revenue to MTA	\$1,300,000
Total	\$38,300,000

6. Revenues from Gasoline Tax

To estimate the added tax revenues from gasoline and other fuel, we start with the total revenue from these taxes and increase them by the overall projected increase in the number of cars. We then, again, apportion the statewide total to the different regions of the state in accordance with the number of added cars estimated in each region.

In total, we see \$9 million in added tax revenues to New York State, and \$5.3 million to the state's different transportation authorities. In this case, the revenues are not only to the MTA, but also to the upstate region's authorities. For the purpose of this analysis, we assume it is split

Expanding Access to Driver's Licenses

among the authorities in accordance with where the revenues are generated, so \$5 million to the MTA (including revenues from New York City, Long Island, and the Lower Hudson Valley) and \$288,000 to the upstate mass transit authorities.

Gasoline is taxed at a considerably higher rate than other goods and services, so most of this is indeed new revenue to the state and transit authorities, whether or not it comes from added income for the purchasers.

Revenues from Gasoline Tax

Projected increase in fuel tax revenues	State Total	NYC	Long Island	Lower Hudson Valley	Mid- and Upper Hudson Valley	Northern and Western New York
New York State	\$9,001,729	\$5,213,198	\$1,683,922	\$1,617,173	\$135,619	\$351,784
Mass Transit Authorities	\$5,314,385	\$3,077,735	\$994,143	\$954,737	\$80,066	\$207,684

Fiscal Policy Institute analysis of State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, year ended March 31, 2016. Includes revenue from motor fuel and petroleum business taxes. Increase in fuel usage is assumed to be proportionate to the projected increase in the number of cars in each region. Breakdown of share to each region is assumed to be proportionate to projected number of people with new licenses in each region.

Totals: Revenues from Gasoline Tax

Revenue to MTA	\$5,000,000
Revenue to Upstate Mass Transit Authorities	\$288,000
Total	\$14,300,000

Assumes revenue from gas tax to MTA and Upstate Mass Transit Authorities is proportionate to spending on gas in each region. Combines revenue to mass transportation trust and mass transportation operating assistance. Numbers are rounded independently.

Summary of Revenue Estimates

Driver's Licenses	One-Time Revenue*	Car Registration and Related	One-Time Revenue	Recurrent Annual Revenue	Sales Tax Revenues	Recurrent Annual Revenue	Gas Tax Revenues	Recurrent Annual Revenue
State Revenues	\$17,000,000	Revenue to State	\$7,300,000	\$1,300,000	Revenue to State	\$17,800,000	Revenue to State	\$9,000,000
		Revenue to Counties		\$1,300,000	Revenue to Counties	\$19,200,000		
		New York City		\$800,000	New York City	\$11,600,000		
		Long Island		\$300,000	Long Island	\$2,300,000		
		Lower Hudson Valley		\$200,000	Lower Hudson Valley	\$1,200,000		
		Mid- and Upper Hudson Valley		\$4,000	Mid- and Upper Hudson Valley	\$1,000,000		
		Northern and Western NY		\$11,000	Northern and Western NY	\$3,100,000		
MTA Revenues	\$2,200,000	Revenue to MTA		\$2,300,000	Revenue to MTA	\$1,300,000	Revenue to MTA	\$5,000,000
							Revenue to Upstate Mass Transit Authorities	\$288,000
Total	\$19,200,000	Total	\$7,300,000	\$4,900,000	Total	\$38,300,000	Total	\$14,300,000

All figures independently rounded.

*Calculated as a one-time fee, though it is renewable after 5 years or more.

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The Fiscal Policy Institute (www.fiscalspolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared. FPI's Immigration Research Initiative looks at immigration issues in New York State, and around the country.

¹ Thirteen jurisdictions currently allow unauthorized immigrants to apply for a driver's license—the states of California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Nevada, New Mexico, Utah, Vermont, Washington, as well as the District of Columbia and Puerto Rico. See the NILC web site for the most recent map of existing and pending state laws. <https://www.nilc.org/issues/drivers-licenses/drivers-licenses-map/>. Accessed on January 25, 2017.

² Share of unauthorized immigrants who live in a state where they can apply for a driver's license is calculated by the Fiscal Policy Institute, based on a calculation reported in "Alternative Driver's Licenses for Unauthorized Immigrants," Pew Charitable Trusts, November 23, 2015. Both the original article and the FPI extension of the research to include New York are based on data from: Jeffrey S. Passel and D'Vera Cohn, "Unauthorized Immigrant Totals Rise in 7 States, Fall in 14," Pew Research Center (Nov. 18, 2014).

³ Estimates of added employees, as well as some other cost estimates, are included in "Deciding Who Drives," a report by the Pew Charitable Trusts, August 2015.

⁴ Share of adult population here is share of those 16 years and older. The share is a Fiscal Policy Institute analysis of the 2013 microdata from the Center for Migration Studies. The dataset is based on the augmented American Community Survey datafiles hosted by the Minnesota Population Center's Integrated Public Use Microdata Series. For detail on the methodology, see Robert Warren, "Democratizing Data about Unauthorized Residents in the United States: Estimates and Public-use Data, 2010 to 2013," *Journal on Migration and Human Security*, 2014. <http://jmhs.cmsny.org/index.php/jmhs/article/view/38>. Accessed on January 25, 2017.

⁵ For an analysis that shows why removing barriers to unauthorized immigrants' labor force participation is good for local economies, see: "Three Ways Immigration Reform Would Make the Economy More Productive," Fiscal Policy Institute, November 2014.

⁶ Among the numerous reports by the Fiscal Policy Institute and others on the economic contribution of immigrants in New York, see "A Profile of Immigrants in the New York State Economy," Fiscal Policy Institute, 2007. Data cited here are FPI analyses of the 2015 American Community Survey except for small business owners, which is based on 2010 5-year data, as reported in "Immigrant Small Business Owners: A Significant and Growing Part of the Economy," Fiscal Policy Institute, 2012.

⁷ See, for example, J. Alejandro Tirado-Alcaraz, "Issuing Driver's Licenses to Undocumented Immigrants in Rhode Island," Latino Policy Institute at Roger Williams University, June 2016. In a regression analysis looking at states with different driver's license policies, the study finds: "when we compare traffic fatalities in all states, with and without restrictions for driver's license applicants, we found that larger percentages of undocumented immigrants are associated with lower traffic fatalities. What is even more revealing is that states that have allowed undocumented immigrants to apply for a driving document have on average less traffic fatalities than states

requiring either documented legal presence or a valid SSN.” (p. 21.) This supports both the notion that unauthorized immigrants may be particularly careful drivers, since they are concerned about interaction with law enforcement, and also the idea that they will be better drivers if they have a license.

⁸ Bill Bratton—then chief of police in Los Angeles, now police commissioner in New York City—is quoted in a press release from Los Angeles Mayor James Hahn, August 14, 2003.

⁹ Email correspondence of Sheriff Timothy F. Bukowski, Sheriff of Kankakee, Illinois, with the National Immigration Law Center, July 16, 2004.

¹⁰ Mauricio Cáceres and Kenneth P. Jameson, “The Effects on Insurance Costs of Restricting Undocumented Immigrants’ Access to Driver Licenses,” *Southern Economic Journal*, 2015, vol. 81, number 4.

¹¹ “AB 60 Driver Licenses Believed to Cause 2015 Bump in Insured Vehicles,” Press release of the California Department of Insurance, available at <http://www.insurance.ca.gov/0400-news/0100-press-releases/2016/release133-16.cfm>. Accessed on January 25, 2017.

¹² For documentation of support for the Illinois policy by representatives of the insurance industry, see <https://www.nilc.org/issues/drivers-licenses/dlaccessstoolkit4a/>. Accessed on January 25, 2017.

¹³ See Brenna Lyles, “Surge in Immigrant Driver’s Licenses May Have Spurred More Organ Donors,” *Sacramento Bee*, October 19, 2015.

¹⁴ “Undocumented Immigrants’ State and Local Tax Contributions,” Washington, D.C., Institute on Taxation and Economic Policy, February 24, 2016.

¹⁵ The Center for Migration Studies data tool can be found at <http://data.cmsny.org/puma.html>. Accessed on January 25, 2017.

¹⁶ David Dyssegaard Kallick and Cyierra Roldan, “Take-Up Rates for Licenses: When Unauthorized Immigrants Can Get a License, How Many Do?,” Fiscal Policy Institute, January 31, 2017.

¹⁷ Data for the number of licenses held by New York City residents comes from the Department of Motor Vehicles, “New York State Driver’s Licenses in Force,” 2015, available at <https://dmv.ny.gov/about-dmv/statistical-summaries>. Accessed on January 25, 2017. Note: the total population 16 and over and unauthorized immigrant population are both based on the Center for Migration Studies microdata, and thus are both adjusted for undercount. Also note that not all people in New York State with a driver’s license have a New York State license; some also have out-of-state licenses.

¹⁸ Total number of licenses from the above-cited New York Department of Motor Vehicles data, for 2015.

¹⁹ Joseph Henchman, “How is the Money Used? Federal and State Cases Distinguishing Taxes and Fees,” The Tax Foundation, March 2013. The report notes that New York’s highest court distinguished in a ruling between a license fee and a tax: “A license fee has for its primary purpose the regulation or restriction of a business deemed in need of public control, the cost of such regulation being imposed upon the business benefited or controlled, whereas the primary purpose of a tax is to raise money for support of the government generally.” (p. 67.)

²⁰ Department of Motor Vehicle communication with the New York State Office for New Americans, January 2014.

²¹ “Expanding Access to Driver’s Licenses: How Many Additional Cars Might Be Purchased?” is being released simultaneously with this report, and can be found at www.fiscalspolicy.org, published on January 31, 2017.