

**S. 4133, Real ID Modernization Act**

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 22, 2020

| By Fiscal Year, Millions of Dollars  | 2021 | 2021-2025                           | 2021-2030            |
|--|------|-------------------------------------|----------------------|
| Direct Spending (Outlays)  | 0    | 0                                   | 0                    |
| Revenues   | 0    | 0                                   | 0                    |
| Increase or Decrease (-) in the Deficit  | 0    | 0                                   | 0                    |
| Spending Subject to Appropriation (Outlays)  | *    | *                                   | not estimated        |
| Statutory pay-as-you-go procedures apply?  | No   | <b>Mandate Effects</b>              |                      |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031? | No   | Contains intergovernmental mandate? | Yes, Under Threshold |
|  |      | Contains private-sector mandate?    | Yes, Under Threshold |
| * = between zero and \$500,000.  |      |                                     |                      |

S. 4133 would provide flexibility to states to meet the standards established in the Real ID Act of 2005 for identification documents that are enforced by the Department of Homeland Security (DHS). The bill also would allow states to accept identity documents that are transmitted electronically if DHS issues regulations regarding such transmission and states certify with DHS that they are in compliance.

DHS currently allows states to accept identity information electronically in some circumstances. Using information obtained from the department, CBO expects that broadening the rules regarding electronically transmitted documents and tracking state certifications would not require significant DHS staff or resources. On that basis, CBO estimates that implementing the legislation would cost less than \$500,000 over the 2021-2025 period.

The bill contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost of the intergovernmental and private-sector mandates would fall below the UMRA thresholds (\$84 million and \$168 million in 2020, respectively, adjusted annually for inflation).

S. 4133 would require states to ensure the security of the production location and of the materials, records, and data from which drivers' licenses and identification cards are

produced. That requirement would impose an intergovernmental mandate on state governments. States also would be required to establish training programs for fraud prevention. The training would be provided to employees engaged in the issuance of drivers' licenses and identification cards. According to industry sources, the cost for states to comply with the mandates would be small because the current practices of states are consistent with provisions in the bill.

The bill also would require aircraft operators and some reservation entities to notify passengers of identification requirements and deadlines as established under The REAL ID Act. That requirement would impose a private-sector mandate. The incremental cost of the mandate would be small because the mandated entities already provide information to passengers on identification documents necessary for travel.

The CBO staff contacts for this estimate are Lindsay Wylie (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.