



ENJOY READING
THESE REPORTS?

Please consider
making a donation
to support the
Budget & Tax Center at
www.ncjustice.org

Licensing All Drivers in North Carolina:

A Policy that Supports Public Safety and Boosts the Economy

BY ALEXANDRA FORTER SIROTA

For years, North Carolina has been at the forefront of adopting measures that improve safety on the roads, from graduated driver's licenses for first-time drivers to texting bans to strict requirements on the transportation of children. But one simple measure has been ignored: ensuring all drivers have a driver's license, regardless of their immigration status.

Doing so can improve public safety while giving an economic boost to workers and employers. A growing number of states—12 as of 2013— have adopted this straightforward policy, finding that there is minimal or no additional cost to the state and benefits that include a more inclusive economy and society.¹

While North Carolina policymakers considered legislation in 2013 that would have provided a driver's privilege to some unauthorized immigrants, it was coupled with enforcement procedures that would have minimized the benefits.² Lawmakers should go back to the drawing board and come up with a more workable plan, since there is a growing need to license all drivers in the state in order to keep up with trends in immigration and our economy.

North Carolina Impacts: Reach is great, costs are minimal

Based on estimates of the number of undocumented immigrants in North Carolina and the state's adult population, as many as 254,545 people would benefit from making driver's licenses available regardless of immigration status.³ Some of these drivers would undoubtedly be heads of households, thereby delivering benefits to their children as well. However, these are only rough estimates, since the exact number of undocumented immigrants in the state is unknown.

For many North Carolinians being able to get to work, take their kids to school, buy groceries and perform other routine tasks requires the ability to drive because of limited public transportation and the growing distance between where the jobs are and where people can afford to live.⁴

MEDIA CONTACT:

ALEXANDRA FORTER
SIROTA

Project Director
919/861-1468
alexandra@ncjustice.org

Budget & Tax Center

a project of the

north carolina
JUSTICE CENTER

P.O. Box 28068
Raleigh, NC
27611-8068

www.ncjustice.org

More than 90 percent of North Carolinians use a car to get to work, either by driving alone or carpooling. For foreign-born residents, the figure is similar although the proportion carpooling is much higher than in the non-foreign-born population.⁵ As the mismatch between where workers live and where the jobs are persists, reliable, consistent and affordable transportation is a key component to improving the economic well-being of working families.⁶

Many immigrants, including unauthorized immigrants, are working in industries where operating machinery or vehicles could be required. For example, many immigrants in the Southeastern United States work in agriculture, manufacturing and warehousing.⁷ Immigrants are also well-represented in the construction industry, where driver's licenses could be needed.⁸

Studies conducted in other states have found that as a result of not having a valid driver's license, immigrant community members have trouble scheduling hours at work and accomplishing basic daily tasks like going to the grocery store. Many immigrants also restricted their activities at church and with community groups, and reduced their large consumer purchases.⁹

Businesses in North Carolina are increasingly dependent on immigrants as both workers and customers. A recent report from the Department of Public Safety based on industry interviews with farmers, retailers, construction firms, and manufacturers, found that some employers "depend heavily on seasonal, manual labor by immigrants because certain crops cannot be easily cultivated by mechanized methods."¹⁰

The report also found that "if more unauthorized immigrants mean an overall increase in customers, then retailers will likely sell more products and make more profit. In fact some retailers have begun to cater specifically to immigrant population preferences by expanding their available products in response to particular demand represented by immigrant communities in a particular region."

When unauthorized immigrants have safe, legal access to transportation, it improves their ability to get to work regularly and on time and gives them greater opportunities to fully participate in local economies. This, in turn, benefits the state's economy.

Public safety goals are supported

Another reason to provide driver's licenses to unauthorized immigrants is to promote public safety by increasing the likelihood that drivers know the rules of the road, pass vision tests and have insurance. This, in turn, can help lower insurance rates for all drivers. In addition, law enforcement agencies in other states have supported this policy because it can help them identify motorists and access accurate traffic records.

Unlicensed drivers are five times more likely to be involved in a fatal car crash, according to the AAA Foundation for Traffic Safety.¹¹ In North Carolina, an estimated 1 out of every 7 drivers are unlicensed.¹² Not everyone who is unlicensed is an unauthorized immigrant. However, these figures show that licensing more drivers could improve public safety while also improving law enforcement's access to accurate records and first responder's ability to identify victims. There would also be fewer traffic infractions to tie up limited court resources, allowing them to be spent on more crucial priorities in the justice system.

Evidence from other states supports this potential public safety benefit. After New Mexico enacted a law in 2003 to license all drivers, its rate of uninsured vehicles decreased from 33 percent to less than 9.1 percent by 2011.¹³

Budget & Tax Center

a project of the

north carolina
JUSTICE CENTER

P.O. Box 28068
Raleigh, NC
27611-8068

www.ncjustice.org

Costs minimal to state, benefits potentially positive for taxpayers

When it comes to the cost of licensing unauthorized immigrants, the state is likely to come out ahead. Application fees for the driver's license, which would generate \$8.1 million for the state, would cover the cost of processing.¹⁴ Given that the number of unauthorized immigrants who would be eligible represents just 4 percent of the total licensed drivers in the state, it is unlikely that significant expansion of personnel or infrastructure at Division of Motor Vehicle offices would be required. Other states have found that implementation costs were fully covered by fees by the second year of the law's implementation.¹⁵

While more difficult to estimate, more state revenue is likely to be generated through an increase in vehicle registrations and license plate fees, as well as additional property taxes paid to local governments.

One area where the state could potentially lose money is in the collection of fines for driving without a license. In fiscal year 2012-13, 127,797 cases for "No Operator's License" were filed statewide in District Court, and nearly 47,000 more were pending.¹⁶ It is difficult to estimate how much these cases would decline. The reduction in this particular case load, however, would eliminate the judicial costs associated with processing those cases, and would allow limited court resources to be used on other, more serious cases, with the potential to achieve critical public safety goals and generate other legal fees.

Beyond the impacts on state finances, allowing undocumented immigrants to get driver's licenses could save all North Carolinians money. If more drivers are insured, insurance losses nationwide could drop by over \$4.1 billion per year.¹⁷ This could help licensed, insured drivers avoid higher premiums for accidents and injuries caused by unlicensed, uninsured drivers. One Illinois study estimated that accidents caused by unlicensed and uninsured immigrant drivers add \$116.90 per person, per year to the cost of auto insurance policies in the state.¹⁸ The North Carolina Department of Insurance noted, however, that any impacts for individual consumers would likely lag implementation by five years or more.¹⁹

Given that any applicant for a driver's license must show evidence of being insured, the state's auto insurance industry could see additional profits as well. The average cost of the minimum coverage required in North Carolina is slightly more than \$1,000 a year.²⁰ The average premium paid by many undocumented immigrants would likely be higher than that, since those who have not been licensed before will be insured as new drivers. Given that North Carolina requires auto insurance companies to accept all who apply, the industry could earn at least an additional \$270 million annually.²¹

Driver's licenses can support the state's priorities in public safety and economic opportunity

Being able to drive a car is increasingly important in North Carolina to the ability to get to work, take kids to school and meet daily family needs. Ensuring that all drivers are licensed and insured also supports broader public safety goals that are important to every North Carolinian. Finally, expanded access to driver's licenses will reduce administrative burdens including costs on law enforcement and the court system.

Budget & Tax Center

a project of the

north carolina
JUSTICE CENTER**P.O. Box 28068
Raleigh, NC
27611-8068**www.ncjustice.org

1. National Immigration Law Center, Map of Enacted Laws of Driver's Licenses for Undocumented Immigrants. Accessed at:
2. North Carolina Department of Public Safety, March 2014. Session Law 2013-418 Report on Study of Immigration Measures. Accessed at:
https://www.ncdps.gov/div/Admin/Legislative/DPS_Reclaim_NC_Study_2014_03_01.pdf
3. Estimate based on the driver's license eligible population from US Department of Transportation Highway Safety statistics and estimates of undocumented immigrants from Passel and Cohn, 2010 and method from Fiscal Policy Institute, New York, NY. The calculation takes the estimated number of unauthorized immigrants in NC multiplied by the share that are adults multiplied by the share of people with a drivers license in the general population.
4. Mitchell, Tazra, 2012. Transit's Most Reliable Customers: Why Considering the Needs of Low-Income Populations Improves Public Transit. BTC Brief: North Carolina Justice Center, Raleigh, NC.
5. American Community Survey, 2012 and Kim, Sungyop, 2009, Immigrants and Transportation: An Analysis of Immigrant Worker's Work Trips. Cityscape: A Journal of Policy Development and Research, Volume 11, Number 3. US Department of Housing and Urban Development.
6. Tomer, Adie, Elizabeth Kneebone, Robert Puentes and Alan Berube, May 2011. Missed Opportunity: Transit and Jobs in Metropolitan America. Brookings Institution: Washington, DC and Blumenberg, Evelyn and Waller, Margy, July 2003. The Long Journey to Work: A Federal Transportation Policy for Working Families. Center on Urban and Metropolitan Policy, Brookings Institution.
7. Jensen, Leif, 2006. New Immigrant Settlements in Rural America: Problems, Prospects and Policies. Carsey Institute
8. Shierholz, Heidi, August 2011. The contraction in construction squeezed immigrants hardest. Economic Policy Institute: Washington, DC.
9. Mary C. King, et al., *Assessment of the Socioeconomic Impacts of SB 1080 on Immigrant Groups* (Oregon Department of Transportation Research Section, June 2011), www.oregon.gov/ODOT/TD/TP_RES/docs/reports/2011/sb1080.pdf
10. NC Department of Public Safety, March 2014.
11. AAA Foundation for Traffic Safety, 2011, Unlicensed to Kill accessed at:
<https://www.aaafoundation.org/sites/default/files/2011Unlicensed2Kill.pdf>
12. AAA Foundation for Traffic Safety, 2013
13. Ortiz, Ken, Dec. 29, 2007. "New Driver's Licenses Don't Have 'Loophole'," Albuquerque Journal: Albuquerque, NM.
14. Author's calculation based on NC driver's license fee of \$4 per year.
15. See Fiscal Notes from Maryland, Oregon
16. North Carolina Administrative Office of the Courts, "Misdemeanor Motor Vehicle Case Activity Report", Fiscal Year 2012-13, available at:
http://www.nccourts.org/Citizens/SRPlanning/Statistics/CAReports_fy12-13.asp.
17. "IRC Estimates More Than 14 Percent of Drivers Are Uninsured" (Insurance Research Council news release, June 28, 2006), www.ircweb.org/news/20060628.pdf.
18. Safety and Savings: How Driver's Certificates would lower insurance premiums and make our roads safer, May 2007. Illinois Coalition for Immigrant and Refugee Rights, accessed at:
www.icirr.org/iih/learn/insurancereport.pdf
19. NC Department of Public Safety, March 2014.
20. Special Data Request to NC Department of Insurance, 2013.
21. Author's calculation using the average annual car insurance premium paid (\$1,060) multiplied by the number of potential drivers.

Budget & Tax Center

a project of the

north carolina
JUSTICE CENTER**P.O. Box 28068
Raleigh, NC
27611-8068**www.ncjustice.org