

Department of Motor Vehicles 2011 Fiscal Impact Statement

1. Bill Number: HB1472

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Cole

3. Committee: Transportation

4. Title: License plates, special; fees for certain disabled veterans.

5. Summary: Special license plates for certain disabled veterans; fees. Provides that a vehicle need not display special license plates issued to certain veterans in order for such veteran to receive the discount on registration and annual fees so long as such veteran qualifies to receive that plate.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: DMV would expect a significant loss of revenue as a result of this bill; however, the anticipated amount of the loss is unclear. Currently, the Commonwealth experiences a loss of revenue from the Disabled Veteran (DV) license plate program. The provisions of Virginia Code § 46.2-739 exempt the holders of these plates from standard registration fees and special plate fees, though the exemption is limited to one vehicle registration per plate holder. This revenue loss is borne by DMV, VDOT, State Police, and emergency medical services programs.

As special license plates, DV plates account for a loss of \$50.75 for each registration: \$40.75 base registration fees plus the \$10 special plate fee assessed by Va. Code §46.2-725. Since there are approximately 5,500 active DV plate registrations, the annual loss of revenue is roughly \$279,125. The most recent numbers available from the Veterans Administration indicate that, for 2009, there were approximately 13,500 disabled veterans in Virginia who would qualify for DV plates. Using this number, the total potential annual revenue loss would be approximately \$685,125 under both the current program and the provisions of this bill.

Under the provisions of this bill, the 13,500 eligible disabled veterans would qualify for a fee waiver for any one vehicle, regardless of the plates displayed on that vehicle. Because the veterans would not have to change their existing license plates, DMV would expect the number of participating eligible veterans to approach 100%, resulting in an increased annual loss of more than \$400,000 over current losses.

These loss estimates do not take into account eligible surviving spouses of disabled veterans, who would also qualify for the exemption, because there is no estimate of their number; therefore, these estimates are already low. In addition, the total loss could be increased by other factors, such as the desire of eligible veterans to replace plates, which the Department must pay for, and an increase in the overall number of eligible veterans.

DMV would expect programming for the provisions of this bill to take 985 work hours, at a one-time cost of \$49,250.

- 9. Specific Agency or Political Subdivisions Affected:** This bill impacts DMV, VDOT, State Police, and statewide emergency medical services programs.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/12/2011

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