

Department of Motor Vehicles 2008 Fiscal Impact Statement

1. Bill Number: HB1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Peace

3. Committee: Transportation

4. Title: **Disabled veteran; definition thereof.**

5. Summary: Motor vehicles; definitions. Redefines the term “disabled veteran” for the purposes of Title 46.2 (Motor Vehicles) to include a veteran who is at least 50% disabled as certified by the U.S. Veterans Administration. This definition governs which veterans are eligible for disabled veteran special license plates. The bill also provides the special license plates for persons awarded the Purple Heart.

6. Fiscal Impact Estimates: Preliminary

7. Budget Amendment Necessary: Yes, item #441

8. Fiscal Implications: The Purple Heart component of this proposal reduces special license plate revenue to various entities (DMV, VDOT, State Police and local EMS) by about \$133,000 per year, based on the following:

		Current # Plates	Fee	Revenue		Recipient
Registration Fee		3,306	\$ 39.50	\$ 130,587	Annual fee	See breakdown below
Plate Fee	1	276	\$ 10.00	\$ 2,760	One-time fee	DMV
Total Annual Revenue				\$ 133,347		

Breakdown of Registration Fee:

		<u>Recipient</u>
\$	26	VDOT/HMOF
\$	4	DMV
\$	3	VDOT/TTF
\$	4	EMS Fee/ Dept of Health
\$	1.50	State Inspection Fee/ State Police
\$	1	Jamestown Yorktown Foundation
Total Registration Fee	\$ 39.50	

1. 276 original plates Purple Heart plates were issued in FY07

There is the potential for a significant impact on DMV with the change in the definition of "disabled" to 50%. According to the Department of Veterans' Services, as of September 2006 there were 6,401 Virginia veterans receiving service connected compensation at the 100% disability level, and an additional 26,071 Virginia veterans at 50% disabled or greater. Currently, DMV has approximately 4,900 disabled veteran active plate registrations. The most recent data for original registrations and registration renewals of these plates indicates that each set of plates was registered or renewed without the payment of a fee. It should be noted that some of these veterans may already be defined as a "disabled veteran" if they have either: 1) lost, or lost the use of a leg, arm or hand or 2) are blind.

For each additional plate issued, the Department would see a loss of \$49.50 - \$39.50 for the registration fee and \$10.00 for the special plate fee. For example, if 100 new no fee registrations occur as a result of this proposed definitional change, the fiscal impact is around \$3,950 to \$4,950; if 1,000, \$39,500 to \$49,500; if 10,000, \$395,000 to \$495,000. The fiscal impact could reach \$1.3 million if each of the 26,701 newly eligible veterans applied for the plate. Also, the Northern Virginia and Hampton Roads Transportation Authorities would lose revenues (\$10 per vehicle) on vehicles with a garage jurisdiction embraced by these Authorities.

- 9. Specific Agency or Political Subdivisions Affected:** DMV and those agencies and transportation funds that receive revenue from vehicle registrations as noted in the Purple Heart chart above, would see a reduction in revenue based on the number of disabled veteran plates requested.

All localities would see a reduction in revenue as a result of the prohibition on assessing license fees or taxes greater than what is imposed by DMV (§ 46.2-752) when the Department issues disabled veteran license plates with no fees.

Localities which constitute the Northern Virginia Transportation Authority (the counties of Arlington, Fairfax, Loudoun and Prince William; as well as the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park) and the Hampton Roads Transportation Authority (the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the counties of Isle of Wight, James City and York) would see additional revenue decreases from non assessment of the 1% fee and the annual \$10 fee based on the number of disabled plates issued in each jurisdiction.

10. Technical Amendment Necessary: N/A

11. Other Comments: None

Date: 1/28/2008 ral

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cc: Secretary of Transportation