

Date of Hearing: March 22, 2021

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 459 (Mathis) – As Introduced February 8, 2021

SUBJECT: Vehicles: registration fees: exceptions

SUMMARY: Provides for partially disabled veterans to receive a prorated vehicle registration fee based on the disability rating they have. Specifically, **this bill:**

- 1) Provides for partially disabled veterans to receive a prorated vehicle registration fee based on the disability rating they have.
- 2) Exempts the prorated fee from applying for duplicate license plates, duplicate certificates, or duplicate cards, or vehicles used for transportation for hire, compensation, or profit.
- 3) Defines “partially disabled veteran” to mean a person who, as a result of injury or disease suffered while in active service with the Armed Forces of the United States, has a disability that has been rated at least 1% but less than 100% by the Department of Veteran Affairs (VA) or the military service from which the veteran was discharged.
- 4) Defines the prorated discount to correspond to the percentage at which the veteran’s disability have been rated by VA.

EXISTING LAW:

- 1) Defines a “disabled veteran” as a veteran who suffers any of the following:
 - a. Has a disability which has been rated at 100% by VA or the military service from which the veteran was discharged, due to a diagnosed disease or disorder which substantially impairs or interferes with mobility.
 - b. Is so severely disabled as to be unable to move without the aid of an assistant device.
 - c. Has lost, or has lost use of, one or more limbs.
 - d. Has suffered permanent blindness.
- 2) Provides that a disabled veteran, a former American prisoner of war or their surviving spouse, and a Congressional Medal of Honor Recipient or their surviving spouse; are exempt from paying vehicle registration fees, except as specified.
- 3) Requires a disabled person, in order to obtain a disabled placard or plate, to submit a certificate signed by a physician, surgeon, or licensed chiropractor indicating that the person has lost the use of one or more lower extremities or both hands (one hand for a disabled veteran), or who has a significant limitation in the use of his or her lower extremities.

- 4) Allows DMV to accept a certificate from VA or a County Veteran Service Office (CVSO) in lieu of the certificate described above for a disabled veteran.

FISCAL EFFECT: Unknown

COMMENTS: In order to honor veterans that have made the ultimate sacrifice for their country, California waives certain DMV fees. Specifically, DMV waives registration fees for veterans that have been given a 100% disability rating from VA, prisoners of war or their spouses, and medal of honor recipient's and their spouses.

According to the author, "Our brave disabled veterans are heroes and have given so much in service to our country. In many cases, our veterans have irreversible scars that they will carry for the rest of their lives. It is time that California recognizes the sacrifices of our brave veterans after they have returned home from the battlefields. California is home to the highest concentration of veterans in the nation. Among them, we have a significant population of disabled veterans who have a disability rating below 100%. Unfortunately, the state has adopted an all-or-nothing mentality which harms our disabled veterans greatly. Therefore, AB 459 will create a prorated discount for disabled veterans, mirroring their disability rating, when registering their main vehicle in the state. This measure ensures that the state is truly recognizing the heroic efforts of our wounded service members."

According to VA, "VA disability compensation provides monthly benefits to Veterans in recognition of the effects of disabilities, diseases, or injuries incurred or aggravated during active military service. The program also provides monthly payments to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by a Veteran's death during military service or, after discharge from military service, as a result of a service-connected disability."

The benefit amount to the veteran is graduated according to the degree of the veteran's disability on a scale from 10% to 100% in increments of 10%. Claims can be filed up to 180 days before an individual leaves military service or any time after their service has ended. Claims can be filed both for physical and mental disabilities caused by military service, and disability ratings may be increased as time goes on if the disability worsens.

The higher the disability percentage, the higher the amount a veteran will receive from the federal government. For example, a veteran with a 10% disability rating is currently eligible for a \$144.14 a month stipend. A veteran with a 30% disability rating may receive between \$441.35 a month to \$577.35 month stipend, and a veteran with a 60% disability rating can receive a \$1,146 stipend to a \$1419.39 stipend. A Veteran with a 100% disability rating can receive a disability rating as high as \$3,731.90. Veterans can receive a 10% disability rating for developing tinnitus (perception of noise or ringing in the ears).

According to VA, there are currently 1.7 million veterans in California. The average vehicle registration fee is \$239. As of January 31, 2019, there are 22,625 currently registered disabled veteran plated vehicles. This bill would provide for an additional 368,000 veterans to receive a prorated vehicle registration fee (a total of 390,864 veterans are, as of September 2017, receiving disability compensation from VA).

Double referral: Should this bill pass this committee it will be referred to the Committee on Military and Veteran Affairs.

Committee concerns: This bill as drafted provides no mechanism for how DMV should become aware of a veteran's disability rating. It further provides no mechanism for when or if a veteran's disability rating increases over time and what disability rating should be accounted for. Further, it does not stipulate when the discount should be applied: upon issuance of the vehicle registration, or upon proof of disability.

This may result in a significant number of veterans having to make regular visits to DMV in order to get their prorated discount, increasing the number of customers showing up to a DMV field office for a transaction that can currently be done by mail or online.

Providing hundreds of thousands of veterans with a discount on vehicle registration fees could reduce the amount of revenue the Motor Vehicle Account (MVA) receives. The MVA, which is the primary funding source for DMV and California Highway Patrol (CHP) faces a structural budget shortfall and the Department of Finance estimates it will be insolvent in 2024-25. Any reduction in these fees would hasten insolvency of the MVA and potentially negatively impact the DMV and CHP.

Also, making necessary IT programming changes to implement this bill may come at a significant cost to DMV. DMV currently uses a legacy computer programming language known as Assembler that was created around the 1950s and is less commonly used today. As a result, few individuals are trained in this coding language, and many are nearing retirement at DMV. DMV has begun the process of updating its systems, but in the meantime, programming a system that allows DMV to implement 9 different pro-rated fees for veterans could be costly.

For example, AB 2989 (Flora), Chapter 552, Statutes of 2019 was amended in Assembly Appropriations Committee because it created too many digits in the vehicle code for DMV to program, resulting in an estimated multi-million dollar cost to implement.

Previous Legislation: AB 408 (Frazier), Chapter 42, Statutes of 2020, requires DMV to accept a certificate certifying a veteran is disabled for the purpose of a disability license plate from a CVSO.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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