
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1034 (McNerney) - Vehicles: special license plates

Version: April 14, 2026

Urgency: No

Hearing Date: May 4, 2026

Policy Vote: TRANS. 12 - 0, M.&V.A. 4 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 1034 would expand the definition of “disabled veteran” for purposes of qualifying for a disabled veteran (DV) special license plate. Specifically, the bill requires the Department of Motor Vehicles (DMV) to issue a DV plate to a disabled veteran with a 100% permanent and total disability, regardless of whether the qualifying mobility condition is service connected.

Fiscal Impact:

- Unknown significant revenue loss to various special funds, likely in the low millions annually, as a result of more disabled veterans qualifying for a vehicle registration fee waiver. Actual revenue losses would depend on the increase in DV plates issued under the expanded eligibility criteria. See Staff Comments. (Motor Vehicle Account [MVA], Public Transportation Account [PTA], State Highway Account [SHA], Road Maintenance and Rehabilitation Account [RMRA], local funds)
- Likely minor and absorbable one-time DMV costs to update forms and publications, and to update its website. (MVA)

Background: Existing law defines a “disabled veteran” as a person who, as a result of injury or disease suffered while on active service with the armed forces of the United States (U.S.), suffers any of the following: has a 100% disability rating related to a condition that impairs mobility, is severely disabled as to be unable to move without the aid of an assistant device, has lost or lost the use of one or more limbs, or has suffered permanent blindness.

Existing law requires DMV to issue a DV special license plate, upon application and without additional fees, to a qualifying disabled veteran, and requires the applicant to provide a certificate from a medical provider or a county veterans service officer or Department of Veterans Affairs that substantiates the disability and certifies status as a disabled veteran, as specified. Existing law exempts a disabled veteran from paying registration-related fees for one passenger motor vehicle, motorcycle, or commercial vehicle with an unladen weight of 8,000 pounds or less, that is owned by the disabled veteran and is not used for transportation for hire, compensation, or profit. A DV license plate provides the same parking privileges afforded to the holder of a disabled parking placard, including the ability to park in a metered parking space at no charge, and park in a space with the International Symbol of Access (wheelchair symbol).

Proposed Law: SB 1034 would expand eligibility for a DV special license plate by requiring DMV to issue a DV plate to a disabled veteran rated 100% permanent and

total if the veteran also qualifies for a disabled placard, regardless of whether the qualifying mobility condition is service connected.

The bill would expand the definition of “disabled veteran” to include a person who, as a result of injury or disease while on active duty with the U.S. armed forces, has a condition that meets the eligibility requirements for a disabled person, as specified.

Related Legislation: AB 1882 (Villapudua), which was held on the Assembly Appropriations Committee’s Suspense File in 2024, would have revised eligibility criteria for the disabled veteran’s license plate and exempted a partially disabled veteran, as defined, from paying vehicle registration fees.

AB 2837 (C. Garcia), which was held on the Assembly Appropriations Committee’s Suspense File in 2022, would have reduced the disability rating required to be considered a disabled veteran from 100% to 70% for veterans that meet the definition of “disabled veteran.”

Staff Comments: The DMV indicates that, as of March of 2026, approximately 77,000 vehicles are registered with DV special license plates and qualify for a fee waiver. The average fees paid for an automobile registration total \$296, excluding any special or local add-on fees, as follows: a \$76 registration fee (MVA), a \$34 California Highway Patrol fee (MVA), an \$80 Transportation Improvement Fee (PTA, SHA, RMRA), and a \$106 Vehicle License Fee (local funds). This bill would authorize a veteran with a qualifying disability, regardless of whether that disability is related to the veteran’s military service, to apply for a DV special license plate. This bill’s expansion of eligibility for DV plates would result in revenue losses, the magnitude of which would depend on the increase in demand for DV plates that come with a registration fee waiver. For illustrative purposes, if this bill results in a 5% increase in demand for DV plates, the annual revenue losses would total \$1.14 million (including \$423,000 in MVA funds), and if the demand increases by 10%, the annual revenue losses would total \$2.28 million (including 846,000 in MVA funds).

The Motor Vehicle Account is the primary funding source for the California Highway Patrol and DMV. The MVA has had a structural deficit since the 2021-22 fiscal year, with expenditures exceeding revenues by approximately \$60 million in the current year, and approximately \$112 million in the budget year (projected). Absent further actions to address the MVA fund condition, approving any new proposals that increase MVA expenditures would exacerbate the current structural imbalance of the fund. The Budget Summary published for the Governor’s proposed 2026-27 Budget notes that “the MVA will be insolvent as soon as 2028-29. Given the ongoing fiscal constraints in the MVA, the Administration will continue to limit new workload or initiatives, including those with delayed implementation dates that would create additional cost pressures over time.”

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