## **Legislative Analysis**



## REDUCED LICENSE PLATE FEES FOR DISABLED VETERANS

House Bill 4699 as introduced Sponsor: Rep. Jason Wentworth

**Committee: Military and Veterans Affairs** 

**Complete to 1-29-18** 

Analysis available at http://www.legislature.mi.gov

http://www.house.mi.gov/hfa

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## **SUMMARY:**

House Bill 4699 would amend the Michigan Vehicle Code to allow an applicant who is a totally disabled veteran to pay a \$5 service fee for fund-raising, collector, or special organization license plates, in lieu of the service fees otherwise prescribed.

Currently, special organization plates available to organization members under Section 803m require a service fee of \$25 for new plates and \$10 for replacements. Fund-raising plates available under Section 811f currently require a \$10 service fee for new or replacement plates, and collector plates under Section 811g require a \$10 service fee. The bill would change all of these fees to \$5 for an applicant who is a totally disabled veteran. (The bill would not change the fund-raising donations that are also required from applicants for fund-raising and collector plates.)

Under the bill, "totally disabled veteran" would mean an individual who qualifies for a disabled veteran special registration plate under section 803f. In essence, the bill would allow a disabled veteran to get a fund-raising, collector, or special organization plate for the same \$5 service fee he or she would pay for a disabled veteran plate under that section.

The bill would take effect 90 days after enactment.

MCL 257.803m et al.

## **FISCAL IMPACT:**

House Bill 4699 would result in a small decrease in restricted revenue to the Department of State. The bill could result in minor increases in revenue to the nonprofit and charitable organizations that sponsor the various specialty plates. Since the bill does not affect the amount of the specified donation to the specialty plate sponsoring organizations and the discounts would provide a greater incentive to the eligible population to purchase a specialty plate, a marginal increase in donation revenue could be expected.

The decrease in revenue would depend on the number of totally disabled veterans who take advantage of the discounts provided in the bill, either in the form of renewing specialty plates or first-time purchases. Existing data do not permit an estimate for either type of customer or for how many totally disabled veterans are licensed to drive. There are currently 12,900 totally disabled veterans estimated to be in Michigan. Assuming the entire

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population takes advantage of the discounts, the highest expected decrease in revenue would be approximately \$100,000. The actual decrease in revenue would likely be a small portion of this amount. The fees and discounts to totally disabled veterans under the bill are summarized below.

	Current	Proposed	
Registration Plate	Service Fee	Service Fee	Discount
Special Organization	\$25	\$5	\$20
Replacement	\$10	\$5	\$5
Fund-raising	\$10	\$5	\$5
Replacement	\$10	\$5	\$5

Revenue from specialty plates is deposited into the Transportation Administration Collection Fund, which supports various activities and operations within the Department of State.

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<sup>■</sup> This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.