



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 502 (Substitute S-1 as reported)  
Sponsor: Senator Marty Knollenberg  
Committee: Transportation

Date Completed: 5-17-18

**RATIONALE**

Under the Michigan Vehicle Code, a person who is a disabled veteran with an honorable discharge from the armed services may apply to the Secretary of State (SOS) if he or she owns a private passenger motor vehicle, and the SOS may issue a special registration plate inscribed with special identification numbers preceded by the letters "DV" and the words "disabled veteran" beneath the registration number. Currently, only a disabled veteran who has a service-connected total or permanent total disability rating determined by the Veterans' Administration of the Federal government may receive the special registration plate. It has been suggested that veterans who are partially disabled also should be eligible for the DV plate.

**CONTENT**

**The bill would amend the Michigan Vehicle Code to do the following:**

- **Allow a partially disabled veteran to apply for a disabled veteran special registration plate.**
- **Specify that only totally disabled veterans would be exempt from payment of the registration tax.**
- **Specify when a special DV registration plate would expire.**

The bill would take effect on August 1, 2019.

**Partially Disabled Veteran**

Under the Code, an application for the special DV registration plate must be on a form prescribed by the SOS, and must be accompanied by a service fee of \$5 and proof that the applicant was honorably discharged from the armed services and one of the following:

- That the applicant has been determined by the Veterans' Administration of the Federal government to have a service-connected total or permanent total disability rating for compensation.
- That the applicant has been determined to have a service-connected total or permanent total disability rating and is receiving disability retirement pay from a branch of the uniformed armed services.

Under the bill, the two criteria above would apply to totally disabled veterans only. The bill would require an applicant who was a partially disabled veteran to submit proof that he or she had been determined to have a service-connected disability rating.

**Registration Tax Exemption**

The Code specifies that the special DV registration plate is exempt from payment of the tax provided for in Section 801. (Section 801 prescribes the registration taxes the SOS is required to

collect when registering a vehicle.) Under the bill, this provision would apply only to a totally disabled veteran.

### Special Registration Plate Expiration

Under the Code, a special registration plate expires on the birthday of the disabled veteran in a year in which new plates are issued by the SOS. Under the bill, this provision would apply only to a totally disabled veteran.

A special registration plate issued to a partially disabled veteran would expire as provided in Section 226, and a partially disabled veteran would have to apply for renewal of the plate as provided in that Section. (Section 226 states that a vehicle registration issued by the SOS expires on the owner's birthday, unless specified otherwise, and that the SOS must issue a registration for a vehicle or a motorcycle to a resident upon application and payment of the proper fee.)

MCL 257.803f

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

Veterans often do not receive enough appreciation or recognition for their sacrifices made while serving in the United States Armed Forces. Although the special registration plate that the State currently gives to some disabled veterans is an important symbol of appreciation, the criteria to receive the plate exclude veterans who are partially disabled. According to Senate Transportation Committee testimony, there are more than 100,000 disabled veterans in Michigan. Of those 100,000 disabled veterans, approximately 87,000 are said to be partially disabled. The bill would give those partially disabled veterans an opportunity to receive the special registration plate, and create another way for the State to honor and recognize members of its veteran population.

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would have a negligible fiscal impact on the Department of State due to programming costs associated with the provisions of the bill; however, these costs should be minimal and absorbable within current annual appropriations.

According to the Department, there are an estimated 627,000 veterans across the State. An estimated 8,000 totally disabled veterans across Michigan currently are receiving the exemption from the registration tax. Veterans with a partial disability who would qualify under the bill for the DV designation would still be required to pay the required annual registration tax, along with the required \$5 service fee to cover the cost of the DV designation. However, as mentioned above, the Department would have some computer programming costs to allow the DV designation to be extended to a larger pool of veterans.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.