

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Transportation Committee

**BILL:** CS/SB 368

**INTRODUCER:** Military Affairs, Space and Domestic Security, Senator Fasano and others

**SUBJECT:** Driver's License Fees for Disabled Veterans

**DATE:** April 7, 2011      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Fleming	Carter	MS	<b>Fav/CS</b>
2.	Davis	Spalla	TR	<b>Favorable</b>
3.			BC	
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes

B. AMENDMENTS.....  Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

**I. Summary:**

This bill expands benefits for qualified disabled veterans who have a service-connected disability rating of at least 50-percent but less than 100-percent to receive a 50-percent reduction in the driver license fees outlined in section 322.21 of the Florida Statutes.

This bill substantially amends section 322.21 of the Florida Statutes.

**II. Present Situation:**

**Driver License Fees**

The Division of Driver Licenses (division) within the Department of Highway Safety and Motor Vehicles (DHSMV) is responsible for the distribution of driver licenses in the state. Section 322.21, F.S., provides for driver license fees and the process for handling and collecting. The fees for driver licenses, identification cards, endorsements, and driver license reinstatements are addressed in this section as follows:

License Type	Fee Amount
Commercial Driver License: original or renewal	\$75
Class E Driver License: original, renewal, or extension	\$48
License Restricted to Motorcycle Use Only: original, renewal, or extension	\$48
Driver License: replacement	\$25
Identification Card: original, renewal, or replacement	\$25
Endorsements required by s. 322.57, F.S.	\$7
Hazardous Material Endorsement required by s. 322.57(1)(d), F.S.	not to exceed \$100
Reinstatement following a suspension	\$45
Reinstatement following a revocation	\$75

The fees collected pursuant to this section are deposited into the General Revenue Fund and support the maintenance and operation of the DHSMV. As of March 2, 2011, 15,507,284 Floridians held a driver license and 1,424,115 held an identification card issued by the division.<sup>1</sup>

Section 322.21(7), F.S., currently provides an exemption from driver license fees for a veteran who: has been honorably discharged from the Armed Forces; has been issued a valid identification card by the Florida Department of Veterans' Affairs (FDVA);<sup>2</sup> has a total and permanent service-connected disability rating of 100-percent;<sup>3</sup> is in receipt of disability retirement pay from any branch of the U.S. Armed Services; and is qualified to obtain a driver license. The DHSMV reports that for the 2010 calendar year, the division issued 2,749 driver licenses to 100-percent service-connected disabled veterans, and from January 2005 to January 2011, the division has issued 17,081 driver licenses to 100-percent service-connected disabled veterans.<sup>4</sup>

### Disability Compensation Rating for Veterans

The United States Department of Veteran Affairs provides monthly disability compensation to veterans who are disabled by an injury or illness that was incurred or aggravated during active military service. These disabilities are considered to be service-connected. Disability compensation varies with the degree of disability and the number of a veteran's dependents.<sup>5</sup> The rate of compensation is graduated according to the combined degree of the veteran's disabilities,

<sup>1</sup> Correspondence with DHSMV. March 2, 2011.

<sup>2</sup> Pursuant to s. 295.17, F.S., the FDVA may issue an identification card to any veteran who is a permanent Florida resident and who has a 100-percent service-connected disability.

<sup>3</sup> The disability rating of veteran can be determined by the USDVA or the United State Department of Defense.

<sup>4</sup> Correspondence with DHSMV. March 2, 2011.

<sup>5</sup> USDVA Federal Benefits for Veterans, Dependents and Survivors. 2010 Edition. Available at: [http://www.va.gov/opa/publications/benefits\\_book/benefits\\_chap02.asp](http://www.va.gov/opa/publications/benefits_book/benefits_chap02.asp)

from 10-percent to 100-percent disabling, in increments of 10-percent.<sup>6</sup> A disability rating of 100-percent is considered a total and permanent service-connected disability.

### III. Effect of Proposed Changes:

This bill amends s. 322.21(7), F.S., to allow qualified disabled veterans who have a service-connected disability rating of at least 50-percent but less than 100-percent to receive a 50-percent reduction in the driver license fees outlined in s. 322.21, F.S. A disabled veteran is eligible for the driver license fee reduction if the veteran:

- has been honorably discharged from the Armed Forces;
- has been issued a valid identification card by FDVA or can provide an official letter from the United States Department of Veterans Affairs stating the service-connected disability percentage along with a copy of the veteran's honorable discharge;
- has a total and permanent service-connected disability rating for compensation of at least 50-percent but less than 100-percent or has a service-connected total and permanent disability rating of at least 50-percent but less than 100-percent;
- is in receipt of disability retirement pay from any branch of the U.S. Armed Services; and
- is qualified to obtain a driver license under s. 322.21, F.S.

The FDVA reports that for the 2010 fiscal year, there were 71,163 veterans in Florida whose service-connected disability rating ranged from 50-percent to 90-percent.<sup>7</sup> This disability range comprises 29-percent of all disabled veterans in Florida. The data is not available to determine how many of these veterans are eligible to obtain a driver license.

This bill has an effective date of July 1, 2011.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

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<sup>6</sup> 2010 USDVA Annual Benefits Report, page 3. Available at: [http://www.vba.va.gov/REPORTS/abr/2010\\_abr.pdf](http://www.vba.va.gov/REPORTS/abr/2010_abr.pdf)

<sup>7</sup> Disability ratings are calculated in increments of 10-percent, ranging from 10-percent to 100-percent.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

This bill will have a negative fiscal impact due to loss of revenue collected from driver license fees. The amount of revenue loss is indeterminate given that it is unclear how many veterans who have a service-connected disability rating of at least 50-percent but less than 100-percent are eligible to obtain a driver license, and therefore would be eligible to receive a 50-percent reduction from driver license fees.

**B. Private Sector Impact:**

The FDVA reports that for the 2010 fiscal year, there were 71,163 veterans in Florida whose service-connected disability rating ranged from 50-percent to 90-percent; however data is not available to determine how many of these veterans are eligible to obtain a driver license. This bill would allow those veterans who have at least a 50-percent but less than 100-percent service-connected disability rating to receive a 50-percent discount on the fees for driver licenses.

**C. Government Sector Impact:**

This bill will have a negative fiscal impact due to loss of revenue collected from driver license fees. The FDVA reports that for the 2010 fiscal year, there were 71,163 veterans in Florida whose service-connected disability rating ranged from 50-percent to 90-percent; however data is not available to determine how many of these veterans are eligible to obtain a driver license. The following assumption is based upon all 71,163 veterans not being issued or renewing a Class E driver's license in the same year. The DSHMV estimates a negative fiscal impact of \$213,489 (approximately 8,895 persons/year paying the 50-percent reduced fee of \$24) per year on a recurring basis, based on an 8-year renewal cycle.<sup>8</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Military Affairs, Space, and Domestic Security on March 10, 2011:**

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<sup>8</sup> Department of Highway Safety and Motor Vehicles, *2011 Agency Bill Analysis: HB 368* (on file with the Transportation committee).

allows a disabled veteran to show proof of his or her disability when applying for a driver license by providing an official letter from the United States Department of Veterans Affairs that states the percentage of the veteran's service-connected disability along with a copy of the veteran's honorable discharge.

**B. Amendments:**

None.