

**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.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SB 724

INTRODUCER: Senators Dean and Altman

SUBJECT: Military Veterans

DATE: April 10, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Ryon/Spaulding</u>	<u>Ryon</u>	<u>MS</u>	<b>Favorable</b>
2.	<u>Everette</u>	<u>Eichin</u>	<u>TR</u>	<b>Favorable</b>
3.	<u>Carey</u>	<u>Kynoch</u>	<u>AP</u>	<b>Favorable</b>

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## I. Summary:

SB 724 renames references to the “Korean Conflict” and the “Vietnam Era” as the “Korean War” and the “Vietnam War,” respectively. The bill also creates a special use license plate for recipients of the Combat Medical Badge, renames the “Korean Conflict Veteran” special use license plate the “Korean War Veteran” license plate, and requires military-related special use license plates to be redesigned to bear the likeness of the respective campaign medal or badge.

The Department of Highway Safety and Motor Vehicles will incur expenditures associated with the new special use plate and the redesign of an existing special use plate. These costs can be absorbed within existing resources.

## II. Present Situation:

Section 1.01(14), F.S., defines the term “veteran” for purposes of determining eligibility for state benefits available to veterans. A person who has served in the active military and has received an honorable discharge may be eligible for a number of state benefits exclusive to veterans. Additionally, a veteran may be entitled to enhanced benefits as a wartime veteran if the veteran received a campaign badge for service in a campaign or expedition authorized under specified periods of wartime. Current law specifies nine periods of wartime in which status as a wartime veteran can be attained, which include both the “Korean Conflict” and the “Vietnam Era.”<sup>1</sup>

Current law refers to military action in the Southeast Asia region from June 27, 1950, to January 31, 1955, as the “Korean Conflict,”<sup>2</sup> and likewise, refers to military action in the Southeast Asia

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<sup>1</sup> Periods of wartime service established in s. 1.01(14), F.S., include the following: Spanish-American War; Mexican Border Period; World War I; World War II; Korean Conflict; Vietnam Era; Persian Gulf War; Operation Enduring Freedom; and Operation Iraqi Freedom.

<sup>2</sup> Section 1.01(14)(e), F.S.

region from February 28, 1961, to May 7, 1975, as the “Vietnam Era.”<sup>3</sup> For both aforementioned campaigns, Congress authorized the use of force, as opposed to issuing a formal declaration of war. Nonetheless, Congress passed and the federal courts affirmed various laws and legal decisions regarding funding of the war efforts, military discipline, “combat zone” tax exemptions, economic stabilization measures, and subsequent U.S. Department of Veterans Affairs benefits without a formal declaration of war for both campaigns.<sup>4</sup> Modern day references to the campaigns in Korea and Vietnam are often thought of and referred to as the “Korean War” and the “Vietnam War,” respectively.

### **Special Use License Plates**

Current law provides for several types of license plates. In addition to plates issued for governmental or business purposes, the Department of Highway Safety and Motor Vehicles (DHSMV) offers four basic types of plates to the general public:

- Standard plates;
- Specialty license plates;
- Personalized prestige license plates;
- Special use license plates.

Certain members of the general public may be eligible to apply for special use license plates if they are able to document their eligibility pursuant to various sections of ch. 320, F.S. Special use license plates primarily include special use military license plates as well as plates for the handicapped.

Currently, there are 13 special use license plates authorized in s. 320.089, F.S., which can be issued to military service members or veterans for the following types of service:<sup>5</sup>

- Active or retired member of the Florida National Guard;
- Active or retired member of any branch of the United States Armed Forces Reserve;
- Former Prisoner of War;
- Survivor of Pearl Harbor;
- Recipient of the Purple Heart medal;
- Service member or veteran of Operation Desert Storm;
- Service member or veteran of Operation Desert Shield;
- Service member or veteran of Operation Iraqi Freedom;
- Service member or veteran of Operation Enduring Freedom;
- Recipient of the Combat Infantry Badge;
- Recipient of the Combat Action Badge;
- Veteran of the Vietnam War;
- Veteran of the Korean Conflict.

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<sup>3</sup> Section 1.01(14)(f), F.S.

<sup>4</sup> Congressional Research Service, Declarations of War and Authorizations for the Use of Military Force: Historical Background and Legal Implications, January 11, 2013, <http://www.fas.org/sgp/crs/natsec/RL31133.pdf>,

<sup>5</sup> s. 320.089, F.S.; Recipients of the special use license plates in s. 320.089, F.S., are required to pay the annual license tax in s. 320.08, F.S., except for survivors of Pearl Harbor, recipients of the Purple Heart medal, and former Prisoners of War.

Special use license plates authorized under s. 320.089, F.S., are each stamped with words consistent with the type of special use plate issued. For example, a special use plate issued to a current or former member of the Florida National Guard is stamped with the words “National Guard.” Additionally, two of the thirteen military-related special use license plates are authorized to display images consistent with the type of special use plate. The Purple Heart and the Combat Infantry Badge special use plates each display images resembling the respective award.

The first \$100,000 of the general revenue from the issuance of these special use plates is deposited into the Grants and Donations Trust Fund under the Veterans’ Nursing Homes of Florida Act, as described in s. 296.38(2), F.S.<sup>6</sup> Any additional general revenue is deposited into the State Homes for Veterans Trust Fund and used to construct, operate, and maintain domiciliary and nursing homes for veterans.<sup>7</sup> For Fiscal Year 2012-2013 the total revenue from these plates was \$2,112,491.73.<sup>8</sup>

Tax Collectors maintain an adequate inventory on-hand for each special use license plate. Upon issuance of a redesigned special use license plate, the on-hand inventory of the existing design would become obsolete and be removed from inventory.<sup>9</sup>

### **Combat Medical Badge**

Army regulations provide for three types of combat badges: the Combat Infantry Badge, the Combat Action Badge, and the Combat Medical Badge.<sup>10</sup> All three are awarded to soldiers of the rank of Colonel or below that have engaged in active ground combat against an enemy force. The Combat Medical Badge was created by the War Department on March 1, 1945.<sup>11</sup> Its evolution stemmed from a requirement to recognize medical aid-men who shared the same hazards and hardships of ground combat on a daily basis with the infantry soldier.<sup>12</sup> The Combat Medical Badge was designed to provide recognition to the field medic who accompanies the infantryman into battle and shares the experiences unique to the infantry in combat.<sup>13</sup>

Current law authorizes special use plates for the Combat Action Badge and the Combat Infantry Badge, but not the Combat Medical Badge.

### **III. Effect of Proposed Changes:**

**Section 1** amends s. 1.01, F.S., to change the references to the “Korean Conflict” and the “Vietnam Era” to the “Korean War” and the “Vietnam War,” respectively.

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<sup>6</sup> s. 320.089(1)(b), F.S.

<sup>7</sup> Id.

<sup>8</sup> Florida Department of Veterans’ Affairs, 2014 Agency Bill Analysis: HB 559 (Identical to SB 724)

<sup>9</sup> DHSMV, 2014 Agency Bill Analysis: HB 559 (Identical to SB 724)

<sup>10</sup> United States Army Regulation 600-8-22, Section II, available at:

[http://armypubs.army.mil/epubs/600\\_Series\\_Collection\\_1.html](http://armypubs.army.mil/epubs/600_Series_Collection_1.html).

<sup>11</sup> U.S. Army Human Resources Command, Combat Medical Badge, available at:

<https://www.hrc.army.mil/TAGD/Combat%20Medical%20Badge%20CMB>.

<sup>12</sup> Id.

<sup>13</sup> Id.

**Section 2** amends s. 295.125(2), F.S., to revise a reference from “Vietnam Era” to “Vietnam War.”

**Section 3** amends s. 320.089, F.S., to do the following:

- Create a special use license plate for recipients of the Combat Medical Badge;
- Change the “Korean Conflict Veteran” special use license plate to read “Korean War Veteran;” and
- Require the military-related special use license plates to be stamped with the likeness of the related campaign medal or badge. These special use license plates would be redesigned and would replace any on-hand license plate inventory. Currently, two of the eleven military-related special use license plates are required to bear the likeness of the related campaign medal or badge.

**Section 4** provides that the bill take effect on July 1, 2014.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Under SB 724, a redesigned special use license plate currently listed in s. 320.089, F.S., may be issued to a current Florida motor vehicle registrant as a “renewal” license plate, as opposed to a “new” license plate. Registration fees and taxes vary, based on the weight of the vehicle. On average, it costs approximately \$45-50 in taxes and fees for either the renewal of a special use license plate or the first time issuance of a special use license plate in exchange for a standard license plate.<sup>14</sup>

A special use license plate would be available to a new group of registrants who are recipients of the Combat Medical Badge.

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<sup>14</sup> Per e-mail correspondence with DHSMV staff. Feb. 12, 2014. On file with Military and Veterans Affairs, Space, and Domestic Security Committee.

**C. Government Sector Impact:**

According to the DHSMV, the initial startup cost to create and manufacture the Combat Medical Badge license plate would be \$4,230. An initial order of 1,500 license plates would be made (1,500 x \$2.82) and distributed to Tax Collector offices statewide to meet public demand.<sup>15</sup>

Startup costs to place the redesigned special use license plates (1,500 of each) in inventory statewide would result in a cost of \$46,530 (16,500 x \$2.82).<sup>16</sup> The bill requires the on-hand inventory of special use plates that are to be redesigned to be removed from inventory. There are 37,419 special use license plates on-hand at Tax Collector offices across the state. The cost of supplying the on-hand inventory was \$105,521.58 (37,419 x \$2.82).<sup>17</sup>

The DHSMV will incur expenditures of \$50,760 to create the new Combat Medical Badge License Plate and redesign existing special use plates. These costs can be absorbed within existing resources.

The bill could have a positive impact on the State Homes for Veteran's Trust Fund with the sale of the new Combat Medical Badge special use plate and also any increase in the sale of existing special use plates as a result of the redesigns of the plates to include the respective image.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1.01, 295.125, and 320.089.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

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<sup>15</sup> DHSMV, 2014 Agency Bill Analysis: HB 559 (Identical to SB 724)

<sup>16</sup> DHSMV, 2014 Agency Bill Analysis: HB 559 (Identical to SB 724)

<sup>17</sup> Id.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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