

LICENSE PLATES AND RECREATION PASSPORT FEE EXEMPTIONS FOR TOTALLY DISABLED VETERANS

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House Bill 4551 (H-1) as referred to second committee

House Bill 4552 (H-1) as referred to second committee

Sponsor: Rep. Beau Matthew LaFave

1st Committee: Military, Veterans and Homeland Security

2nd Committee: Ways and Means

Revised 1-28-20

SUMMARY:

The bills would, among other things, exempt a motor vehicle with a tab or other indicator for persons with disabilities issued under section 803f of the Vehicle Code (applicable to totally disabled veterans) from payment of the Recreation Passport fee for entry to state parks and state-operated public boating access sites.

House Bill 4552 would amend the Michigan Vehicle Code. The bill would define *totally disabled veteran*, for purposes of the code, to mean a person who was honorably discharged from the armed services and who meets either of the following:

- He or she has been determined by the U.S. Department of Veterans Affairs to have a service-connected total or permanent total disability rating for compensation.
- He or she 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.

License plates for totally disabled veterans

The bill would amend section 803f, which currently provides for a special registration plate for totally disabled veterans. In addition, the section allows an individual who has been issued such a plate to also be issued, free of charge, an adhesive tab for persons with disabilities. The surviving spouse of a totally disabled veteran can also be issued such a tab if he or she is a disabled person.

In addition to the special registration plate, the bill would allow a totally disabled veteran to apply for a standard or commemorative issue plate described in section 224 of the code; a veteran or military service plate described in section 803i, 803j, 803k, 803l, 803n, or 803o; or a special registration plate described in section 803d.

The bill would provide that one person in any household is entitled to one special registration plate or plate with indicator issued under this section that is exempt from the payment of the registration tax provided in section 801 of the code. The exemption would apply only to a private passenger motor vehicle. An additional special registration plate or plate with indicator would be subject to the registration tax.

A tab or other indicator for persons with disabilities displaying the international wheelchair symbol would have to accompany a registration issued to a totally disabled veteran under these provisions. The tab or other indicator could be attached only to the registration plate for which it was issued. In renewing a plate for which a tab or other indicator for persons with disabilities was issued, the applicant would not be required to re-submit proof that was required to receive a special plate under section 803f (namely, that the applicant met the definition of totally disabled veteran, above).

Additional amendments

The bill would add vehicles displaying the following to provisions in the code that pertain to parking reserved for use by disabled persons:

- A special registration plate issued under section 803f of the code to a totally disabled veteran.
- A registration plate to which is attached a tab or other indicator for persons with disabilities issued under section 803f of the code.

The bill would also add totally disabled veterans to provisions regarding the entitlement to courtesy in the parking of a vehicle.

The bill would revise several provisions throughout the code that refer to tabs for persons with disabilities to refer instead to “tabs or other indicators.”

Finally, the bill would exempt the issuance or renewal of a registration for which a tab or other indicator for persons with disabilities has been issued under section 803f from the Recreation Passport provisions of the Vehicle Code.

MCL 257.674 et seq.

House Bill 4551 would amend the Natural Resources and Environmental Protection Act (NREPA) to exempt a motor vehicle with a tab or other indicator for persons with disabilities issued under section 803f of the Vehicle Code from payment of the Recreation Passport fee for entry to state parks and state-operated public boating access sites.

The bill would also add totally disabled veteran, as defined in the Vehicle Code, to the definition of “person with a disability” as used in section 40111 of NREPA, which contains various hunting provisions. The bill would include a special registration plate or registration plate to which a tab or other indicator for person with disability is attached issued to a totally disabled veteran under section 803f of the Vehicle Code to the acceptable types of placards or plates of which this definition requires possession.

The bill is tie-barred to HB 4552, which means that it could not take effect unless HB 4552 were also enacted.

MCL 324.40111, 324.74116, and 324.78119

FISCAL IMPACT:

House Bills 4551 and 4552 would reduce revenue for the Department of Natural Resources (DNR) by expanding exemptions to the Recreation Passport requirement for state parks and state-operated boating access sites. The amount of reduced revenue would depend on the number of totally disabled veterans who currently pay for a Recreation Passport each year and the number who pay the access fee at state parks and state operated public boating access sites who would no longer pay either fee because of the fee waiver provided by the bill. Data on the number of individuals with totally disabled veteran benefits who also purchase Recreation Passports are not available, but the Department of State reports that 26,500 disabled veteran plates are active in Secretary of State's registry. This number is significantly higher than the known 15,700 totally disabled veterans estimated in Michigan from data from the USDVA, potentially indicating a high number of surviving spouses using the benefit.

The Department of State has estimated that 35% of all registration renewals opt to purchase a Recreation Passport. Not all totally disabled veterans are licensed drivers, but if 35% of those individuals with disabled veteran plates opt to purchase an \$11 Recreation Passport, it would account for \$102,000 annually in decreased revenue. This amount would provide a low-end estimate of the decrease in revenue to DNR from forgone Recreation Passport revenue. An estimate of the full revenue decrease would also include revenue forgone from access fees paid by totally disabled veterans at state parks and state operated public boating access sites, which is indeterminate at this time.

House Bill 4552 would exempt totally disabled veterans who are eligible for the tab from their vehicle registration tax. To the extent that the bill increases the number disabled veterans claiming this exemption, the bill would decrease revenue to the Michigan Transportation Fund (MTF). Since the bill would not change the eligibility requirements for this benefit, the bill would not likely significantly impact the number of registration tax exemptions nor revenue to the MTF. The MTF is the primary collection and distribution fund for state restricted transportation revenue. MTF revenue is distributed to the State Trunkline Fund, to local road agencies, and to other targeted or categorical transportation programs in accordance with 1951 PA 51.

The Department of State would incur additional undetermined costs from the bill related to information technology programming costs to the department's computer systems to incorporate the bills' changes.

The sale of Recreation Passports generated \$31.6 million in revenue for FY 2018-19. This revenue is received by both the Department of State and DNR, where it supports state park operations, maintenance, capital outlay projects, local public recreation, and forest recreation. The bills are unlikely to affect departmental costs or local government costs or revenues.

POSITIONS:

The following entities indicated support for the bills (1-21-20):

- American Legion Department of Michigan
- Michigan Association of Convention and Visitor Bureaus
- National Guard Association of Michigan

The Department of State indicated a neutral position on House Bill 4551. (1-21-20)

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■ 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.