

POSSIBLE OPTIONS RE. ELIGIBILITY CRITERIA FOR DISABLED VETERAN LICENSE PLATES IN MONTANA

OPTION A – NO ACTION

- Make no changes to current eligibility criteria and fee structure
 - Current eligibility criteria: the individual has been awarded the purple heart and has been rated by the U.S. Department of Veterans Affairs as 50% or more disabled because of a service-connected injury, or is currently rated 100% disabled or is paid at the 100% disabled rate by the U.S. Department of Veterans Affairs for a service-connected disability
 - Current fee structure: all fees are waived for eligible disabled veterans
- Considerations for Option A:
 - Does not address concerns raised by disabled veterans in the state
 - Does not impact state revenue sources

OPTION B – HB 239 (2021)

- Propose a bill during the 2023 Legislative Session making the same changes proposed in HB 239 (2021)
 - HB 239 proposed changes: lower the disability percentage from 100% to 80% for DV plate and fee waiver eligibility
- Considerations for Option B:
 - Includes more disabled veterans, partially addressing concerns raised by disabled veterans in the state (*adds approximately 1,845 to pool of eligible disabled veterans based on HB 239 fiscal note*)
 - Estimated to result in loss of \$493,716 in FY23, FY24, FY25 (*per HB 239 fiscal note*)
 - \$409,226 loss to state general fund (annual registration fees & cemetery fee)
 - \$33,210 loss to state special revenue for Fish, Wildlife, and Parks
 - \$36,900 loss to state special revenue for the funding of Montana highway patrol officers' salaries
 - \$14,380 loss to MVD Administration fund

OPTION C – TIERED SYSTEM #1

- Propose a bill during the 2023 Legislative Session that expands eligibility to all veterans with a disability rating of 10% or higher and creates a tiered system for the fee waiver
 - Tier 1: Current eligibility criteria & all fees waived
 - Tier 2: 10-90% disabled & no fee waiver
 - All Tiers: Handicap parking access with DV license plate
- Considerations for Option C:
 - Includes all disabled veterans in Montana, fully addressing concerns raised by disabled veterans (*adds more than 14,000 to eligibility pool based on December 2021 numbers from MVAD*)
 - Does not impact state revenue sources
 - Creates additional paperwork, programming, and processing needs for MVD (state and local levels)

OPTION D – TIERED SYSTEM #2

- Propose a bill during the 2023 Legislative Session that expands eligibility to all veterans with a disability rating of 10% or higher and creates a tiered system for the fee waiver
 - Tier 1: Current eligibility criteria & all fees waived
 - Tier 2: 80-90% disabled & 50% fee waiver
 - Tier 3: 10-70% disabled & no fee waiver
 - All Tiers: Handicap parking access with DV license plate
- Considerations for Option C:
 - Includes all disabled veterans in Montana, fully addressing concerns raised by disabled veterans (*adds more than 14,000 to eligibility pool based on December 2021 numbers from MVAD*)
 - Estimated to result in loss of \$246,858 in FY23, FY24, FY25 (*1/2 of totals in HB 239 fiscal note*)
 - \$204,613 loss to state general fund (annual registration fees & cemetery fee)
 - \$16,605 loss to state special revenue for Fish, Wildlife, and Parks
 - \$18,450 loss to state special revenue for the funding of Montana highway patrol officers' salaries
 - \$7,190 loss to MVD Administration fund
 - Creates additional paperwork, programming, and processing needs for MVD (state and local levels)

OPTION E – COMMITTEE SUGGESTIONS

- Additional suggestions from members of the SAVA Committee

HOUSE BILL NO. 239

INTRODUCED BY M. FUNK, M. WEATHERWAX

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING SOME PARTIALLY DISABLED VETERANS AND THEIR SPOUSES TO QUALIFY FOR CERTAIN FEE WAIVERS; AND AMENDING SECTION 61-3-460, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-3-460, MCA, is amended to read:

"61-3-460. Motor vehicle registration fee and veterans' cemetery fee waivers. (1) Except as otherwise provided in this section, a person eligible under subsection (2) is exempt from the veterans' cemetery fee provided in 61-3-459 for two sets of special veteran license plates and all motor vehicle registration fees imposed by this chapter for two motor vehicles that are not used for commercial purposes.

(2) The following persons are eligible for the waiver provided in subsection (1):

(a) a veteran who was a prisoner of war who presents official documentation from the U.S. department of defense verifying the veteran's status, or the veteran's surviving spouse, if the spouse has not remarried;

(b) a veteran who is currently rated ~~100%~~ 80% disabled or more, or is paid at the ~~100%~~ 80% or more disabled rate by the U.S. department of veterans affairs for a service-connected disability, as verified by official documentation from the U.S. department of veterans affairs, or the veteran's surviving spouse, if the spouse has not remarried;

(c) a veteran determined by the U.S. department of veterans affairs to be 50% or more disabled because of a service-connected injury and who has been awarded the purple heart, as verified by official documentation from the U.S. department of veterans affairs and the veteran's military service record issued by the U.S. department of defense, or the veteran's surviving spouse, if the spouse has not remarried, except that the veteran or the surviving spouse shall pay the veterans' cemetery fee as provided for in 61-3-459;

(d) the surviving spouse, if the spouse has not remarried, of a military service member killed while on active duty as verified in official documentation issued by the U.S. department of defense; and

(e) the surviving spouse, if the spouse has not remarried, of a military service member or veteran who died of a service-connected injury or disability as determined by and verified in official documentation from the U.S. department of veterans affairs.

(3) A veteran who meets the eligibility criteria in subsections (2)(a) through (2)(c) may apply the fee waiver provided in subsection (1) to any of the special license plates provided for in 61-3-458(4) as long as the veteran also meets the eligibility criteria for the specific special license plate the veteran requests."

7 - END -



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0239	Title:	Lower disability threshold for certain fee waivers to 80%
Primary Sponsor:	Funk, Moffie	Status:	As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	(\$204,613)	(\$409,226)	(\$409,226)	(\$409,226)
State Special Revenue	(\$42,245)	(\$84,490)	(\$84,490)	(\$84,490)
Net Impact-General Fund Balance:	<u>(\$204,613)</u>	<u>(\$409,226)</u>	<u>(\$409,226)</u>	<u>(\$409,226)</u>

Description of fiscal impact: HB 239 lowers the disability threshold for disabled veterans to obtain a waiver of registration fees provided for in Title 61, Chapter 3, MCA, from 100% to 80%. The decrease in registration fees will reduce revenue to the state.

FISCAL ANALYSIS

Assumptions:

Department of Justice

1. All veterans classified as 80% or more will become eligible to obtain a waiver of registration fees under the bill. The number of veterans in Montana that would become eligible for this waiver is 1,845 (per information gathered from the Montana Veterans Administration)
2. Each veteran is allowed a waiver on two vehicle registration fees in Chapter 3 title 61 MCA., resulting in a possible 3,690 (1,845 veterans * 2 vehicles assumed) currently registered vehicles.
3. It is assumed that 100% of the veterans eligible will take advantage of the waiver on two vehicles.
4. It is assumed that the waivers will apply to light vehicle registrations only.


5. In FY 2020, it is estimated that of the 3,690 eligible veteran vehicles, there are 1,069 in the one to four years old range, 1,135 in the five to eleven years old range, and 1,486 of the vehicles in the greater than 11 years old range.
6. There will be a loss to the general fund from annual registration fees due to the waiver as follows:
 - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of (\$409,226) ((\$242,663) for vehicles one to four years old, (\$110,095) for vehicles five to eleven years old, and (\$56,468) for vehicles older than 11 years). Lost revenue in FY 2022 will be half this amount.
 - i. (1,069 vehicles * (\$-217 registration fee + \$-10 Cemetery fee) = \$-242,663 loss)
 - ii. (1,135 vehicles * (\$-87 registration fee + \$-10 Cemetery fee) = \$-110,095 loss)
 - iii. (1,486 vehicles * (\$-28 registration fee + \$-10 Cemetery fee) = \$-56,468 loss)
7. State special revenue for Fish, Wildlife and Parks (\$9 fee imposed in 61-3-321(19), MCA) will realize a loss of revenue as follows:
 - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of \$-33,210 ((\$9,621) for vehicles one to four years old, (\$10,215) for vehicles five to eleven years old, and (\$13,374) for vehicles older than 11 years). Lost revenue in FY 2022 will be half this amount.
 - i. (1,069 vehicles * \$-9 FWP fee=\$-9,621 loss)
 - ii. (1,135 vehicles * \$-9 FWP fee=\$-10,215 loss)
 - iii. (1,486 vehicles * \$-9 FWP fee=\$-13,374 loss)
8. State special revenue for the funding of Montana highway patrol officers' (MHPO) salaries (\$10 fee imposed in 61-3-321(20), MCA) will realize a loss of revenue as follows:
 - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of \$-36,900 (\$-10,690 for vehicles one to four years old, \$-11,350 for vehicles five to eleven years old, and \$-14,860 for vehicles older than 11 years). Lost revenue in FY 2022 will be half this amount.
 - i. (1,069 vehicles * \$-10 FWP fee=\$-10,690 loss)
 - ii. (1,135 vehicles * \$-10 FWP fee=\$-11,350 loss)
 - iii. (1,486 vehicles * \$-10 FWP fee=\$-14,860 loss)
9. The MVD Administration fund collects 3% administrative fee on registration fees per 61-3-111, MCA.
 - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of \$-14,380. ((\$-409,226 GF revenue lost + \$-70,110 FWP & MHPO SSR fund lost) * 3% = \$-14,380). Lost revenue in FY 2022 will be half this amount.
10. No assumptions are made for the number of veterans that would be titling new vehicles and which would also be eligible for the fee waiver as that is impossible to determine.
11. The bill does not provide an effective date. Per 1-2-201(1)(c), MCA, HB 239 will become effective on January 1, 2022. As a result, the fiscal impact for FY 2022 is cut in half due to the bill taking effect halfway through the fiscal year.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	(\$204,613)	(\$409,226)	(\$409,226)	(\$409,226)
SSR (02) FWP	(\$16,605)	(\$33,210)	(\$33,210)	(\$33,210)
SSR (02) MHPO	(\$18,450)	(\$36,900)	(\$36,900)	(\$36,900)
SSR (02) MVD	(\$7,190)	(\$14,380)	(\$14,380)	(\$14,380)
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	(\$246,858)	(\$493,716)	(\$493,716)	(\$493,716)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$204,613)	(\$409,226)	(\$409,226)	(\$409,226)
State Special Revenue (02)	(\$42,245)	(\$84,490)	(\$84,490)	(\$84,490)


Sponsor's Initials

Date


Budget Director's Initials


Date