

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1281 (Delegate Adams)
 Environment and Transportation

Motor Vehicles – Driver’s License Fees – Veterans and Spouses

This bill prohibits the Motor Vehicle Administration (MVA) from charging a fee for the issuance of a driver’s license to an applicant who presents (1) a certification of veteran status obtained from the Maryland Department of Veterans Affairs, a DD Form 214, or other documentation acceptable to MVA certifying veteran status or (2) documentation acceptable to MVA certifying status as an active or former member of the Maryland National Guard or the surviving spouse of a veteran.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by at least \$588,800 in FY 2021 and at least \$785,000 annually thereafter, as discussed below. Expenditures are not materially affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SF Revenue	(\$588,800)	(\$785,000)	(\$785,000)	(\$785,000)	(\$785,000)
Expenditure	0	0	0	0	0
Net Effect	(\$588,800)	(\$785,000)	(\$785,000)	(\$785,000)	(\$785,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Current Law/Background: The contribution of the U.S. Armed Forces is recognized through several provisions within the Maryland Vehicle Law. Specifically, Maryland has

exemptions from registration fees for veterans with certain disabilities and vehicles owned by national veterans' organizations as well as special registration plates for honorably discharged veterans; recipients of individually earned, combat-related armed forces medals; and recipients of a U.S. Department of Defense Gold Star indicating status as a surviving spouse, parent, or next of kin of a member of the armed forces who lost his or her life in combat.

State Revenues: MVA advises that there are 120,950 noncommercial Maryland driver's license holders with a veteran designation. In addition, there are 5,932 commercial driver's license holders with a veteran designation. The fee for a noncommercial driver's license, which is valid for eight years, is \$48, while the fee for a commercial driver's license, which is valid for five years, is \$50.

Using these figures and assuming an even distribution for driver's license renewal, the annual decrease in TTF revenues is expected to total at least \$785,020 (\$725,700 related to noncommercial driver's licenses and \$59,320 related to commercial driver's licenses). Because of the bill's October 1, 2020 effective date, the decrease in TTF revenues is expected to total at least \$588,765 in fiscal 2021.

The Department of Legislative Services advises that this estimate understates the full impact, as there may be many additional license holders who qualify for the fee exemption under the bill but do not currently have a veteran designation status on their license. Moreover, a fee may not be charged for any new driver's licenses issued to individuals with veteran status.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Veterans Affairs; Department of Legislative Services

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an/ljm

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