

Date of Hearing: April 17, 2017

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 363 (Quirk-Silva) – As Introduced February 8, 2017

**SUBJECT:** Driver's licenses: veteran designation

**SUMMARY:** Prohibits the Department of Motor Vehicles (DMV) from charging the one-time \$5 fee to a person applying for a driver's license or identification card with a veteran designation if the applicant is homeless or is determined to have a current income level that meets eligibility requirements for certain public assistance programs, as specified; provides the determination of eligibility be subject to regulations adopted by DMV.

**EXISTING LAW:**

- 1) Allows a person applying for a driver's license or identification card in person at a DMV field office to request the word "VETERAN" to be printed on the face of the driver's license or identification card.
- 2) Requires the Department of Veterans Affairs to develop a verification form in consultation with DMV and the California Association of County Veterans Service Officers (CACVSO), requires a county veterans service office (CVSO) to verify a person's veteran status and sign the verification form, and requires DMV to accept the signed verification form by a CVSO as proof of an applicant's veteran status.
- 3) Upon payment of a fee and verification of an applicant's veteran status, requires DMV to print the word "VETERAN" on the face of a driver's license or identification card, as specified.
- 4) Requires DMV to charge a one-time fee of \$5 to a person applying for a driver's license or identification card with a veteran designation and authorizes DMV to increase the fee by regulation to not more than \$15 to cover its reasonable costs.
- 5) Prohibits DMV from charging a fee for an original or replacement identification card to a person who can verify his or her status as a homeless person or homeless child or youth, as specified.

**FISCAL EFFECT:** Unknown

**COMMENTS:** In 2014, Governor Brown signed AB 935 (Frazier) Chapter 644, Statutes of 2014, requiring DMV to issue driver's licenses and identification cards with a veteran designation to eligible applicants, beginning in November 2015. At the time of the passage of AB 935, the veteran designation was intended to give veterans an efficient means of proving their eligibility for benefits and discounts instead of carrying their discharge papers, the DD-214, on their persons at all times. At the time, a *San Diego Union Tribune* article found that, "California veterans may be losing out on \$400 million in federal benefits." AB 935 required DMV to charge a one-time \$5 fee to cover the department's implementation costs, estimated at the time at \$1.05 million for 2014-15 and 2015-16, and ongoing costs exceeding \$750,000 in 2016-17 and 2017-18. Because a driver's license currently has a renewal term of five years, this

one-time \$5 fee translates to \$1 per year for the first five years of holding the license, and no charge for every year of the license after it is renewed.

As of March 2017, DMV has issued over 40,000 driver's licenses and identification cards with veteran designations since it began offering the designations in November 2015. According to CACVSO, nearly 9,000 additional California veterans are now receiving federal veterans' benefits that they were unaware they were eligible for, due to the veteran designation program. These benefits total over \$11 million in monthly payments to California veterans, with an additional \$6 million in retroactive payments to these same veterans. This roughly translates to an average of \$275 in benefits per veteran per month, far surpassing the one-time fee of \$5 for receiving the designation.

This bill would waive the one-time \$5 fee for applicants that are homeless or are determined to have a current income level that meets eligibility requirements for certain public assistance programs, such as CALWORKs. The author intends to make it easier for these veterans to access all the available resources, benefits, and services that they have earned. According to the author, 16,461 veterans, or approximately 0.9% of all California veterans are homeless, with 26% of all homeless veterans in the United States living in California. Obtaining a driver's license or identification card with a veteran designation may make it easier to move from homelessness into shelters and permanent housing. Additionally, the author notes that the no-cost designation may also be helpful to medical and law enforcement entities who deal with homeless veterans who may be suffering from trauma as a result of their service.

*Committee concerns:* This bill will require DMV field office staff to verify a person's eligibility for a waived fee by income level or status as homeless. This will likely cause additional workload for DMV staff, which may translate to additional costs to implement the veteran designation program as a whole.

Because DMV is authorized to raise the one-time \$5 fee up to \$15 to cover its reasonable costs, this bill may result in the one-time fee rising for all veterans not eligible under this bill, if DMV costs rise and the department is no longer able to adequately cover its costs for administering the program without the revenue from applicants whose fees would be waived by this bill.

*Double referral:* This bill will be referred to the Assembly Veterans Affairs Committee should it pass out of this committee.

*Previous legislation:* AB 935 (Frazier) Chapter 644, Statutes of 2014, required DMV to offer a driver's license or identification card printed with the word "VETERAN" to an eligible applicant, as specified.

AB 1733 (Quirk-Silva, Atkins, Maienschein) Chapter 764, Statutes of 2014, required DMV to issue an identification card without charging a fee to a person who can verify his or her status as homeless.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

None on file

**Opposition**

None on file

**Analysis Prepared by:** Justin Behrens / TRANS. /