

Date of Hearing: April 5, 2021

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 1151 (Smith) – As Introduced February 18, 2021

SUBJECT: Driver's licenses: veteran designation

SUMMARY: Removes the one-time \$5 fee to a person applying for a driver's license or identification card with a veteran designation after July 1, 2022.

EXISTING LAW:

- 1) Requires the Department of Veterans Affairs (CalVet) to develop a verification form in consultation with the Department of Motor Vehicles (DMV) and the California Association of County Veteran's Service Officers (CVSOs). A CVSO verifies a person's veteran status and signs the verification form, and DMV then accepts the signed verification form as proof of an applicant's veteran status.
- 2) 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.
- 3) Requires DMV to charge a one-time additional 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 to not more than \$15 to cover its reasonable costs.
- 4) 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.
- 5) Prohibits DMV from charging a fee for an original or replacement identification card to a person who can verify that they meet eligibility requirements for certain public assistance programs, as specified.
- 6) Requires the DMV to charge an applicant \$34 for the issuance or renewal of a driver's license.

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 November 2015. The purpose of the 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. It further provided incentive for veterans to visit their CVSO, who could in turn help them determine what, if any, benefits they may be eligible for. At the time, the San Diego Union Tribune found that California veterans may be losing out on \$400 million in federal benefits.

The original goals of the program are coming to fruition. California is currently home to 1.7 million veterans. As of December 31, 2018, 106,852 veterans have opted to have the veteran designation on their license (up from 62,140 in 2017). According to CalVet, 35,261 veterans applied for benefits as a result of their visit with a CVSO to get the paperwork necessary for the

designation (up from 18,000 in 2017). Those veterans are now receiving nearly \$74 million in annual benefits (up from \$31 million in 2017). In addition, nearly \$40 million in benefits have been awarded retroactively (up from \$17 million in 2017).

In order to pay for the costs of administering the veteran designation program, DMV charges a one-time \$5 fee. This fee is currently waived for veterans who are either homeless or meet income eligibility requirements for public assistance programs like CalWORKS, Medi-Cal and CalFresh.

According to the author, “Veterans have made significant sacrifices to serve our country and have earned the distinction of a “veteran” designation on their identification – a distinction they should not have to pay for. Military discharge papers, or DD-214s, are highly confusing to most people, including retailers that offer veteran discounts. It is also a hassle for the veteran to have to carry these important documents with them for these purposes. By removing this fee, AB 1151 will help veterans have access to the benefits they are entitled to by their service.”

In 2018, Governor Brown vetoed a nearly identical bill along with a series of bills that would have imposed additional costs to DMV. The veto message read:

Reducing wait times in field offices and addressing the urgent needs of customers is the top priority. The programming required to implement these bills will delay the department's ability to fully modernize its aging information technology systems. While these bills may have merit, it would be prudent for the Legislature to pause on additional mandates while the department works to complete programming for prior legislative mandates and system upgrades designed to reduce transaction times and improve customer service.

Removing this fee may reduce the amount of revenue the Motor Vehicle Account (MVA) receives. The MVA, which is the primary funding source for DMV and California Highway Patrol (CHP) faces a structural budget shortfall and the Department of Finance estimates it will be insolvent in 2024-25. Any reduction in these fees would hasten insolvency of the MVA and potentially negatively impact the DMV and CHP.

Previous legislation: AB 935 (Frazier), Chapter 644, Statutes of 2014, requires the DMV to offer a driver’s license or identification card printed with the word “veteran” to an eligible applicant.

AB 363 (Quirk-Silva), Chapter 579, Statutes of 2017, prohibits the 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 meet’s eligibility requirements for certain public assistance programs.

AB 1613 (Olbernalte) of 2020, AB 21 (Olbernalte) of 2019, and AB 1873 (Olbernalte) of 2018, was nearly identical to this bill. AB 1613 died in this committee, AB 21 died in Assembly Appropriations Committee, and AB 1873 was vetoed by the Governor.

REGISTERED SUPPORT / OPPOSITION:

Support

American Legion, Department of California

AMVETS, Department of California

California Association of County Veterans Service Officers

California State Commanders Veterans Council

Opposition

None on file

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