

Date of Hearing: June 20, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 837 (Umberg) – As Introduced January 6, 2022

SENATE VOTE: 39-0

SUBJECT: Driver's licenses: veteran designation

SUMMARY: Removes the one-time \$5 application fee for a driver's license or identification card with a veteran designation.

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: According to Senate Appropriations Committee:

- One-time DMV administrative costs to eliminate the one-time fee, including any necessary application form updates, are expected to be minor and absorbable. (Motor Vehicle Account)
- Foregone fee revenues in the range of \$150,000 to \$200,000 annually in the initial years, which DMV expects will decrease over time as demand falls once the existing population of veterans who wish to have the designation on their license have applied for it upon their license renewal cycle. See staff comments. (Motor Vehicle Account)

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, which could in turn help them determine eligibility for state and federal veteran's benefits. At the time, the San Diego Union Tribune found that California veterans may be losing out on \$400 million in federal benefits.

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, "SB 837 will take away the current fee the DMV charges to designate a veteran's status on their driver's license or identification card. California needs to make veteran's resources more accessible. There are still many veterans in the state who are not aware that they may be eligible for benefits. By making this designation more accessible and affordable, we can ensure that more veterans will become connected with their benefits. California has historically fallen short on our promises to improve veterans' access to programs. For example, California was the second-to-last state in the nation to allow for a veterans' designation on their driver's license. Removing this nominal charge will only make it easier for veterans to get this designation on their licenses and increase their awareness and accessibility to veterans' benefits."

In 2018, Governor Brown vetoed a nearly identical bill along with a series of bills that would have imposed additional costs on 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.

The State Building and Construction Trades Council, writing in support of this bill, argue "This legislation will eliminate the \$5 fee required to be paid to have the word "VETERAN" added to a person's driver's license. This will encourage veterans to visit their CVSO and learn about the Veterans Administration benefits they earned serving our country."

Committee comments: The Motor Vehicle Account (MVA), the primary funding source for DMV, remains structurally imbalanced. Although the MVA is projected to have a positive fund balance through the next five fiscal years, in 2023-24, 2024-25, 2025-26, and 2027-27, expenditures are anticipated to outpace revenues, reducing the fund balance from \$693 million in 2022-23 to \$120 million in 2026-27. The structural imbalance remains even though all future

DMV and CHP capital outlay costs are being shifted away from the MVA to the General Fund in an attempt to keep the fund solvent.

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 1151 (Smith) of 2021, AB 1613 (Olbermolte) of 2020, AB 21 (Olbermolte) of 2019, and AB 1873 (Olbermolte) of 2018, were nearly identical to this bill. AB 1613 died in this committee, AB 21 and AB 1151 died in Assembly Appropriations Committee, and AB 1873 was vetoed by the Governor.

REGISTERED SUPPORT / OPPOSITION:

Support

State Building and Construction Trades Council

Opposition

None on file

Analysis Prepared by: David Sforza / TRANS. / (916) 319-2093