

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1906 - HB 1972

February 22, 2020

SUMMARY OF BILL: Authorizes a veteran with a service-connected disability, regardless of the extent of such disability, a disabled veteran memorial license plate, if such veteran is eligible for either Social Security Disability Insurance (SSDI) benefits or supplemental security income (SSI). Upon meeting aforementioned criteria, any such veteran must pay the regular registration fee, plus half the actual cost to design and manufacture the plates.

Any veteran that has a service-connected disability, which is not a one hundred percent permanent total disability and is ineligible for either SSDI benefits or SSI, may be issued a disabled veteran memorial license plate upon payment of the regular registration fee, plus the actual cost to design and manufacture the plates.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$35,600/FY20-21/TRICOR

Assumptions:

- Currently, one free vehicle registration is available to veterans with service-connected disabilities who meet the following criteria:
 - Loss or permanent loss or use of one or both feet;
 - Loss or permanent loss or use of one or both hands;
 - A permanent loss of vision in both eyes, dependent upon severity of visual impairment; or
 - Any other service-connected disability that is determined by the U.S. Department of Veterans Affairs to constitute a 100 percent permanent total disability.
- This legislation will increase the number of disabled veterans eligible for disabled veteran license plates, resulting in a decrease in state revenue.
- According to the Department of Veterans Services, there are approximately 117,427 veterans in this state with a service-connected disability.
- Of the 117,427 veterans, 15,585 veterans have sustained 100 percent disabilities.
- This legislation could potentially impact up to 101,842 veterans (117,427 – 15,585).
- Approximately 20 percent, or 20,368 (101,842 x 20%) veterans in this state with service-connected disabilities, who are capable of operating a vehicle and are eligible for either Social Security Disability Insurance (SSDI) benefits or supplemental security

income (SSI) will register a passenger vehicle or motorcycle as a result of this legislation.

- Such applicant veterans will pay the regular registration fees, but will only pay half the actual cost to design and manufacture such plates, therefore, the cost that will not be covered represents expenditures to TRICOR that will not be reimbursed, as it is assumed that the total cost of these plates would be recovered in full in the absence of this legislation.
- According to TRICOR, the actual cost to design and manufacture such plates is \$3.50.
- DOR collects this amount and remits it to TRICOR to cover the actual cost of the plate.
- Applicable veterans will pay \$1.75 per plate ($\$3.50 \times 50\%$).
- Total one-time increase in state expenditures in FY20-21 of \$35,644 ($20,368 \times \1.75). Any impact in subsequent years is estimated to be not significant as qualified veterans will be paying the regular registration fees.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb