

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 1111

HOUSE BILL NUMBER 277

TITLE AN ACT relating to license plates for disabled veterans.

SPONSOR Representative Samara Heavrin

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Vehicle Regulation, Department of Veterans' Affairs

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Avis Replacement Fund, County Clerk IT Improvement Fund, County Clerk Revenue Supplemental Fund, and the Veterans Cemetery Private Fund

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$60,112)	(\$60,112)	
EXPENDITURES				
NET EFFECT		(\$60,112)	(\$60,112)	

() indicates a decrease/negative

PURPOSE OF MEASURE: The measure allows veterans that are paid at the 100% service-connected disabilities rate to obtain disabled veteran license plates with no initial fee or renewal fee.

FISCAL EXPLANATION: The fiscal impact of this legislation is minimal. This bill amends KRS 186.162 to allow veterans who are less than 100% disabled, but getting paid at the 100% disabled amount, to obtain the special license plate free of charge (there is a rating for veterans called Individual Unemployability (UI) that pays veterans at this level). The number of veterans with this rating is approximately half of the veterans with a 100% disabled rating. Veterans with the UI rating currently pay \$23 for each initial issuance and renewal of the special license plate, with the fees going to various funds. Kentucky Transportation Cabinet indicates that 4,624 veterans got a license plate with the fees waived, so that would mean approximately 2,312 veterans would get a free license plate instead of paying their current fee of \$23. This would result in a \$53,176 decrease in revenue.

In addition KRS 186.162 states that any fee paid towards the county clerks' portion of fees when obtaining or renewing a special license plate also triggers additional fees identified in KRS 186.040(6) to be incurred. These are the three \$1 charges for each of the Avis Replacement Fund, the County Clerk IT Improvement Fund, and the County Clerk Revenue Supplemental Fund. As such, this would reduce the

revenue for each of these funds by \$2,312 each fiscal year. Altogether, implementation of this bill would reduce revenue by \$60,112 each fiscal year.

DATA SOURCE(S): KYTC, US Department of Veterans Affairs

PREPARER: Justin Perry NOTE NUMBER: 75 REVIEW: JAB DATE: 1/21/2020