

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 100

INTRODUCER: Senator Steube

SUBJECT: Identification Card and Driver License Fees for Veterans

DATE: January 10, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanders</u>	<u>Ryon</u>	<u>MS</u>	Favorable
2.	<u>Wells</u>	<u>Hrdlicka</u>	<u>ATD</u>	Recommend: Favorable
3.	<u>Wells</u>	<u>Hansen</u>	<u>AP</u>	Pre-meeting

I. Summary:

SB 100 eliminates the \$1 or \$2 fee a veteran must pay to have the word “Veteran” displayed on an identification card or driver license issued by the Department of Highway Safety and Motor Vehicles (DHSMV). The bill also expands the forms of identification that a veteran may present to the DHSMV as proof of veteran status for the purpose of receiving the “Veteran” designation on an identification card or driver license to include:

- A veteran health identification card issued by the U.S. Department of Veterans Affairs; and
- A veteran identification card issued by the U.S. Department of Veterans Affairs pursuant to the Veterans Identification Card Act of 2015.

Additionally, the bill prohibits tax collectors from charging a veteran the \$6.25 service fee for driver license services rendered pursuant to ch. 322, F.S., upon presentation of specified documentation proving that the individual is a veteran.

The Revenue Estimating Conference has estimated that the bill will reduce state trust fund revenues by \$100,000 annually beginning in Fiscal Year 2018-19, and county revenues by \$400,000 annually in Fiscal Years 2018-19 through 2020-21 and by \$300,000 annually thereafter. The DHSMV expects to incur costs of \$10,275 for the programming required to implement the provisions of the bill.

The bill takes effect on July 1, 2018.

II. Present Situation:

“Veteran” Designation on Florida Identification Cards and Driver Licenses

A veteran may receive a designation on his or her identification card or driver license that exhibits the word “Veteran.”¹ The designation is available at the request of a veteran who presents a copy of his or her DD Form 214 (Certificate of Release or Discharge from Active Duty) or another acceptable form specified by the Florida Department of Veterans’ Affairs and pays the applicable fee. A veteran must pay a \$1 fee to receive the “Veteran” designation on an initial or renewal identification card or driver license. If a veteran desires to obtain the “Veteran” designation prior to renewal, the veteran must pay a \$2 fee for a replacement and surrender the current identification card or driver license. If a veteran receives a replacement identification card or driver license solely for the purpose of receiving the “Veteran” designation, the \$25 replacement fee required in ss. 322.21(1)(e) and 322.21(1)(f)3., F.S., is waived.² The \$2 replacement fee covers the \$1.25 cost of the card stock used to produce identification cards and driver licenses.³ Revenue generated from the \$1 and \$2 fees is deposited into the Highway Safety Operating Trust Fund.

As of July 2017, 377,951 veterans have been issued Florida identification cards or driver licenses with a “Veteran” designation.⁴

Tax Collector Fees for Driver License Services

In 2010, the Legislature required all state driver license issuance services be transferred to tax collectors who are constitutional officers under Art. VIII, s. 1(d) of the State Constitution by June 30, 2015.⁵ As part of that transfer, tax collectors retain portions of specified fees when processing certain driver license services.⁶ Section 322.135(1)(c), F.S., requires tax collectors to charge a \$6.25 service fee for completing such services. However, the \$6.25 service fee may not be charged:

- More than once per customer per visit;
- For a reexamination requested by the Medical Advisory Board or required by the DHSMV;
- For a voter registration transaction; or
- In violation of any federal or state law.⁷

¹ In 2015, the Legislature amended ss. 322.051 and 322.14, F.S., to require the entire word “Veteran” to be displayed on an identification card or driver license, instead of the “V” designation. The DHSMV recently released a new design of the identification card or driver license which can now accommodate the entire word “Veteran.” The DHSMV expects the implementation of the new design to be completed by December 2017. *See* s. 4, ch. 2015-85 L.O.F. *See also* DHSMV, 2018 Agency Legislative Bill Analysis: SB 100 (Oct. 23, 2017).

² *See* ss. 322.051(8)(b) and 322.14(1)(d), F.S.

³ DHSMV, 2018 Agency Legislative Bill Analysis at p. 7.

⁴ DHSMV, 2018 Agency Legislative Bill Analysis at p. 2.

⁵ Chapter 2010-163, L.O.F., and s. 322.02(1), F.S. Volusia, Broward, and Miami-Dade counties do not have a tax collector who is a constitutional officer under Art. VIII, s. 1(d) of the State Constitution. Additionally, the tax collectors of Glades, Franklin, and Gilchrist counties are exempt from providing services on behalf of the DHSMV due to their statuses as fiscally constrained counties. *See* s. 322.135(7), F.S.

⁶ Driver license services provided under ch. 322, F.S., include the issuance of driver licenses and identification cards, examinations for driver licenses, educational programs, and administrative functions associated with such activities.

⁷ Section 322.135(1)(c), F.S.

Proof of Veteran Status

Florida has the third largest population of veterans in the nation after California and Texas with more than 1.5 million veterans.⁸ There are various forms of identification issued by the Federal government and the state of Florida that can be used as proof of veteran status.

DD Form 214, Certificate of Release or Discharge from Active Duty

The DD Form 214 is issued by the Department of Defense (DoD) to each military servicemember upon separation from active duty service. This form contains the veteran's dates of service, last duty assignment, pay grade and rank, awards received, and characterization of service (i.e., honorable, general under honorable conditions, dishonorable, etc.).⁹

Veteran Health Identification Card¹⁰

The veteran health identification card (VHIC) is issued by the U.S. Department of Veterans Affairs (USDVA) to veterans who are enrolled in the USDVA health care system for identification and check-in at USDVA appointments. In order to receive a VHIC, the veteran must apply for enrollment in the USDVA health care system and provide a primary and secondary form of identification. Once the veteran's enrollment is verified, he or she must have his or her picture taken at the local USDVA medical center for inclusion on the VHIC.

Veterans Identification Card Act of 2015

In 2015, Congress enacted the "Veterans Identification Card Act of 2015,"¹¹ which directs the Secretary of the USDVA to issue a veteran identification card to each veteran who requests one, presents a copy of his or her DD Form 214 or other official document from the official military personnel file of the veteran that describes his or her service, and pays the fee set by the Secretary of the USDVA.¹² The identification card will display the photograph and name of the veteran, and contain an identification number that is not a social security number. The card is not proof of any benefits to which the veteran is entitled but does serve as proof that such veteran:

- Served in the Armed Forces; and
- Has a DD Form 214 or other official document in the official military personnel file of the veteran that describes the service of the veteran.¹³

⁸ U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, *Veteran Population* (2016), available at http://www.va.gov/vetdata/Veteran_Population.asp (last visited Oct. 23, 2017).

⁹ Department of Defense Instruction 1336.01, *Certificate of Release or Discharge from Active Duty* (Dec. 29, 2014), available at <http://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/133601p.pdf> (last visited Oct. 24, 2017).

¹⁰ U.S. Department of Veterans Affairs, *Health Benefits: Veterans Health Identification Card*, available at <http://www.va.gov/healthbenefits/vhic/index.asp> (last visited Oct. 24, 2017).

¹¹ H.R.91, *Veterans Identification Card Act 2015* (Pub. L. No. 114-31, July 20, 2015), available at <https://www.congress.gov/bill/114th-congress/house-bill/91> (last visited Oct. 24, 2017).

¹² 38 U.S.C. s. 5706.

¹³ *Id.*

The USDVA opened the application process for the cards on November 29, 2017; “[v]eterans who apply for a card should receive it within 60 days and can check delivery status of their cards at vets.gov.”¹⁴

Additional Forms of Identification

Other common types of federal and state identification used to show proof of veteran status include the following:

- DD Form 2 (Retired), Uniformed Services ID: This card is issued by the DoD to retired members of the U.S. Uniformed Services¹⁵ entitled to retired pay, members on the Temporary Disability Retired List, and members on the Permanent Disability Retired List;¹⁶
- DD Form 2 (Reserve Retired), Uniformed Services ID: This card is issued by the DoD to retired members of the Reserves and the National Guard who are under the age of 60;¹⁷
- DD Form 2765, Uniformed Services ID and Privilege Card: This card is issued by the DoD to Medal of Honor recipients, 100-percent disabled veterans, former members in receipt of retired pay, and other limited benefits-eligible categories described in DoD policy;¹⁸
- 100-percent Disabled Veterans State Identification Card: This card is issued by the Florida Department of Veterans’ Affairs to any Florida veteran who has a 100-percent total and permanent service-connected disability rating from the USDVA or the DoD;¹⁹ or
- “Veteran” Designation on Florida Identification Card or Driver License.²⁰

III. Effect of Proposed Changes:

Sections 1 and 2 amend ss. 322.051 and 322.14, F.S., respectively, to eliminate the \$1 fee charged to veterans to receive the “Veteran” designation on an initial or renewal identification card or driver license. These sections also eliminate the \$2 fee charged for the “Veteran” designation on a replacement identification card or driver license when the veteran surrenders his or her current identification card or driver license.

Additionally, sections 1 and 2 expand the forms of identification a veteran may present to the DHSMV to prove veteran status for the purpose of receiving the “Veteran” designation on an identification card or driver license. A veteran may present the following forms of identification to receive the “Veteran” designation:

- Veteran health identification card issued by the U.S. Department of Veterans Affairs; and
- Veteran identification card issued by the U.S. Department of Veterans Affairs pursuant to the Veterans Identification Card Act of 2015, Pub. L. No. 114-31.

¹⁴ USDVA, *VA announces rollout and application process for new Veterans ID Card* (Nov. 29, 2017), available at <https://www.blogs.va.gov/VAntage/43442/va-announces-rollout-application-process-new-veterans-id-card/> (last visited Dec. 1, 2017).

¹⁵ The uniformed services include the Army, Marines, Navy, Air Force, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. See 10 U.S.C. s. 101(a)(5).

¹⁶ The design of the Uniformed Services ID cards include a picture, branch affiliation, paygrade/rank, expiration date, DoD identification number, date of birth, benefits number, blood type, Geneva Convention category, and date of issue. See, DoD Common Access Card, *Uniformed Services ID Card*, available at <http://www.cac.mil/uniformed-services-id-card/> (last visited Oct. 24, 2017).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ See s. 295.17, F.S.

²⁰ See ss. 322.14(1)(d) and 322.051(8)(b), F.S.

Section 3 amends s. 322.135, F.S., to prohibit tax collectors from charging a veteran the \$6.25 service fee for identification card and driver license services rendered pursuant to ch. 322, F.S., upon presentation of a copy of the veteran's:

- DD Form 214, issued by the U.S. Department of Defense;
- Veteran health identification card issued by the U.S. Department of Veterans Affairs;
- Veteran identification card issued by the U.S. Department of Veterans Affairs pursuant to the Veterans Identification Card Act of 2015, Pub. L. No. 114-31; or
- Other acceptable form specified by the Florida Department of Veterans' Affairs.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the State Constitution restricts the authority of the legislature to enact a general law, except upon approval by a two-thirds vote of the membership of each house of the legislature, if the anticipated effect of the bill would be to reduce the authority of counties to raise revenue, as such authority exists on February 1, 1989.

Specifically, this bill prohibits a county tax collector from charging a \$6.25 service fee to veterans for services rendered relating to the issuance of identification cards and driver licenses. However, as noted above in "II. Present Situation", the authority to impose the service fee on these transactions was not implemented by the counties until 2010 or later.

Article VII, s. 19(d) of the State Constitution exempts from the extraordinary vote requirement laws having an insignificant fiscal impact, which was \$2 million or less for FY 2017-2018. The Revenue Estimating Conference has estimated that local governments (specifically counties) will lose approximately \$400,000 annually in Fiscal Years 2018-2019 through 2020-2021, and \$300,000 annually in Fiscal Years 2021-2022 through 2022-2023.²¹

Thus, the bill implicates the constitutional mandate restrictions but appears to be exempt from the extraordinary vote requirement imposed by Art. VII, s. 18(b) of the State Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

²¹ Revenue Estimating Conference, *Highway Safety Fees, Exemption for Veterans: SB 100*, Nov. 3, 2017.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has estimated that sections 1 and 2 (eliminating the \$1 and \$2 fees for the veteran designation on the identification card and driver license) will reduce state trust fund revenues by \$100,000 annually beginning in FY 2018-19.²² Section 3 (eliminating the \$6.25 service charge for veterans) is estimated to reduce local governments' revenues by \$400,000 annually in fiscal years 2018-2019 through 2020-2021 and by \$300,000 annually in fiscal years 2021-2022 through 2022-2023.²³

B. Private Sector Impact:

Veterans requesting the "Veteran" designation on an identification card or a driver license will no longer pay a \$1 or \$2 fee for the designation when a driver license or identification card is being issued, renewed, or replaced. Additionally, a veteran will be exempt from paying the \$6.25 service fee for services rendered pursuant to ch. 322, F.S., by a tax collector.

C. Government Sector Impact:

The DHSMV states that the programming required to update the Florida Driver License Information System to waive the \$1 fee for a veterans' driver license or identification card and the \$2 fee for a veteran's replacement driver license or identification card with the word "Veteran" displayed on it will cost approximately \$10,275.²⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 322.051, 322.14, and 322.135.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

²² Revenue Estimating Conference, *Highway Safety Fees, Exemption for Veterans: SB 100*, Nov. 3, 2017.

²³ *Id.*

²⁴ DHSMV, *2018 Agency Legislative Bill Analysis* at p. 6.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
