

**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.)

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Prepared By: The Professional Staff of the Committee on Military and Veterans Affairs, Space, and Domestic Security

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BILL: SB 100

INTRODUCER: Senator Steube

SUBJECT: Identification Card and Driver License Fees for Veterans

DATE: October 25, 2017

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanders</u>	<u>Ryon</u>	<u>MS</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>ATD</u>	_____
3.	_____	_____	<u>AP</u>	_____

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**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 provides two additional forms of identification 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. The two additional forms of veteran identification provided in the bill are the:

- 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.

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 an individual is a veteran.

The Revenue Estimating Conference determined that the bill will reduce trust fund revenue by \$100,000 in fiscal year 2018-2019, with a negative \$100,000 recurring impact on trust fund revenue.<sup>1</sup> The bill will reduce local governments’ revenues by \$400,000 in fiscal years 2018-2019 through 2021-2022 and by \$300,000 in fiscal year 2022-23.<sup>2</sup> The DHSMV states that the programming required to implement the provisions of the bill will cost \$10,275.<sup>3</sup>

The bill takes effect on July 1, 2018.

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<sup>1</sup> Revenue Estimating Conference, *Highway Safety Fees, Exemption for Veterans: SB 100*, Sept. 22, 2017.

<sup>2</sup> Id.

<sup>3</sup> Department of Highway Safety and Motor Vehicles, *Senate Bill 100 Agency Analysis* (Oct. 23, 2017) (on file with the Senate Committee on Military and Veterans Affairs, Space, and Domestic Security).

## 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.”<sup>4</sup> The designation is available at the request of a veteran who presents a copy of his or her DD Form 214<sup>5</sup> 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.<sup>6</sup> The \$2 replacement fee covers the \$1.25 cost of the card stock used to produce identification cards and driver licenses.<sup>7</sup> Revenue generated from the \$1 and \$2 fee is deposited into the Highway Safety Operating Trust Fund.

As of July 2017, there were 66,718 Florida veterans who have the “Veteran” designation on their identification card or driver license.<sup>8</sup>

### 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 s. 1(d), Art. VIII of the State Constitution by June 30, 2015.<sup>9</sup> As part of that transfer, tax collectors retain portions of specified fees when processing certain driver license services.<sup>10</sup> 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;
- For a reexamination requested by the Medical Advisory Board or DHSMV;
- For a voter registration transaction; or
- In violation of any federal or state law.<sup>11</sup>

<sup>4</sup> 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 and 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, Laws of Fla., and *supra* note 3.

<sup>5</sup> This form is issued by the Department of Defense to each military servicemember upon separation from active duty service. The DD Form 214 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.)

<sup>6</sup> *See* ss. 322.051(8)(b) and 322.14(1)(c), F.S.

<sup>7</sup> *Supra* note 3 at 7.

<sup>8</sup> *Supra* note 3 at 2.

<sup>9</sup> Chapter 2010-163, Laws of Fla., 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 s. 1(d), Art. VIII 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 status as a fiscally constrained county.

<sup>10</sup> Driver license services provided under ch. 322, F.S., include the issuance of driver license and identification cards, examinations for driver licenses, educational programs, and administrative functions associated with such activities.

<sup>11</sup> 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.<sup>12</sup> 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.).<sup>13</sup>

### ***Veteran Health Identification Card***

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.<sup>14</sup> 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.<sup>15</sup> Once the veteran's enrollment is verified, he or she must have their picture taken at the local USDVA medical center for inclusion on the VHIC.<sup>16</sup>

### ***Veterans Identification Card Act of 2015***

In 2015, Congress enacted the "Veterans Identification Card Act of 2015,"<sup>17</sup> 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<sup>18</sup> 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.<sup>19</sup> The identification card will display the photograph and name of the veteran, and contain an identification number that is not a social security number.<sup>20</sup> The card is

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<sup>12</sup> 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](http://www.va.gov/vetdata/Veteran_Population.asp) (last visited Oct. 23, 2017).

<sup>13</sup> 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).

<sup>14</sup> 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).

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> H.R.91, *Veterans Identification Card Act 2015* (Became public law July 20, 2015), available at <https://www.congress.gov/bill/114th-congress/house-bill/91> (last visited Oct. 24, 2017).

<sup>18</sup> The Department of Defense issues each veteran a DD-214. This form identifies the veteran's condition of discharge, and contains information commonly needed to verify military service for benefits, retirement, employment, and membership in veterans' organizations. See 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).

<sup>19</sup> 38 U.S.C. s. 5706

<sup>20</sup> *Id.*

not proof of any benefits to which the veteran is entitled to, 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.<sup>21</sup>

The veteran identification card is not yet available. However, it is expected that the USDVA will begin issuing cards in November 2017.<sup>22</sup>

### *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 Services<sup>23</sup> entitled to retired pay, members on the Temporary Disability Retired List, and members on the Permanent Disability Retired List;<sup>24</sup>
- **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;<sup>25</sup>
- **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;
- **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;<sup>26</sup>
- **"Veteran" Designation on Florida Identification Card or Driver License or ID Card**<sup>27</sup>

### III. Effect of Proposed Changes:

The bill amends ss. 322.051 and 322.14, F.S., to eliminate the \$1 fee charged to veterans to receive the "Veteran" designation on an initial or renewal identification card or driver license. The bill also eliminates 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, the bill specifies two additional forms of identification a veteran may present to the DHSMV to prove veteran status for the purpose of receiving the

<sup>21</sup> Id.

<sup>22</sup> Vern Buchanan, Press Release, *Buchanan: Vets ID Cards Ready NEXT Month (October 12, 2017)*, available at <https://buchanan.house.gov/media-center/press-releases/buchanan-vets-id-cards-ready-next-month> (last visited Oct. 25, 2017).

<sup>23</sup> The uniformed services includes the Army, Marines, Navy, Air Force, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. See 10 U.S.C. §101(a)(5).

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

<sup>25</sup> Id.

<sup>26</sup> See s. 295.17, F.S.

<sup>27</sup> See ss. 322.14(1)(d) and 322.051(8)(b), F.S.

“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. 114-31.

The bill 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. 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:**

The county/municipality mandates provision of Art. VII, s. 18 of the Florida Constitution may apply because this bill reduces local government authority to raise revenue. The bill prohibits a county tax collector who is a constitutional officer under s. 1(d), Art. VIII of the State Constitution from charging a \$6.25 service fee to veterans for services rendered pursuant to chapter 322, F.S. However, the mandate requirements do not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2017-2018 was \$2 million or less. The Revenue Estimating Conference adopted an estimate below the \$2 million threshold to equal \$400,000 in fiscal years 2018-2019 through 2021-2022 and by \$300,000 in fiscal year 2022-23.<sup>28</sup>

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Fiscal Impact Statement:**

##### **A. Tax/Fee Issues:**

None.

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<sup>28</sup> Supra note 1.

**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 who is a constitutional officer under s. 1(d), Art. VIII of the State Constitution.

**C. Government Sector Impact:**

The Revenue Estimating Conference determined that the bill will reduce trust fund revenue by \$100,000 in fiscal year 2018-2019, with a negative \$100,000 recurring impact on trust fund revenue.<sup>29</sup> The bill will reduce local governments’ revenues by \$400,000 in fiscal years 2018-2019 through 2021-2022 and by \$300,000 in fiscal year 2022-23.<sup>30</sup>

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 would cost approximately \$10,275 in FTE and contracted resources.<sup>31</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

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

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

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

None.

**B. Amendments:**

None.

<sup>29</sup> Supra note 1.

<sup>30</sup> Supra note 1.

<sup>31</sup> Supra note 3.

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

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