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House Bill 5127 (as passed by the House)
Sponsor: Representative Mike McFall
House Committee: Transportation, Mobility, and Infrastructure
Senate Committee: Veterans and Emergency Services

Date Completed: 9-17-24

CONTENT

The bill would amend the Michigan Vehicle Code to extend eligibility for a disabled veteran special registration plate to partially disabled veterans for whom the United States Department of Veterans Affairs (VA) had determined a service-connected disability rating of at least 50%. An eligible partially disabled veteran would have to pay applicable registration fees.

Currently, an individual who is a totally disabled veteran with an honorable discharge from the United States Armed Forces may apply to the SOS for a disabled veteran special registration plate. This plate is inscribed with special identification numbers preceded by the letters "DV" and the words "disabled veteran" inscribed beneath the registration number and may be placed on a private passenger motor vehicle. The SOS may issue this special registration plate to an applicant if it finds the following:

- That the applicant has been determined by the VA to have a service-connected total or permanent total disability rating (100%) for compensation.
- That the applicant has been determined to have a service-connected total or permanent total disability rating (100%) and is receiving disability retirement pay from a branch of the United States Armed Forces.

Currently, a special registration plate issued to a disabled veteran is exempt from the payment of registration taxes. A special registration plate issued to a disabled veteran expires on the birthday of the disabled veteran in a year in which new plates are issued by the SOS. The bill specifies that all the provisions above would apply to a registration plate issued to a *totally* disabled veteran.

Under the bill, a partially disabled veteran also could apply for a disabled veteran special registration plate. The SOS could issue this plate if the applicant had been determined by the VA to have a service-connected disability rating of at least 50%. A special registration plate issued to a partially disabled veteran also would expire on the owner's birthday. Unlike a totally disabled veteran, a partially disabled veteran who applied for renewal of the special registration plate would have to pay applicable registration taxes. The bill would not require the applicant to furnish proof of the applicant's disability for renewal.

Currently, the surviving spouse of a totally disabled veteran with an honorable discharge from the United States Armed Forces may use a special registration after the death of the totally disabled veteran. The surviving spouse may renew the special registration plate after the death of the totally disabled veteran in the same manner as provided for a totally disabled veteran. The bill would extend this provision to include the spouse of an individual who was a disabled veteran with a service-connected disability rating from the VA of at least 50%. A surviving spouse could renew a special registration plate in the same manner as provided for

a disabled veteran with the same service-connected disability rating as the deceased disabled veteran.

The bill would take effect 90 days after its enactment.

MCL 257.803f

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to Senate Bill 191 and House Bill 5234 of the 2019-2020 Legislative Session.

BACKGROUND

Generally, a veteran of the United States Armed Forces who was injured in some way while serving may be eligible for disability compensation in the form of monthly tax-free payments. The rate of compensation depends on the severity of a veteran's disability. A veteran may submit one or more disability claims to the VA, indicating how a service-incurred disability affects the veteran's quality of life. After reviewing the claim, the VA assigns a percentage rating to the veteran based on how much a veteran's disability negatively affects the veteran's overall health and ability to function. The higher the percentage, the greater impact posed by the veteran's disability.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have no fiscal impact as the proposed change to allow partially disabled veterans to apply for a special disabled veteran license plate would require the payment of the registration tax as prescribed in Section 801 of the Code. There would be no loss in registration tax revenue.

Fiscal Analyst: Joe Carrasco, Jr.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.