

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB94

Patron: Bennett-Parker

Bill Title: Vehicle registration fees; disabled veterans.

Bill Summary: Extends the current exemption from annual vehicle registration fees for disabled veterans or their unremarried surviving spouse to eligible vehicles displaying standard license plates. Current law applies such exemption to a vehicle displaying disabled veteran special license plates.

Budget Amendment Necessary: Amendments may be necessary to reflect loss of nongeneral fund revenue

Fiscal Summary: This bill would decrease revenue collected from Department of Motor Vehicles (DMV) vehicle registration fees by an estimated \$5.7 million in FY 2027 and \$5.7 million in FY 2028 and outgoing years. This may result in a corresponding decrease in expenditures. The vehicle registration fee is comprised of various components, and the revenue is directed to multiple agencies and funds, as detailed in the fiscal analysis. Any loss of revenue to these funds may impact previously planned or future programming. Additionally, a portion of revenue from vehicle registration fees is deposited to the Commonwealth Transportation Fund, which is further distributed to specific programs and subfunds across all transportation agencies in the Commonwealth. Any loss of revenue to transportation funding may impact previously planned and programmed transportation projects and may impact funds used to support debt service on bonds previously issued.

Nongeneral Fund Revenue Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Various agencies, detail below	-	(\$5,664,827)	(\$5,664,827)	(\$5,664,827)	(\$5,664,827)	(\$5,664,827)

Fiscal Analysis: The DMV estimates that 184,222 disabled veterans would be eligible to waive the entire annual vehicle registration fee under this proposal. This estimate is based on the latest publicly available data for the number of Virginia disabled veterans reported by the US Department of Veterans affairs less the number of disabled veteran special plates already issued. This analysis assumes one standard plate for each veteran who has not been issued a disabled veteran special plate and that the entire \$30.75 fee is waived. DMV registration fees vary by type and weight of vehicle and \$30.75, which is the standard fee for most vehicles, was used for purposes of this analysis.

Virginia Disabled Veterans	243,174
Less Current Disabled Veteran Special Plates	58,952
Estimated Disabled Veterans with Standard Plates	184,222
Standard Registration Fee	\$30.75
Total estimated annual revenue reduction	\$5,664,827

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Currently, the standard vehicle registration fee is \$30.75 per year. The total fee is comprised of various components, and the revenue is directed to multiple agencies and funds, as shown in the table below.

Standard Registration Fee Allocation	Amount
Highway Maintenance & Operating Fund	\$9.43
Transportation Trust Fund	\$9.06
Motor Vehicles Special Fund (DMV)	\$4.51
State Vehicle Safety Inspection Fund (State Police)	\$1.50
Emergency Medical Services Fund (Health Department)	\$6.00
Rescue Assistance Fund (Health Department)	\$0.25
Total	\$30.75

Based on the above allocations, the table below estimates the annual impact to each fund as a result of this proposal.

Estimated Annual Revenue Reduction	Amount
Highway Maintenance & Operating Fund	(\$1,737,213)
Transportation Trust Fund	(\$1,669,051)
Motor Vehicles Special Fund (DMV)	(\$830,841)
State Vehicle Safety Inspection Fund (State Police)	(\$276,333)
Emergency Medical Services Fund (Health Department)	(\$1,105,332)
Rescue Assistance Fund (Health Department)	(\$46,056)
Total estimated annual revenue reduction	(\$5,664,827)

The Department of Motor Vehicles, Virginia Department of Transportation, Department of Rail and Public Transportation, Virginia Port Authority, Virginia Department of Aviation, Virginia Passenger Rail Authority, and the Virginia Commercial Space Flight Authority receive distributions of Transportation Trust Fund revenues.

The actual fiscal impact each year will depend on the number of individuals who qualify for the exemption, the amount of the registration fee waived based on vehicle type/weight, and the number of standard license plates issued to those individuals.

Other: None