

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

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**ORIGINAL**

**Bill Number:** SB363

**Patron:** McDougle

**Bill Title:** Special license plates in recognition of those lost or injured in military service; fees.

**Bill Summary:** Eliminates the annual registration fee and annual fee for one special license plate for any veteran who has been certified by the U.S. Department of Veterans Affairs as having a service-connected disability. Existing law authorizes the waiver of such fees for one special license plate for any disabled veteran who has either lost, or lost the use of, a leg, arm, or hand, is blind, or is permanently and totally disabled as certified by the U.S. Department of Veterans Affairs or his unremarried surviving spouse. The bill also exempts special license plates for immediate family members of persons who have died in military service to their country from the annual fee assessed for special license plates.

**Budget Amendment Necessary:** No                    **Items Impacted:** None

**Explanation:** The impact to nongeneral fund revenues is indeterminate at this time

**Fiscal Summary:** The changes in the first enactment expand eligibility for the annual registration fee and special plate fee exemptions, which may reduce related revenues. It is unknown how many disabled veterans with existing plates other than the Disabled Veteran plate would opt for the Disabled Veteran plate. The range for this indeterminate revenue loss could be low enough to be absorbed within existing resources up to approximately \$7.5 million.

The changes in the second and third enactments exempt eligible individuals from the annual special plate fee. The Department of Motor Vehicles (DMV) anticipates any revenue loss related to these exemptions can be absorbed within existing resources.

**Fiscal Analysis:**

*First Enactment*

The DMV estimates that 184,222 disabled veterans may be eligible to waive the entire annual vehicle registration fee plus the annual special plate fee under this proposal if the veteran elects the Disabled Veteran plate. However, it is unknown how many disabled veterans would exercise this option. 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 Disabled Veteran plate for each qualifying veteran who has not yet been issued a Disabled Veteran special plate and that the entire \$30.75 annual registration fee plus the \$10 annual special plate 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.

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Virginia Disabled Veterans	243,174
Less Current Disabled Veteran Special Plates	58,952
Estimated Disabled Veterans with Other Plates	184,222
Standard Registration Fee	\$30.75
Special Plate Fee	\$10.00
<b>Potential annual revenue reduction from registration exemption</b>	<b>\$5,664,827</b>
<b>Potential annual revenue reduction from special plate fee exemption</b>	<b>\$1,842,220</b>

The annual special plate fee collected by DMV is deposited to a special fund and used to meet the expenses of the Department, so DMV would incur the full impact of any revenue loss from that exemption.

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.

<b>Standard Registration Fee Allocation</b>	<b>Amount</b>
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
<b>Total</b>	<b>\$30.75</b>

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

<b>Potential Annual Revenue Reduction from Registration Exemption</b>	<b>Amount</b>
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)
<b>Total estimated annual revenue reduction</b>	<b>(\$5,664,827)</b>

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.

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The actual fiscal impact each year will depend on the number of individuals who qualify for the exemption and elect the Disabled Veteran special plate and the amount of the registration fee waived based on vehicle type/weight.

*Second and Third Enactments*

Changes in the second and third enactments propose to waive the \$10 annual special plate fee for special plates issued to immediate family survivors of military members who died in service. The DMV anticipates that any revenue loss related to these exemptions can be absorbed within existing resources.

**Other:** HB94 is related.