

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

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ORIGINAL

Bill Number: HB94E **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 the Department of Motor Vehicles standard passenger license plates. Current law applies such exemption to a vehicle displaying disabled veteran special license plates.

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

Explanation: Any state nongeneral fund fiscal impact that may result from this proposal is expected to be absorbed with existing resources.

Fiscal Summary: This bill would decrease revenue collected from Department of Motor Vehicles (DMV) vehicle registration fees by an estimated \$67,896 in FY 2027 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. Based on the amount of the estimated revenue reduction, it's anticipated that affected agencies and funds will absorb this impact.

Nongeneral Fund Revenue Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Various agencies, detail below	-	(\$67,896)	(\$67,896)	(\$67,896)	(\$67,896)	(\$67,896)

Fiscal Analysis: Based on available data, approximately 2,208 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 veterans with a 100% service-connected disability rating reported by the US Department of Veterans Affairs (61,160) less the number of disabled veteran special plates already issued (58,952). This number does not include an estimate for those disabled veterans who do not have a 100% service-connected disability rating but, as a result of their service, have lost, or lost the use of, an arm, leg or hand or are considered blind as defined in § 46.2-100 of the Code. This number also does not include an estimate for the number of unremarried surviving spouses of such disabled veterans who may qualify for the expanded exemption.

This analysis assumes one DMV standard passenger plate for each qualifying individual 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.

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Virginia Veterans with 100% Service-connected Disability Rating	61,160
Less Current Disabled Veteran Special Plates	58,952
Estimated Eligible Veterans with Standard Plates	2,208
Standard Registration Fee	\$30.75
Total estimated annual revenue reduction	\$67,896

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	(\$20,822)
Transportation Trust Fund	(\$20,004)
Motor Vehicles Special Fund (DMV)	(\$9,958)
State Vehicle Safety Inspection Fund (State Police)	(\$3,312)
Emergency Medical Services Fund (Health Department)	(\$13,248)
Rescue Assistance Fund (Health Department)	(\$552)
Total estimated annual revenue reduction	(\$67,896)

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 and the amount of the registration fee waived based on vehicle type/weight.

Other: None