

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: January 4, 2010  
POSITION: Neutral  
SPONSOR: Veterans of Foreign Wars

BILL NUMBER: AB 498  
AUTHOR: M. Hayashi

**BILL SUMMARY: Vehicles: Special Interest License Plates and Decals**

This bill would allow a former American prisoner of war (POW) to obtain a veterans' organization specialty interest license plate without charge and allow a surviving spouse of the former POW to retain the special interest license plate.

**FISCAL SUMMARY**

While the Department of Motor Vehicles (DMV) estimates one-time programming costs of \$100,000, Finance believes the reprogramming costs would be minor and absorbable.

**COMMENTS**

Finance is neutral because it would allow the state to show its gratitude to ex-POWs by providing the option to order a veterans' organization license plate that is exempt from license plate and registration fees.

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Analyst/Principal (0744) J. Gregg	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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**ANALYSIS**

## A. Programmatic Analysis

**Existing law:**

- Allows persons who are a former American POWs to apply for special license plates containing a replica design of the American Prisoner of War Medal followed by the letters "POW" and four numbers.
- Exempts these plates from the \$48 fee environmental license plate fee, the \$38 transfer fee, and the registration fee. Extends the fee exemptions to surviving spouses who elect to retain the POW plates.
- Allows a veterans' organization to apply for the issuance of special interest license plates bearing a distinctive design or decal of their choosing. Fees are not waived for these special interest plates.

**This bill would:**

- Allow any former American POW who is eligible for a fee exempt POW special interest license plate to instead apply for a veterans' organization license plate and be afforded the same fee exemptions as are granted for POW plates.
- Allow the surviving spouses of former POWs to retain the fee exempt veterans' special plate.

**Discussion:**

According to the author's office, although former American POWs may obtain special license plates that are exempt from vehicle license and registration fees, they have a limited selection of license plates to choose from, all which include the replica of the Ex-POW Medal followed by the letters "POW" and four numbers. The author's office notes, "while ex-POWs are proud of their military service, not all are comfortable advertising that they were a former POW."

There are currently 862 ex-POW license plates in circulation. While some ex-POWs that currently do not have fee exempt plates would be expected to apply, the expansion of fee-exempt plates is expected to be small.

## B. Fiscal Analysis

While DMV estimates one-time programming costs of \$100,000, Finance believes the reprogramming costs would be minor and absorbable.

DMV does not estimate any significant revenue loss.

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	
2740/DMV	SO	No		-----	No/Minor	Fiscal Impact	-----		0044
1143/Other MV Fee	RV	No		-----	No/Minor	Fiscal Impact	-----		3139
1141/MV Registra	RV	No		-----	No/Minor	Fiscal Impact	-----		0044
<u>Fund Code</u>	<u>Title</u>								
0044	Motor Vehicle Account, STF								
3139	Specialized License Plate Fund								