

Armed Services Medal Special License Plate Study Report

2019 Report

Virginia Department of Motor Vehicles
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Executive Summary

During the 2019 General Assembly Session, Delegate David Yancey, Chairman of the House Transportation Committee, charged the Department of Motor Vehicles (DMV) to convene a working group with relevant stakeholders to study the order of precedence of military medals and how the General Assembly might consider that order when authorizing and setting fees for license plates to be issued to recipients of such awards. Chairman Yancey additionally asked the stakeholders to (1) identify reliable sources of orders of precedence, both for individual service branches and across all branches; (2) identify the roles DMV and Department of Veteran Services (DVS) might play in assisting the General Assembly with determining the applicable order of precedence for any award for which a new plate is proposed; (3) consider options for applying the order of precedence to the structure of plate fees for military medal license plates moving forward; and (4) analyze the implications and options for conforming existing military medal license plates to any updated structure of plate fees.

DMV invited members representing DVS, the Board of Veterans Services, and the Joint Leadership Council of Veterans Service Organizations (JLC) to participate in the study. The stakeholders met once during the summer to discuss the study charge and develop a recommendation for the House Transportation Committee's consideration. The stakeholders' discussion included an examination of the fee structure for currently-issued military medal license plates, a review of the distribution of the standard registration fee, a review of the order of precedence of the medals, and a review of the relevant legislative history.

DMV presented four options to the stakeholders for potential recommendation to the House Transportation Committee. Upon review and consideration of the options, the stakeholders recommend that no newly authorized military medal license plates be granted a waiver of either the standard registration fee or the special plate fee. They also agreed that the fees for the Medal of Honor and the Purple Heart should remain unchanged. All newly authorized plates for recipients of medals that fall between the Medal of Honor, ranked first in the order of precedence, and the Purple Heart should be authorized for issuance with a \$10 one-time fee and the standard registration fee. Any license plate for recipients of medals falling below the Purple Heart in the order of precedence should be authorized for issuance with a \$10 annual fee and the standard registration fee. Additionally, all medals falling within the top ten medals in the order of precedence that are not already authorized for issuance should be authorized.

1 Introduction

During the 2019 General Assembly Session, two bills, HB 1832 and HB 2220, were introduced to authorize the Department of Motor Vehicles (DMV) to issue two new military medal special license plates. The bills proposed to authorize the Navy and Marine Corps Medal special license plate, introduced by Delegate Leftwich, and the Armed Forces Expeditionary Medal special license plate, introduced by Delegate O'Quinn, respectively. As introduced, both bills proposed that the special plates be issued by DMV without a special plate fee and without a standard registration fee; a fee structure that currently only exists for two other military medal special plates. As discussed later in this report, this fee structure does not align with the fees currently applied to other special plates issued to military medal recipients. Because of this, the House Transportation subcommittee modified the proposed fees for these plates.

Delegate Leftwich's bill authorizing the issuance of a Navy and Marine Corps Medal special plate was authorized with no special plate fee and with no standard registration fee for the first set of plates issued to a medal recipient. However, additional sets of plates may be issued with no special plate fee; but the standard registration fee must be paid for the vehicle. Delegate O'Quinn's bill authorizing the issuance of the Armed Forces Expeditionary Medal special plates was authorized with a \$10 one-time special plate fee and standard registration fee for all sets of plates issued to the customer. Ultimately, both bills passed; however, the discussion about the appropriate fees for these plates initiated a broader conversation about the fee structure of the military medal license plates currently issued by DMV and how the fees for each plate are determined.

As a result of this conversation, Delegate David Yancey, Chairman of the House Transportation Committee, charged DMV to convene a working group with relevant stakeholders to study the order of precedence of military medals and how the General Assembly might consider that order when authorizing and setting fees for license plates to be issued to recipients of such awards. Chairman Yancey additionally asked the stakeholders to (1) identify reliable sources of orders of precedence, both for individual service branches and across all branches; (2) identify the roles DMV and Department of Veteran Services (DVS) might play in assisting the General Assembly with determining the applicable order of precedence for any award for which a new plate is proposed; (3) consider options for applying the order of precedence to the structure of plate fees for military medal license plates moving forward; and (4) analyze the implications and options for conforming existing military medal license plates to any updated structure of plate fees.

DMV invited members representing DVS, the Board of Veterans Services, and the Joint Leadership Council of Veterans Service Organizations to participate in the study. The stakeholders met once during the summer to discuss the study charge and develop recommendations for the House Transportation Committee's consideration. The stakeholders' discussion included an examination of the fee structure for currently-issued military medal license plates, a review of the distribution of the standard registration fee, a review of the order of precedence of the medals, and a review of the relevant legislative history. DMV developed and presented options for recommendation to the stakeholders. Based on the options for

consideration, the stakeholders and DMV developed recommendations and a response to the House Transportation Committee's charge, which is discussed in this report.

Section 2 of the report provides the relevant legislative background information and the research considered by the stakeholders. Section 3 lays out the recommendations considered by the group; and Section 4 outlines the resulting recommendations. Legislation required to implement the stakeholders' recommendations is included in Appendix C to this report.

2 Background

Section 46.2-711(A) of the *Code of Virginia* directs DMV to issue license plates for motor vehicles operated in the Commonwealth. Standard plates issued pursuant to this provision have blue lettering on a white field and include a series of seven letters and numbers that uniquely identify the vehicle on which they are attached. DMV is further authorized to issue "special license plates" pursuant to § 46.2-725 with a different appearance than that of a standard license plate. This *Code* section lays out additional requirements for the issuance of special license plates, such as prepaid applications, a minimum number of active plates, and special plate fees.

Pursuant to the language authorizing the issuance of special license plates, DMV issues special license plates for a wide range of entities, organizations, businesses, and individuals with a variety of fees as authorized by the General Assembly. These include special plates for volunteer emergency medical services, survivors of the Pearl Harbor attack, supporters of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), aviation enthusiasts, Chesapeake Bay preservation supporters, horse enthusiasts, and, the subject of this particular study, military medal recipients.

Fee Background

There are generally two fees associated with the issuance of a special license plate: a registration fee and a special plate fee.

DMV is authorized by §§ 46.2-694 and 46.2-697 of the *Code of Virginia* to assess a registration fee in accordance with the use and the weight of the vehicle being registered with DMV. The fee for registration varies depending on the use of the vehicle, the weight of the vehicle, and the region in which the vehicle is registered. For the purpose of this study, DMV assumed that individuals seeking military medal special license plates would be registering passenger vehicles used for personal use, which would be subject to the "standard registration fee" of \$40.75. This fee is comprised of a base fee of \$33 set out in § 46.2-694 (A)(1) and an additional \$7.75 in fees set out in other parts of the *Code of Virginia* and the Appropriations Act. Portions of this standard registration fee are distributed to various entities, a breakdown of which is provided in the Table 1.

Table 1: Distribution of the Standard Registration Fee

Breakdown	Organization/Agency/Fund Receiving Fee Portion	Fee Amount	Citation
\$33 Base Fee (§ 46.2-694)	DMV	\$4	§ 46.2-686
	Commonwealth Transportation Fund	\$3	§ 46.2-206
	Highway and Maintenance Operating Fund	\$26	§ 46.2-702.1
Emergency Medical Services Fee (§ 46.2-694 and Budget Item 6.02)	Virginia Department of Health	\$2.52	§§ 46.2-694(13)(a), 13(b), 13(d)
	Rescue Assistance Fund	\$2.17	§ 46.2-694(13)(c)
	Vehicle Locality	\$1.56	§ 46.2-694(13)(e)
State Inspection Fee	Virginia State Police	\$1.50	§ 46.2-1168

As shown in the table, DMV retains \$4 of the standard registration fee; the remaining portion of the standard registration fee is distributed to other governmental entities, such as the Virginia Department of Transportation (Highway and Maintenance Operation Fund), the Virginia Department of Health, and Virginia State Police. Any change impacting the registration fee for military medal special license plates will impact these other governmental entities as well as the DMV.

In addition to the registration fee, § 46.2-725(A)(3) of the *Code of Virginia* authorizes a special plate fee for the issuance of special plates. Generally, such plates are issued with a \$10 annual fee, unless otherwise authorized by the General Assembly. The General Assembly has authorized certain special plates with a variety of special plate fees, including a \$25 annual fee, a \$10 annual fee, a \$10 one-time fee, or with no special plate fee at all. This *Code* section states that the special plate fee is retained by the DMV to cover the costs of plate development and the costs of administering its programs.

Order of Precedence

The order of precedence is the order in which military medals are to be worn by medal recipients and are generally reflective of the importance of each medal. As military medals can be authorized by Congress or Executive Order for each military branch, the Department of Defense (DoD), the umbrella organization for all branches, is tasked with determining the overall order of precedence of medals issued across the military branches. This order of precedence is laid out in DoD Instruction 1348.33, the DoD Military Decorations and Awards Program¹, which is revised after the authorization of a new military decoration by Congress or an Executive

¹ U.S. Department of Defense, *Department of Defense Instruction 1348.33, Military Decorations and Awards Program*. Washington: Government Printing Office, 2019. This publication can be found online at: <https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/134833p.pdf?ver=2019-06-20-104911-377>.

Order. The current version of the manual was updated on June 20, 2019. All orders of precedence provided in this study are as they appear in this manual except the order of precedence for the Armed Forces Expeditionary Medal, which is derived from a website dedicated to explaining the importance and history of military decorations awarded by the U.S. Government.²

Legislative Background

The following table (Table 2) shows the current special license plates DMV is authorized by the General Assembly to issue to military medal recipients.

Table 2: Military Medal Special License Plates Currently Authorized

Plate Type	Year Authorized	Citation
Medal of Honor	1980	§ 46.2-745
Purple Heart	1987	§ 46.2-742
Air Force Cross	1994	§ 46.2-742.2
Bronze Star	1992	§ 46.2-742.1
Bronze Star - Valor	1999	§ 46.2-742.1
Distinguish Flying Cross	1996	46.2-742.2
Distinguished Service Cross	1994	§ 46.2-742.2
Legion of Merit	2015	Chapter 245, 2015 Acts of Assembly
Navy Cross	1994	§ 46.2-742.2
Silver Star	1992	§ 46.2-742.1
Navy And Marine Corps Medal	2019	§ 46.2-745.1
Armed Forces Expeditionary Medal	2019	§ 46.2-745.2

² The order of precedence for the Armed Forces Expeditionary Medal was derived from the following website: <https://homeofheroes.com/medals-and-awards/>. Determining the precise order of precedence for military decorations falling outside the top 20 medals is difficult as DOD Instruction 1348.33 does not directly lay out the order of precedence for those medals. However, DMV and the stakeholders are confident that this reasonably reflects where the Armed Forces Expeditionary Medal falls within the order of precedence.

As shown in the table, the first military medal special license plate was authorized by the General Assembly in 1980. This plate was for recipients of the Medal of Honor, the highest ranking military medal a service member can receive. This plate is available to eligible recipients for no special plate fee and no registration fee. The General Assembly continued to authorize special license plates for military medal recipients throughout the 1980s and 1990s. These plates were generally authorized with a \$10 annual special license plate fee and the standard registration fee; however, some were subject to only one time fees. By 2004, nine military medal license plates had been authorized. During the 2004 General Assembly Session, the then-Chairman of the House Transportation Committee Delegate Leo C. Wardrup, Jr. introduced HB 900 (Chapter 747, 2004 Acts of Assembly) standardizing the fee structure for military medal special plates to confer more benefits to medal recipients and their unremarried surviving spouses. In doing so, he expressed his intention to respect the order of precedence of military medals.

The 2004 legislation left the Medal of Honor, first in the order of precedence, unchanged. However, the fees for the other military medal special plates ranked in the top ten medals by order of precedence were standardized to require \$10 one-time fees to match the fees for the Purple Heart, including both the Bronze Star and the Silver star special plates. The requirement that recipients pay the standard registration fee for such plates remained unchanged.

In 2008, Senator Creigh Deeds introduced SB 266 (Chapter 64, 2008 Acts of Assembly) which eliminated the \$10 one-time fee for the Purple Heart plate, eleventh in the order of precedence, so such plates were issued with no special plate fee and the standard registration fee. In 2011, Senator Phillip Puckett introduced SB 03 (Chapter 436, 2011 Acts of Assembly) which changed the fees for the Purple Heart plate eliminating the standard registration fee for the first set of plates, but imposing the standard registration fee for subsequent sets of plates.

Since then, the General Assembly has authorized three other military medal special plates, including the Legion of Merit plate (Chapter 245, 2015 Acts of Assembly), the Navy and Marine Corps Medal plate (Chapter 74, 2019 Acts of Assembly), and the Armed Forces Expeditionary Medal plate (Chapter 94, 2019 Acts of Assembly), with varying fee structures. These medals are ranked seventh, ninth, and 33rd in the order of precedence, respectively. Table 3 shows the currently issued military medal plates, the order of precedence of the medal on each plate, and the fees for each plate.

Table 3: Military Medal Special License Plates and Fees by Order of Precedence: 2019

Plate Type	Special Plate Fee	Registration Fee	Order of Precedence				
			Army	Navy	Marines	Air Force	Coast Guard
Medal of Honor	No Fee	Exempt - DMV issues one set that reflects the number of medals awarded	1	1	1	1	1
Distinguished Service Cross	\$10 one-time fee	Standard registration fee	2	-	-	-	-
Navy Cross	\$10 one-time fee	Standard registration fee	-	2	2	-	2
Air Force Cross	\$10 one-time fee	Standard registration fee	-	-	-	2	-
Silver Star	\$10 one-time fee	Standard registration fee	5	5	5	5	5
Legion of Merit	\$10 one-time fee	Standard registration fee	7	7	7	7	7
Distinguished Flying Cross	\$10 one-time fee	Standard registration fee	8	8	8	8	8
Navy And Marine Corps Medal	No fee	1st plate set provided exemption - subsequent issuances owe standard registration fee	-	9	9	-	-
Bronze Star	\$10 one-time fee	Standard registration fee	10	10	10	10	10
Bronze Star - Valor	\$10 one-time fee	Standard registration fee	10	10	10	10	10
Purple Heart	No fee	1st plate set provided exemption - subsequent issuances owe standard registration fee	11	11	11	11	11
Armed Forces Expeditionary Medal	\$10 one-time fee	Standard registration fee	33	33	34	35	36

Currently, recipients of the Medal of Honor do not pay the special plate fee or the standard registration fee, and are limited to one plate. Recipients of the Navy and Marine Corps Medal and the Purple Heart are conferred the same benefits: no special plate fee and no standard registration fee for the first set of plates. However, this differs from the benefits conferred on recipients of medals that fall higher in the order of precedence, who are required to pay a \$10 one-time special plate fee and standard registration fee on all sets of plates issued. In short, the current fee structure is neither consistent with nor reflects the order of precedence as laid out in the DoD Military Decorations and Awards Program manual.

Volume of Military Medal License Plates Issued

To help determine the impact that would result from making changes to the fee structures for the military medal license plates and to provide options for stakeholders to consider, DMV analyzed the number of military medal license plates that have been issued by DMV over the past five years. Table 4 shows, by plate type, the current number of special license plates that have been issued by DMV that are still actively registered to a customer, the average annual number of active plates registered to customers based on the past five years, and the average number of new plates issued by DMV annually based on the past five years.

Table 4: Military Medal Special License Plate Counts

Plate Type	Active Plates (as of July 3, 2019)	5-Year Active Plate Average	Annual Number of Newly Issued Plates (based on 5-year average)
Medal of Honor	3	4	<1
Distinguished Service Cross	14	17	1
Navy Cross	27	24	3
Air Force Cross	24	20	15
Silver Star	270	288	16
Legion of Merit	385	242	55
Distinguish Flying Cross	440	455	24
Navy and Marine Corps Medal	5	N/A	N/A
Bronze Star	4,749	4,605	443
Bronze Star - Valor	364	373	35
Purple Heart	4,012	3,931	254
Armed Forces Expeditionary Medal	0	N/A	N/A

In calculating potential impacts of changes in the plate fee structures, DMV assumed that the yearly average of plates issued in the coming years will approximate the average annual number issued in the past five years.

3 Options

Based on the information provided in the previous section, DMV developed and presented to stakeholders four options for aligning the fee structure for military license plates with the order of precedence determined by the Department of Defense in DoD Instruction 1348.33. The tables included in this section show the fee structure proposed by each option. Each fee impacted by the option presented is highlighted in yellow. The options presented are labeled randomly and do not represent DMV's or the stakeholders' preference or support for any option. Further, DMV and the stakeholders agreed that the current fees for the Medal of Honor plate should not be impacted by the recommendation resulting from this study. Thus, none of the options considered by the stakeholder group include a fee change for the Medal of Honor plate.

Fiscal Impact of Options

Accompanying each option is an estimated fiscal impact for the first year after implementation. This impact was calculated by multiplying the number of plates shown in the "Annual Number of Newly Issued Plates" column (Table 4) by the newly proposed fee structure for that option. This number represents the estimated increase or decrease in annual revenue collected for each plate if the option were adopted and implemented.

The estimated fiscal impact provided for each option assumes that the same number of plates that have traditionally been issued annually will be issued in the fiscal year after implementation. However, the cost of the plate may impact the number of people who decide to purchase that plate. Additionally, persons applying for a set of plates because the fees for such plates have been reduced could result in the loss revenue from another set of plates. Likewise, if the cost of a plate is increased, an individual may determine that he does not want to purchase that plate and decide to get a standard plate at no extra cost. DMV is unable to reasonably estimate the number of customers who may apply for different plates based on the change in the fees, and the related fiscal impact of that customer choice.

Further, the estimated impact for each option does not include other costs associated with the development or issuance of a special plate. For example, not included in the impact is the cost of programming to change the special plate fee or the registration fee associated with a special plate.

Additionally, DMV is unable to determine with reasonable certainty the number of current and potential military medal recipients who could be impacted by the options considered. DMV attempted to determine the number of medal recipients in the Commonwealth; however, neither the Virginia Department of Veterans Services nor the U.S. Department of Defense currently track those numbers. Therefore, the only fiscal impact that DMV can provide with any reasonable certainty is the estimated fiscal impact based on recent military medal plate purchases.

Option One

Option One requires all special plates reflecting military medals falling below the Medal of Honor in the order of precedence to be issued with a \$10 one-time special plate fee and a standard registration fee. Both the Purple Heart and the newly authorized Navy and Marine Corps Medal plates are currently issued without a special plate fee and with no standard registration fee for the first set of plates issued to a customer, and therefore, would be affected by this option. Individuals who were issued Purple Heart plates prior to the effective date of this option would be “grandfathered in” and not be required to pay the standard registration fee or the \$10 one-time fee, but new applicants would pay both fees. However, the individuals who were issued the Navy and Marine Corps Medal plates prior to the effective date of this option as well as new applicants for this plate would be required to begin paying the standard registration fee, and new applicants would also pay the \$10 fee.

Option One Impacts:

Plate type	Order of Precedence					Special Plate Fee	Registration Fee	Potential Fiscal Impact in Year 1	5 Year Newly Issued Plate Average
	Army	Navy	Marines	Air Force	Coast Guard				
Medal of Honor	1	1	1	1	1	No Fee	No standard registration fee	No Change	0
Distinguished Service Cross	2	-	-	-	-	\$10 one-time fee	Standard registration fee	No Change	1
Navy Cross	-	2	2	-	2	\$10 one-time fee	Standard registration fee	No Change	3
Air Force Cross	-	-	-	2	-	\$10 one-time fee	Standard registration fee	No Change	15
Silver Star	5	5	5	5	5	\$10 one-time fee	Standard registration fee	No Change	16
Legion of Merit	7	7	7	7	7	\$10 one-time fee	Standard registration fee	No Change	55
Distinguished Flying Cross	8	8	8	8	8	\$10 one-time fee	Standard registration fee	No Change	24
Navy And Marine Corps Medal	-	9	9	-	-	\$10/one-time fee	Standard registration fee	Unknown	0
Bronze Star	10	10	10	10	10	\$10 one-time fee	Standard registration fee	No Change	443
Bronze Star - Valor	10	10	10	10	10	\$10 one-time fee	Standard registration fee	No Change	35
Purple Heart	11	11	11	11	11	\$10 one-time fee	Standard registration fee	\$12,890.50	254
Armed Forces Expeditionary Medal	33	33	34	35	36	\$10 one-time fee	Standard registration fee	No Change	0

Estimated Fiscal Impact in Year 1: \$12,890.50

Assuming 254 customers request new Purple Heart plates during the first year after this option were implemented, this option would result in additional revenues of approximately \$12,890. It is not possible to determine the fiscal impact of this option for customers who may choose to obtain the Navy and Marine Corps Medal plates due to the newness of that plate type.

Option Two

Option Two requires all special plates falling below the Medal of Honor but above the Purple Heart in the order of precedence to be issued with no special plate fee but requires that the standard registration fee be assessed. All of the plates currently authorized between the Medal of Honor and the Purple Heart in the order of precedence would be impacted by this option. All impacted plates that are currently issued with a \$10 one-time special plate fee and the standard registration fee, would be issued with the standard registration fee only. Individuals who previously received their first set of Navy and Marine Corps Medal plates without a registration

fee would be required to begin paying the standard registration fee, as would all new applicants. Individuals who were issued Purple Heart plates prior to the effective date of this option would not be required to pay the standard registration fee; however, all new applicants would pay the registration fee.

Option Two Impacts:

Plate type	Order of Precedence					Special Plate Fee	Registration Fee	Potential Fiscal Impact in Year 1	5 Year Newly Issued Plate Average
	Army	Navy	Marines	Air Force	Coast Guard				
Medal of Honor	1	1	1	1	1	No Fee	No standard registration fee	No Change	0
Distinguished Service Cross	2	-	-	-	-	No Fee	Standard registration fee	-\$10	1
Navy Cross	-	2	2	-	2	No Fee	Standard registration fee	-\$30	3
Air Force Cross	-	-	-	2	-	No Fee	Standard registration fee	-\$150	15
Silver Star	5	5	5	5	5	No Fee	Standard registration fee	-\$160	16
Legion of Merit	7	7	7	7	7	No Fee	Standard registration fee	-\$550	55
Distinguished Flying Cross	8	8	8	8	8	No Fee	Standard registration fee	-\$240	24
Navy And Marine Corps Medal	-	9	9	-	-	No Fee	Standard registration fee	Unknown	0
Bronze Star	10	10	10	10	10	No Fee	Standard registration fee	-\$4,430	443
Bronze Star - Valor	10	10	10	10	10	No Fee	Standard registration fee	-\$350	35
Purple Heart	11	11	11	11	11	No Fee	Standard registration fee	\$10,351	254
Armed Forces Expeditionary Medal	33	33	34	35	36	\$10 one-time fee	Standard registration fee	No Change	0

Estimated Fiscal Impact in Year 1: \$4,431

DMV anticipates that, if Option Two were implemented, the first year fiscal impact would be approximately \$4,431.

Option Three

Option Three requires the first set of the plates issued for all plates below the Medal of Honor up to and including the Purple Heart in the order of precedence to be issued with no special plate fee and no standard registration fee. However, any subsequent set of plates issued would be issued with a \$10 one-time fee and the standard registration fee. This would impact all

of the military medal plates currently issued by DMV except the Medal of Honor and the Armed Forces Expeditionary Medal plate.

Option Three Impacts:

Plate type	Order of Precedence					Special Plate Fee	Registration Fee	Potential Fiscal Impact in Year 1	5 Year Newly Issued Plate Average
	Army	Navy	Marines	Air Force	Coast Guard				
Medal of Honor	1	1	1	1	1	No Fee	No standard registration fee	No Change	0
Distinguished Service Cross	2	-	-	-	-	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$621	1
Navy Cross	-	2	2	-	2	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$1,253	3
Air Force Cross	-	-	-	2	-	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$1,739	15
Silver Star	5	5	5	5	5	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$11,814	16
Legion of Merit	7	7	7	7	7	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$18,480	55
Distinguished Flying Cross	8	8	8	8	8	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$19,148	24
Navy And Marine Corps Medal	-	9	9	-	-	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		Unknown	0
Bronze Star	10	10	10	10	10	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$216,004	443
Bronze Star - Valor	10	10	10	10	10	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		-\$16,609	35
Purple Heart	11	11	11	11	11	1st set provided fee exemption subsequent sets \$10 one-time and registration fee		Unknown	254
Armed Forces Expeditionary Medal	33	33	34	35	36	\$10 one-time fee	Standard registration fee	No Change	0

Estimated Fiscal Impact in Year 1: -\$285,669

DMV anticipates that the first year fiscal impact for this option is a loss of \$285,669.

Option Four Impacts:

Plate type	Order of Precedence					Special Plate Fee	Registration Fee	Potential Fiscal Impact in Year 1	5 Year Newly Issued Plate Average
	Army	Navy	Marines	Air Force	Coast Guard				
Medal of Honor	1	1	1	1	1	No Fee	No standard registration fee	No Change	0
Distinguished Service Cross	2	-	-	-	-	\$10 one-time fee	Standard registration fee	No Change	1
Navy Cross	-	2	2	-	2	\$10 one-time fee	Standard registration fee	No Change	3
Air Force Cross	-	-	-	2	-	\$10 one-time fee	Standard registration fee	No Change	15
Silver Star	5	5	5	5	5	\$10 one-time fee	Standard registration fee	No Change	16
Legion of Merit	7	7	7	7	7	\$10 one-time fee	Standard registration fee	No Change	55
Distinguished Flying Cross	8	8	8	8	8	\$10 one-time fee	Standard registration fee	No Change	24
Navy And Marine Corps Medal	-	9	9	-	-	\$10 one-time fee	Standard registration fee	Unknown	0
Bronze Star	10	10	10	10	10	\$10 one-time fee	Standard registration fee	No Change	443
Bronze Star - Valor	10	10	10	10	10	\$10 one-time fee	Standard registration fee	No Change	35
Purple Heart	11	11	11	11	11	1st set provided fee exemption Subsequent sets issued with no special plate fee, but standard registration fee		No Change	254
Armed Forces Expeditionary Medal	33	33	34	35	36	\$10 annual fee	Standard registration fee	Unknown	0

Estimated Fiscal Impact in Year 1: Unknown

The first year fiscal impact of this option is unknown as the two plates impacted by this option were only authorized for issuance beginning July 1, 2019. DMV cannot estimate the number of plates that will be issued annually, and therefore, cannot calculate a fiscal impact.

4 Recommendations

Upon discussion and consideration, the stakeholders came to a consensus to recommend Option Four as the most appropriate structure for determining military medal license plate fees.

Within the proposed structure, stakeholders determined that no changes should be made to the fees for the Purple Heart plate. Despite the fact that the Purple Heart is ranked 11th in the order of precedence, the medal is awarded to individuals who suffered an injury in combat requiring medical attention and is generally highly regarded among military personnel. Additionally, stakeholders placed a great emphasis on the Purple Heart's special connection to the Commonwealth. The Purple Heart was the first medal to be authorized by Congress and it was proposed by George Washington, a native of the Commonwealth. Because of that deep connection, stakeholders agreed that the benefits conferred to Purple Heart recipients should not be impacted.

Stakeholders further agreed that the medals that fall below the Purple Heart in the order of precedence should not be given the same benefits as those that sit above it. DoD Instruction 1348.33 indicates that the medals that sit above the Purple Heart are personal military decorations that are received for valor or heroism in combat and non-combat situations. The decorations that fall below the Purple Heart in the order of precedence may be personal military decorations, unit awards, or campaign or service medals that do not reflect the same honor as those above the higher ranked awards.

The stakeholders also initially agreed that those individuals who have already purchased the special plates that are impacted by the recommended fee changes should not continue to be eligible to receive those special plates at the fees set prior to the implementation of the stakeholder's recommendation. There are only two plates impacted by the recommendation of the stakeholders, the Navy and Marine Corps Medal plate and the Armed Forces Expeditionary Medal special plate, which were authorized during the 2019 General Assembly. At the time of the drafting of this report, only five sets of Navy and Marine Corp Medal special plates were in use. The Armed Forces Expeditionary Medal special plates were still in development. DMV could not determine with reasonable certainty how many individuals will be impacted by the stakeholder recommendation to not grandfather in these plate types under the old fee structure; however, DMV anticipated the numbers to be low.

Upon later review of the report and resulting recommendations, it was determined that, for the purposes of continuity and ease for the customer, the individuals who purchase the Navy and Marine Corps and Armed Forces Expeditionary Medal plates prior to the implementation of the recommendations of this report should be able to renew the special plates under the fee structure set when such customers originally purchased such plates.

To help ensure consistency with the proposed option is maintained, the stakeholders recommend that the structure for determining military plate fees outlined in Option Four be codified. The proposed legislation in Appendix C lays out what should be included in statutes authorizing special plates for military medals. Among other items, this language includes the fee structure that should apply to military medal special plates based on where the medal falls in the

order of precedence, as determined in DoD Instruction 1348.33, and the requirement that the order of precedence of the medal should be the deciding factor when determining the fees for the plate. Stakeholders agreed that if such language were to pass, there would be no role for DVS in the authorization process of military medal plates. DMV would continue to play its typical role in the authorization process of special plates.

In addition to the proposed structure for military plate fees, the stakeholders recommend two additional actions.

First, the stakeholders recommend that the General Assembly authorize special plates for all of the military medals falling between the Medal of Honor and the Purple Heart that do not have special plates currently authorized for issuance in the Commonwealth. These plates include plates for the recipients of (1) the Distinguished Service Medal, ranked number three in the order of precedence; (2) the Defense Distinguished Service Medal, the Navy Distinguished Service Medal, and the Air Force Distinguished Service Medals, equivalent medals issued by individual branches of the military ranked number four in the order of precedence; (3) the Defense Superior Service Medal, ranked number six in the order of precedence; and (4) the Airman's Medal, the Army Soldier's Medal, and the Coast Guard Medal, equivalent medals issued by individual branches of the military ranked number nine in the order of precedence.

Second, stakeholders agreed that because the General Assembly has authorized a plate for the Bronze Star with a "V" for Valor as a separate plate from the Bronze Star plate, that all other medals for which a service member can receive a "V" for Valor should have separate plates authorized as well. This includes the authorization for a special plate for the Distinguished Flying Cross with a "V" for Valor.

Conclusion

The General Assembly tasked DMV to convene a working group to examine the fee structure for military medal special plates and report on how the order of precedence could help determine how fees for those plates could be set. In addition, the General Assembly asked the study group to identify a reliable source for the order of precedence of military medals, identify the implications of aligning the fee structure for military medal plates with the order of precedence, and identify the roles, if any, that DMV and DVS would play in assisting the General Assembly in setting the fees for military medal plates. With the great collaboration and cooperation of the stakeholders, DMV is able to present in this report recommendations in response to that charge. DMV is thankful to the stakeholders for their work and hopes that the General Assembly finds the recommendations of this report helpful.

Appendices

Appendix A:
Charge Letter



COMMONWEALTH OF VIRGINIA

HOUSE OF DELEGATES
RICHMOND

DAVID E. YANCEY

POST OFFICE BOX 1163
NEWPORT NEWS, VIRGINIA 23601

NINETY-FOURTH DISTRICT

COMMITTEE ASSIGNMENTS:
TRANSPORTATION (CHAIRMAN)
EDUCATION
COMMERCE AND LABOR

Wednesday, April 17, 2019

Mr. Richard D. Holcomb
Commissioner
Virginia Department of Motor Vehicles
P.O. Box 27412
2300 West Broad Street
Richmond, VA 23269

Dear Commissioner Holcomb,

As you know, license plate issues and legislation appear frequently during General Assembly sessions. This year is no different. Two bills in the 2019 Session, HB 1832 and HB 2220, will create new license plates for the Navy and Marine Corps Medal and Armed Forces Expeditionary Medal, respectively. Both bills proposed to waive all fees for these license plates, which the General Assembly has done for only two other military award license plates. The proposed waiver of fees prompted discussion among the members about the order of precedence of military awards.

Historical records are limited; however, anecdotally, we are aware that order of precedence was previously a consideration for military award plate fees. Until 2011, only license plates for the Medal of Honor, the award of highest precedence across all branches, were entirely free. In 2011, the General Assembly waived all fees for Purple Heart plates, as well. It has come to our attention that all of the previously-authorized military award license plates are for medals that fall between the Medal of Honor and the Purple Heart, but carry \$10 one-time plate fees. This year, the General Assembly has authorized free license plates for recipients of the Navy and Marine Corps Medal, which sits above the Purple Heart for the Navy and Marine Corps, but below a number of other awards for which there are plates. Because of this potential discrepancy, continued discussion about the order of precedence of military award is important.

Over the past 25 years, the General Assembly has updated and refined both statutory and internal rules for plate authorization. Throughout that time, the House Committee on Transportation has continued to play an important role not only in the authorization of new license plates, but also in the shaping of those rules. Based on discussions during the 2019 Session, committee members have shown interest in restoring past policies, at least in part, regarding military award license plates. To that effect, I respectfully request that the Department of Motor Vehicles (DMV) consult with the Department of Veterans Services (DVS) and convene a working group of interested parties to conduct a study of the order of precedence of military awards and how the

General Assembly might consider that order when authorizing and setting fees for license plates to be issued to recipients of such awards.

In addition to any other options identified by the parties, I ask that the group consider the following:

- Identifying reliable sources of orders of precedence, both for individual service branches and across all branches;
- The roles DMV and DVS might play in assisting the General Assembly with determining the applicable order of precedence for any award for which a new plate is proposed;
- Options for applying the order of precedence to the structure of plate fees for military award license plates moving forward; and
- The implications and options for conforming existing military award license plates to any updated structure of plate fees.

I request that you report back to the House Committee on Transportation in December 2019 with the results of the study and the working group's recommendations. As part of the report, the working group should include the cost to the Commonwealth of each option considered. Also include any proposed legislation that would be necessary in order to pursue the recommended options.

This study will be important as the General Assembly considers new military award license plates. I look forward to seeing the results of your efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Yancey', with a long horizontal stroke extending to the right.

David E. Yancey
Chair, House Transportation Committee

cc: The Honorable Shannon Valentine, Secretary of Transportation
The Honorable Carlos Hopkins, Secretary of Veterans and Defense Affairs
John L. Newby, II, Commissioner, Department of Veterans Services

Appendix B:
List of Stakeholders

DMV Study Team

Richard Holcomb
Commissioner

Linda Ford
*Assistant Commissioner for
Governmental Affairs*

Carla Jackson
*Assistant Commissioner for
Legal Affairs*

Tonya Blaine
*Director of Vehicle Services
Administration*

Melissa Velazquez
*Director of Legislative
Services*

Kathleen Furr
*Deputy Director for
Customer Services
Management Administration*

Carolyn Easley
*Vehicle Services
Administration*

Gregory Escobar
Study Coordinator

Colby Ferguson
Legislative Services

Matthew Martin
Legal Affairs

Dalton Lee
*Vehicle Services
Administration*

Jessica Seier
Legislative Liaison

Cynthia Clark
*Vehicle Services
Administration*

Stakeholders

James O. Icenhour
Board of Veteran Services

Michael Dick
Board of Veteran Services

Carl Bedell
Board of Veteran Services

Carrie Ann Alford
*Virginia Department of
Veteran Services*

Bryan Harrison
*Virginia Department of
Veteran Services*

Appendix C:
Proposed Legislation

1 **Be it enacted by the General Assembly of Virginia:**

2 **That §§ 46.2-742.2, 46.2-745.1 and 46.2-745.2 of the Code of Virginia are amended**
3 **and reenacted, and that the Code of Virginia is amended by adding sections numbered**
4 **46.2-725.3, 46.2-745.3, and 46.2-745.4, as follows:**

5 **§ 46.2-725.3. Special license plates for recipients of certain military decorations.**

6 No special license plate for recipients of a military decoration shall be considered by the
7 General Assembly unless and until the individual, group, entity, organization, or other entity
8 seeking the authorization of such special plate has demonstrated to the satisfaction of the General
9 Assembly the order of precedence of such military decoration as determined by the Department
10 of Defense or any successor agency in DOD Instruction 1348.33, Department of Defense
11 Military Decoration and Awards Program Manual as amended, or any successor publication,
12 hereinafter “DOD Instruction 1348.33”. Any special license plate bearing military decorations
13 falling below the Medal of Honor but above the Purple Heart in the order of precedence shall be
14 authorized for issuance by the Department with a \$ 10 one-time fee in addition to the prescribed
15 cost of state license plates. Any special license plate for the recipient of a military decoration
16 falling below the Purple Heart in the order of precedence shall be authorized for issuance by the
17 Department with a \$ 10 annual special license plate fee in addition to the prescribed cost of state
18 license plates. The General Assembly shall authorize an additional plate reflecting the “V” for
19 Valor for any plate authorized which, pursuant to DOD Instruction 1348.33, is eligible for the
20 “V” for Valor Device.

21 Notwithstanding § 46.2-725, special license plates for the recipients of a military
22 decoration shall be authorized with provisions exempting such plates from subdivisions B 1 and

23 2 of § 46.2-725. Such plates shall be authorized with a provision allowing the issuance of the
24 plates to unremarried surviving spouses of individuals eligible to receive such plates.

25 **§ 46.2-742.2. Special license plates for persons awarded the Navy Cross, the**
26 **Distinguished Service Cross, the Air Force Cross, or the Distinguished Flying Cross.**

27 On receipt of an application and written evidence that the applicant has been awarded the
28 Navy Cross, the Distinguished Service Cross, the Air Force Cross, ~~or~~ the Distinguished Flying
29 Cross, or the Distinguished Flying Cross with a “V” for Valor, the Commissioner shall issue to
30 the applicant special license plates.

31 The provisions of subdivisions 1 and 2 of subsection B of § 46.2-725 shall not apply to
32 license plates issued under this section.

33 Unremarried surviving spouses of persons eligible to receive special license plates under
34 this section may also be issued special license plates under this section.

35 The design of license plates issued under this section to persons who have been awarded
36 multiple decorations shall reflect the number of such decorations.

37 For each set of license plates issued under this section the Commissioner shall charge, in
38 addition to the prescribed cost of state license plates, a one-time fee of \$10 at the time the plates
39 are issued.

40 **§ 46.2-745.1. Special license plates for persons awarded the Navy and Marine Corps**
41 **Medal, the Airman’s Medal, the Army Soldier’s Medal, or the Coast Guard Medal.**

42 On receipt of an application and written confirmation from one of the armed services of
43 the United States that the applicant has been awarded the Navy and Marine Corps Medal, the
44 Airman’s Medal, the Army Soldier’s Medal, or the Coast Guard Medal, the Commissioner shall
45 issue special license plates to such persons. ~~No fee shall be charged for the issuance of these~~

46 ~~license plates under this section to any one motor vehicle owned and used personally by any~~
47 ~~applicant. For each additional set of license plates issued to an applicant under this section, the~~
48 ~~Commissioner shall charge the prescribed fee for state license plates. For each set of license~~
49 ~~plates issued under this section, the Commissioner shall charge, in addition to the prescribed cost~~
50 ~~of state license plates, a one-time fee of \$ 10 at the time the plates are issued.~~

51 It shall be unlawful for any person who is not a person described in this section to
52 willfully and falsely represent himself as having the qualifications to obtain the special license
53 plates herein provided for.

54 The provisions of subdivisions B 1 and 2 of § 46.2-725 shall not apply to license plates
55 issued under this section.

56 Unremarried surviving spouses of persons eligible to receive special license plates under
57 this section may also be issued special license plates under this section.

58 **§ 46.2-745.2. Special license plates for persons awarded the Armed Forces**
59 **Expeditionary Medal.**

60 On receipt of an application and written confirmation from one of the armed services that
61 the applicant has been awarded the Armed Forces Expeditionary Medal, the Commissioner shall
62 issue special license plates to such persons ~~and to unremarried surviving spouses of such~~
63 ~~persons.~~

64 ~~For each set of plates issued under this section, the Commissioner shall charge, in~~
65 ~~addition to the prescribed cost of state license plates, a one-time fee of \$10 at the time the plates~~
66 ~~are issued. For each set of license plates issued pursuant to this section, the Commissioner shall~~
67 ~~charge, in addition to the prescribed cost of state license plates, an annual fee of \$ 10.~~

68 It shall be unlawful for any person who is not a person described in this section to
69 willfully and falsely represent himself as having the qualifications to obtain the special license
70 plates herein provided for.

71 The provisions of subdivisions B 1 and 2 of § 46.2-725 shall not apply to license plates
72 issued under this section.

73 Unremarried surviving spouses of persons eligible to receive special license plates under
74 this section may also be issued special license plates under this section.

75 **§ 46.2-745.3. Special license plates for persons awarded the Distinguished Service**
76 **Medal, the Navy Distinguished Service Medal, the Marine Corps Distinguished Service**
77 **Medal, and the Air Force Distinguished Service Medal.**

78 On receipt of an application and written confirmation from one of the armed services of
79 the United States that the applicant has been awarded the Distinguished Service Medal, the Navy
80 Distinguished Service Medal, the Marine Corps Distinguished Service Medal, or the Air Force
81 Distinguished Service Medal, the Commissioner shall issue special license plates to such
82 persons. For each set of license plates issued under this section, the Commissioner shall charge,
83 in addition to the prescribed cost of state license plates, a one-time fee of \$ 10 at the time the
84 plates are issued.

85 It shall be unlawful for any person who is not a person described in this section to
86 willfully and falsely represent himself as having the qualifications to obtain the special license
87 plates herein provided for.

88 The provisions of subdivisions B 1 and 2 of § 46.2-725 shall not apply to license plates
89 issued under this section.

90 Unremarried surviving spouses of persons eligible to receive special license plates under
91 this section may also be issued special license plates under this section.

92 **§ 46.2-745.4. Special license plates for persons awarded the Defense Distinguished**
93 **Service Medal and the Defense Superior Service Medal**

94 On receipt of an application and written confirmation from one of the armed services of
95 the United States that the applicant has been awarded the Defense Distinguished Service Medal
96 or the Defense Superior Service Medal, the Commissioner shall issue special license plates to
97 such persons. For each set of license plates issued under this section, the Commissioner shall
98 charge, in addition to the prescribed cost of state license plates, a one-time fee of \$10 at the time
99 the plates are issued.

100 It shall be unlawful for any person who is not a person described in this section to
101 willfully and falsely represent himself as having the qualifications to obtain the special license
102 plates herein provided for.

103 The provisions of subdivisions B 1 and 2 of § 46.2-725 shall not apply to license plates
104 issued under this section.

105 Unremarried surviving spouses of persons eligible to receive special license plates under
106 this section may also be issued special license plates under this section.

107 **2. That all license plates issued pursuant to §§ 46.2-745.1 and 46.2-745.2 of the Code**
108 **of Virginia prior to July 1, 2020, shall remain valid until their expiration and shall be**
109 **renewed under the provisions as they existed in §§ 46.2-745.1 and 46.2-745.2 of the Code of**
110 **Virginia prior to July 1, 2020.**