



[HF 258](#) – Commercial Driver's Licenses, National Drug and Alcohol Clearinghouse (LSB1217HV.1)

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Fiscal Note Version – Final Action

Description

[House File 258](#) aligns various provisions of Iowa Code chapter [321](#) with mandatory Federal Motor Carrier Safety Administration (FMCSA) regulations.

Prior to issuing a Commercial Driver's License (CDL) or Commercial Learner's Permit (CLP), the Department of Transportation (DOT) must request information from the federal Drug and Alcohol Clearinghouse (DACH) if required under federal regulations. If the DACH response indicates the applicant is prohibited from operating a commercial motor vehicle, the DOT may not issue, renew, or upgrade the CDL or CLP and must initiate established procedures for downgrading the CDL or CLP. The Bill requires the DOT to establish rules that include procedures for notifying the downgraded status to the Commercial Driver's License Information System, for termination of a downgrade process, and for reinstatement of a license after a downgrade.

House File 258 also removes references to outdated fine amounts for the following three violations and instead states that the fine amount for each violation will be in accordance with the civil penalty provided under federal regulations:

- The fine for an individual who violates an out-of-service order.
- The fine for employers that knowingly allow, require, permit, or authorize an employee to drive a commercial motor vehicle in violation of an out-of-service order.
- The fine for employers that allow, require, permit, or authorize a driver to operate a commercial motor vehicle in violation of railroad grade crossing regulations.

Background

[Docket ID FMCSA-2017-0330](#) established requirements for states to access and use information obtained through the DACH. Iowa is required to comply with the federal DACH rules by November 18, 2024. The 2021 Annual Performance Review by FMCSA found Iowa Code sections to be noncompliant for the penalty amount for certain commercial driver or employer violations. Iowa is required to comply with the federal penalty amount for violations by July 1, 2023. According to the DOT, failure to comply with each of these changes would result in the loss of federal highway funding under 49 U.S.C. 31314 and [49 C.F.R. 384.401](#) and may impact Iowa's authority to issue CDLs and CLPs. 49 C.F.R. 384.401 provides that an amount up to 4.0% of the Federal-aid highway funds required to be apportioned to a state must be withheld the first year following noncompliance and an amount up to 8.0% must be withheld the second year and each subsequent year following noncompliance.

Current federal regulations would make the following changes to the fine amounts for the three violations:

- Increase the fine for an individual who violates an out-of-service order from between \$2,500 and \$5,000 to between \$3,471 and \$6,943.

- Increase the fine for employers that knowingly allow, require, permit, or authorize an employee to drive a commercial motor vehicle in violation of an out-of-service order from between \$2,750 and \$25,000 to between \$6,269 and \$34,712.
- Increase the fine for employers that allow, require, permit, or authorize a driver to operate a commercial motor vehicle in violation of railroad grade crossing regulations from not more than \$10,000 to not more than \$17,995.

Federal fine amounts are increased regularly. Over the past four calendar years, the DOT has issued nine citations under Iowa Code section [321.208A\(1\)](#) and no citations under the other two affected Iowa Code sections. Fine revenue is deposited into the Road Use Tax Fund (RUTF).

Assumptions

- According to the DOT, noncompliance will result in a loss of \$22.2 million the first year and \$44.4 million the second year and each year thereafter.
- Iowa will be found in compliance with FMCSA regulations following passage of this Bill.
- Similar to the years prior, there will be nine citations issued under Iowa Code section 321.208A(1) and zero citations issued under Iowa Code sections 321.208A(2) and [321.343A](#) in future fiscal years.

Fiscal Impact

House File 258 would put Iowa in compliance with federal requirements, and the DOT would retain \$22.2 million in federal highway funds in FY 2024 and \$44.4 million in FY 2025 and each year thereafter.

There would be an annual increase of \$17,000 to the RUTF from the increased fine amounts. There may be increased fee revenue in future years if federal regulations adjust fine amounts to be greater than the amounts currently set forth.

Source

Iowa Department of Transportation

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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