

Inano.

SENATE FILE 2026

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(COMPANION TO LSB 5159HH
BY BISIGNANO)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to motor vehicle licensing by transferring
2 certain motor vehicle licensing duties including issuance of
3 certain handicapped identification devices to the county
4 treasurers and by providing for mail-in renewals of certain
5 motor vehicle licenses and providing an effective date.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2026

1 Section 1. Section 321.149, Code 1991, is amended to read
2 as follow:

3 321.149 BLANKS.

4 The department shall ~~not later than November 15 of each~~
5 ~~year~~ prepare and furnish the treasurer of each county all
6 blank books, blank forms, and all supplies required for the
7 administration of this chapter, ~~including applications for~~
8 ~~registration and transfer of vehicles, quintuple receipts, and~~
9 ~~original remittance sheets to be used in remitting fees to the~~
10 ~~department,~~ in such form as the department may prescribe.
11 Contracts for the blank books, blank forms, and supplies shall
12 be awarded by the superintendent of printing to persons,
13 firms, partnerships, or corporations engaged in the business
14 of printing in Iowa unless, or through them, the persons,
15 firms, partnerships or corporations cannot provide the
16 required printing set forth in this section. In lieu of
17 purchasing under competitive bids the superintendent of
18 printing shall have authority to arrange with the director of
19 the department of corrections to furnish the supplies as can
20 be made in the state institutions.

21 Sec. 2. Section 321.151, Code 1991, is amended to read as
22 follows:

23 321.151 DUTY AND LIABILITY OF TREASURER.

24 The county treasurer shall collect the registration fee and
25 penalties on each vehicle registered by the county treasurer
26 and the motor vehicle license fees for each motor vehicle
27 license issued by the county treasurer and shall be
28 responsible on the county treasurer's bond for such amount.
29 The county treasurer shall remit ~~such amount~~ the fees and
30 penalties to the treasurer of state as herein provided.

31 Sec. 3. Section 321.152, Code Supplement 1991, is amended
32 by adding the following new subsection:

33 NEW SUBSECTION. 5. All fees collected by the county
34 treasurer for issuance and renewal of motor vehicle licenses
35 and nonoperator's identification cards, except the county

1 treasurer shall transfer to the department a percentage of the
2 motor vehicle license fees to compensate for the cost of
3 administering the motor vehicle licensing system.

4 Sec. 4. Section 321.152, unnumbered paragraph 2, Code
5 Supplement 1991, is amended to read as follows:

6 The moneys retained shall be deducted, and reported to the
7 department when the county treasurer transfers the money
8 collected under this chapter. However, a deduction for moneys
9 retained pursuant to subsections 1 through 4 is not lawful
10 unless the county treasurer has complied with sections 321.24
11 and 321.153.

12 Sec. 5. Section 321.166, subsection 6, Code 1991, is
13 amended to read as follows:

14 6. Registration plates issued a disabled veteran under the
15 provisions of section 321.105, shall display the alphabetical
16 characters "DV" which shall precede the registration plate
17 number. The plates may also display a handicapped
18 identification sticker if issued to the disabled veteran by
19 the department or county treasurer under section 321L.2.

20 Sec. 6. Section 321.174, subsection 1, Code 1991, is
21 amended to read as follows:

22 1. A person, except those expressly exempted, shall not
23 operate any motor vehicle upon a highway in this state unless
24 the person has a motor vehicle license issued by the
25 department or county treasurer valid for the vehicle's
26 operation.

27 Sec. 7. Section 321.177, unnumbered paragraph 1 and
28 subsections 1 and 7, Code 1991, are amended to read as
29 follows:

30 The department or county treasurer shall not issue a motor
31 vehicle license:

32 1. To any person who is under the age of eighteen years,
33 without the person's first having successfully completed an
34 approved driver education course, in which case, the minimum
35 age is sixteen years. However, the department or county

1 treasurer may issue a driver's license to certain minors as
2 provided in section 321.194, an instruction permit as provided
3 in section 321.180, subsection 1, or a driver's license
4 restricted to motorized bicycles as provided in section
5 321.189, subsection 8.

6 7. To any person when the director or county treasurer has
7 good cause to believe the person by reason of physical or
8 mental disability would not be able to operate a motor vehicle
9 safely.

10 Sec. 8. Section 321.178, subsection 2, paragraph a, and
11 subsection 3, Code Supplement 1991, are amended to read as
12 follows:

13 a. Any person between sixteen and eighteen years of age
14 who is not in attendance at school or who is in attendance in
15 a public or private school where an approved driver's
16 education course is not offered or available, may be issued a
17 restricted license only for travel to and from work or to
18 transport dependents to and from temporary care facilities, if
19 necessary for the person to maintain the person's present
20 employment without having completed an approved driver's
21 education course. The restricted license shall be issued by
22 the department or county treasurer only upon confirmation of
23 the person's employment and need for a restricted license to
24 travel to and from work or to transport dependents of
25 temporary care facilities if necessary to maintain the
26 person's employment and upon receipt of a written statement
27 from the public or private school that an approved course in
28 driver's education was not offered or available to the person,
29 if applicable. The employer shall notify the department or
30 county treasurer if the employment of the person is terminated
31 before the person attains the age of eighteen. The person
32 shall not have a restricted license revoked or suspended upon
33 re-entering school prior to age eighteen provided the student
34 enrolls in and completes the classroom portion of an approved
35 driver's education course as soon as a course is available.

1 3. Driver's license reciprocity.

2 a. The department or county treasurer may issue a class C
3 or M driver's license to a person who is sixteen or seventeen
4 years of age and who is a current resident of the state, but
5 who has been driving as a resident of another state for at
6 least one year prior to residency within the state.

7 b. The following criteria must be met prior to issuance of
8 a driver's license pursuant to this subsection:

9 (1) The minor must reside with a parent or guardian.

10 (2) The minor must have driven under a valid driver's
11 license for at least one year in the prior state of residence.
12 Six months of the one year computation may include driving
13 with an instruction permit.

14 (3) The minor must have had no moving traffic violations
15 on the minor's driving record.

16 (4) The minor must pass the written and driving skills
17 tests as required by the department or county treasurer, but
18 is not required to have taken a driver's education class.

19 Sec. 9. Section 321.180, subsection 1, paragraph a,
20 unnumbered paragraph 1, Code 1991, is amended to read as
21 follows:

22 A person who is at least fourteen years of age and who,
23 except for the person's lack of instruction in operating a
24 motor vehicle, would be qualified to obtain a driver's
25 license, shall, upon meeting the requirements of section
26 321.186 other than a driving demonstration, and upon paying
27 the required fee, be issued an instruction permit by the
28 department or county treasurer. Subject to the limitations in
29 this subsection, an instruction permit entitles the permittee,
30 while having the permit in the permittee's immediate
31 possession, to operate a motor vehicle, other than a
32 commercial motor vehicle or as a chauffeur or a motor vehicle
33 with a gross vehicle weight rating of sixteen thousand one or
34 more pounds, upon the highways for a period not to exceed two
35 years from the licensee's birthday anniversary in the year of

1 issuance. If the applicant for an instruction permit holds a
2 driver's license issued in this state valid for the operation
3 of a motorized bicycle or a motorcycle, the instruction permit
4 shall be valid for such operation without the need of an
5 accompanying person.

6 Sec. 10. Section 321.180, subsection 3, Code 1991, is
7 amended to read as follows:

8 3. A person, upon meeting each of the following
9 requirements, shall be eligible to apply for a chauffeur's
10 instruction permit valid for the operation of a motor vehicle,
11 other than a commercial motor vehicle, as a chauffeur when the
12 permittee is accompanied by a person, possessing a valid class
13 D driver's license or commercial driver's license valid for
14 the operation of the motor vehicle and the accompanying person
15 is actually occupying a seat beside the permittee. An
16 applicant must be at least eighteen years of age, otherwise
17 qualified to obtain a class D driver's license, and must meet
18 the requirements of section 321.186 other than a driving
19 demonstration. The chauffeur's instruction permit shall be
20 valid for a period not to exceed two years from the licensee's
21 birthday anniversary in the year of issuance and shall be
22 returned to the department or county treasurer upon issuance
23 of a class D driver's license or returned to the department
24 upon issuance of a commercial driver's license. If the
25 applicant for a chauffeur's instruction permit holds a
26 driver's license issued under this chapter, the chauffeur's
27 instruction permit shall be valid in the same manner as the
28 driver's license would be for the operation of motor vehicles
29 without the need of an accompanying person.

30 Sec. 11. Section 321.180A, subsections 1 and 3, Code 1991,
31 are amended to read as follows:

32 1. Notwithstanding other provisions of this chapter, a
33 physically disabled person, who is not suffering from a
34 convulsive disorder and who can provide a favorable medical
35 report, whose license renewal has been denied under section

1 321.177, subsection 6 or 7, or whose motor vehicle license has
2 been suspended under section 321.210, subsection 1, paragraph
3 "c", upon meeting the requirements of section 321.186, other
4 than a driving demonstration or the person's limitations which
5 caused the denial under section 321.177, subsection 6 or 7, or
6 suspension under section 321.210, subsection 1, paragraph "c",
7 and upon paying the fee required in section 321.191, shall be
8 issued a special instruction permit by the department or the
9 county treasurer's office. Upon issuance of the permit the
10 denial or suspension shall be stayed and the stay shall remain
11 in effect as long as the permit is valid.

12 3. The permittee may apply for a motor vehicle license if
13 thirty days have elapsed since issuance of the special
14 instruction permit. The department or county treasurer shall
15 issue a motor vehicle license if the permittee is qualified,
16 passes all required tests, including a driving test, and pays
17 the required fees. If the person has not obtained a motor
18 vehicle license before expiration of the person's special
19 instruction permit, the person's former denial or suspension
20 under section 321.177, subsection 6 or 7, or section 321.210,
21 subsection 1, paragraph "c", upon service of notice by the
22 department, shall be reinstated. A permit shall be reissued
23 for one additional six-month period if a permittee continues
24 to meet the qualifications of subsection 1 and has incurred no
25 motor vehicle violations.

26 Sec. 12. Section 321.181, Code 1991, is amended to read as
27 follows:

28 321.181 TEMPORARY PERMIT.

29 The department or county treasurer may issue a temporary
30 permit to an applicant for a motor vehicle license permitting
31 the applicant to operate a motor vehicle other than a
32 commercial motor vehicle while the department or county
33 treasurer is completing its investigation and determination of
34 all facts relative to the applicant's privilege to receive the
35 motor vehicle license. The permit must be in the applicant's

1 immediate possession while operating a motor vehicle. The
2 temporary permit shall be invalid and returned to the
3 department or county treasurer when the applicant's license is
4 issued or when the license is denied.

5 Sec. 13. Section 321.184, Code 1991, is amended to read as
6 follows:

7 321.184 APPLICATIONS OF UNMARRIED MINORS.

8 1. CONSENT REQUIRED. The application of an unmarried
9 person under the age of eighteen years for a motor vehicle
10 license shall contain the verified consent and confirmation of
11 the applicant's birthday by either parent of the applicant,
12 the guardian of the applicant, or a person having custody of
13 the applicant under chapter 600A. Officers and employees of
14 the department or county treasurer may administer the oaths
15 without charge.

16 2. WITHDRAWAL OF CONSENT. The person who provided the
17 signed consent under subsection 1 may withdraw that consent at
18 any time. The withdrawal of consent shall be in writing,
19 signed and verified. The department or county treasurer, upon
20 receipt of the withdrawal of consent, shall cancel the
21 applicant's motor vehicle license and shall not issue a new
22 license until such time as a new application, duly signed and
23 verified, is made as required in this chapter. This
24 subsection does not apply if the licensee or permittee has
25 attained the age of eighteen years or is married.

26 Sec. 14. Section 321.185, Code 1991, is amended to read as
27 follows:

28 321.185 DEATH OF PERSON SIGNING APPLICATION -- EFFECT.

29 The department or county treasurer upon receipt of
30 satisfactory evidence of the death of the persons who signed
31 the application of a minor for a license shall cancel such
32 license and shall not issue a new license until such time as a
33 new application, duly signed and verified, is made as required
34 by this chapter. This provision shall not apply in the event
35 the minor has attained the age of eighteen years.

1 Sec. 15. Section 321.186, Code 1991, is amended to read as
2 follows:

3 321.186 EXAMINATION OF NEW OR INCOMPETENT OPERATORS.

4 The department or county treasurer may examine every new
5 applicant for a motor vehicle license or any person holding a
6 valid motor vehicle license when the department or county
7 treasurer has reason to believe that the person may be
8 physically or mentally incompetent to operate a motor vehicle,
9 or whose driving record appears to the department or county
10 treasurer to justify the examination. The driving skills test
11 for a motor vehicle license, other than a commercial driver's
12 license, may be conducted for the county treasurer by the
13 county sheriff.

14 PARAGRAPH DIVIDED. The ~~examinations shall be held in every~~
15 ~~county within periods not to exceed fifteen days except that~~
16 the driving skills test for a commercial driver's license
17 shall be given only at locations where required driving skills
18 may be adequately tested, including pretrip and off-road
19 examinations. The department shall make every effort to
20 accommodate a functionally illiterate applicant when the
21 applicant is taking a knowledge test. The department shall
22 make every effort to have an examiner conduct the commercial
23 driver's license driving skills tests at other locations in
24 this state where skills may be adequately tested when
25 requested by a person representing ten or more drivers
26 requiring driving skills testing.

27 The department shall make every effort to accommodate a
28 commercial driver's license applicant's need to arrange an
29 appointment for a driving skills test at an established test
30 site other than where the applicant passed the required
31 knowledge test. The department shall report to the governor
32 and the general assembly on any problems, extraordinary costs
33 and recommendations regarding the appointment scheduling
34 process.

35 The examination shall include a screening of the

1 applicant's eyesight, a test of the applicant's ability to
2 read and understand highway signs regulating, warning, and
3 directing traffic, a test of the applicant's knowledge of the
4 traffic laws of this state, an actual demonstration of ability
5 to exercise ordinary and reasonable control in the operation
6 of a motor vehicle and other physical and mental examinations
7 as the department finds necessary to determine the applicant's
8 fitness to operate a motor vehicle safely upon the highways.
9 However, an applicant for a new motor vehicle license other
10 than a commercial driver's license need not pass a vision test
11 administered by the department or county treasurer if the
12 applicant files with the department or county treasurer a
13 vision report in accordance with section 321.186A which shows
14 that the applicant's visual acuity level meets or exceeds
15 those required by the department.

16 Sec. 16. Section 321.186A, subsections 1 and 2, Code 1991,
17 are amended to read as follows:

18 1. An applicant for a new or renewed motor vehicle license
19 other than a commercial driver's license need not take a
20 vision test administered by the department or county treasurer
21 if the applicant files with the department or county treasurer
22 a vision report signed by a licensed vision specialist in
23 accordance with this section.

24 2. An applicant for such a new or renewed motor vehicle
25 license who fails a vision test administered by the department
26 or county treasurer may subsequently be issued the motor
27 vehicle license without need of passing a department or county
28 treasurer administered vision test, if the applicant files
29 with the department or county treasurer a vision report from a
30 licensed vision specialist in accordance with this section.

31 Sec. 17. Section 321.187, Code 1991, is amended to read as
32 follows:

33 321.187 EXAMINERS.

34 The department and county treasurer shall examine
35 applicants for motor vehicle licenses. Examiners ~~of the~~

1 department shall wear an identifying badge and uniform
2 ~~provided-by-the-department.~~

3 1. The department may by rule designate community colleges
4 to administer the driving skills test required for a
5 commercial driver's license provided that all of the following
6 occur:

7 a. The driving skills test is the same as that which would
8 otherwise be administered by the state.

9 b. The examiner contractually agrees to comply with the
10 requirements of 49 C.F.R. § 383.75 adopted as of a specific
11 date by rule by the department.

12 2. The department may also designate by rule other parties
13 to administer the driving skills test required for a
14 commercial driver's license provided that both subsection 1,
15 paragraphs "a" and "b" apply. This subsection is repealed
16 April 1, 1992.

17 3. The department shall allow county sheriffs to
18 administer the driving skills test required for motor vehicle
19 licenses other than a commercial motor vehicle license.

20 Sec. 18. Section 321.189, subsection 1, unnumbered
21 paragraph 1, and subsection 2, paragraph c, Code 1991, are
22 amended to read as follows:

23 Upon payment of the required fee, the department shall
24 issue to every qualified applicant a driver's license. Upon
25 payment of the required fee, the county treasurer shall issue
26 to every qualified applicant a driver's license other than a
27 commercial driver's license. Driver's licenses shall be
28 classified as follows:

29 c. The department or county treasurer shall advise an
30 applicant that the applicant for a motor vehicle license other
31 than a commercial driver's license may request a number other
32 than a social security number as the motor vehicle license
33 number.

34 Sec. 19. Section 321.189, subsections 4 and 5, Code 1991,
35 are amended to read as follows:

1 4. SYMBOLS. Upon the request of a licensee, the
2 department or county treasurer shall indicate on the license
3 the presence of a medical condition or that the licensee is a
4 donor under the uniform anatomical gift law. The license may
5 contain such other information as the department may require
6 by rule.

7 5. TAMPERPROOFING. The department or county treasurer
8 shall issue a motor vehicle license by a method or process
9 which prevents as nearly as possible the alteration,
10 reproduction, or superimposition of a photograph on the
11 license without ready detection.

12 Sec. 20. Section 321.189, subsection 8, paragraph a, Code
13 1991, is amended to read as follows:

14 a. The department or county treasurer may issue a driver's
15 license valid only for operation of a motorized bicycle to a
16 person fourteen years of age or older who has passed a vision
17 test or who files a vision report as provided in section
18 321.186A which shows that the applicant's visual acuity level
19 meets or exceeds those required by the department and who
20 passes a written examination on the rules of the road. A
21 person under the age of sixteen applying for a driver's
22 license valid only for operation of a motorized bicycle shall
23 also be required to successfully complete a motorized bicycle
24 education course approved and established by the department of
25 education or successfully complete an approved motorized
26 bicycle education course at a private or commercial driver
27 education school licensed by the department. A public school
28 district shall charge a student a fee which shall not exceed
29 the actual cost of instruction. A driver's license valid only
30 for operation of a motorized bicycle entitles the licensee to
31 operate a motorized bicycle upon the highway while having the
32 license in the licensee's immediate possession. The license
33 is valid for a period not to exceed two years from the
34 licensee's birthday anniversary in the year of issuance,
35 subject to termination or cancellation as provided in this

1 section.

2 Sec. 21. Section 321.190, subsections 1 and 3, Code 1991,
3 are amended to read as follows:

4 1. APPLICATION FOR AND CONTENTS OF CARD.

5 a. The department or county treasurer shall, upon
6 application and payment of the required fee, issue to an
7 applicant a nonoperator's identification card. To be valid
8 the card shall bear a distinguishing number assigned to the
9 card holder, the full name, date of birth, sex, residence
10 address, a physical description and a colored photograph of
11 the card holder, the usual signature of the card holder, and
12 such other information as the department may require by rule.
13 The card shall be issued to the applicant at the time of
14 application pursuant to procedures established by rule.

15 b. The department or county treasurer shall not issue a
16 card to a person holding a motor vehicle license. The card
17 shall be identical in form to a driver's license issued under
18 section 321.189 except the word "nonoperator" shall appear
19 prominently on the face of the card. A nonoperator's
20 identification card issued to a person under twenty-one years
21 of age shall include the word "minor" prominently on the face
22 of the card.

23 c. The department or county treasurer shall use a process
24 or processes for issuance of a nonoperator's identification
25 card, that prevent, as nearly as possible, the opportunity for
26 alteration or reproduction of, and the superimposition of a
27 photograph on the nonoperator's identification card without
28 ready detection.

29 d. The fee for a nonoperator's identification card shall
30 be five dollars and the card shall be valid for a period of
31 four years from the date of issuance. No issuance fee shall
32 be charged for a person whose motor vehicle license or driving
33 privilege has been suspended under section 321.210, subsection
34 1, paragraph "c".

35 The nonoperator's identification card fees for cards issued

1 by the department shall be transmitted ~~by the department~~ to
2 the treasurer of state who shall credit the fees to the road
3 use tax fund. The nonoperator's identification card fees for
4 cards issued by the county treasurer shall be retained as
5 provided in section 321.152, subsection 5.

6 3. CANCELLATION. The department or county treasurer shall
7 cancel a person's nonoperator's identification card upon
8 determining the person was not entitled to be issued the card,
9 did not provide correct information, committed fraud in
10 applying for the card, or unlawfully used a nonoperator's
11 identification card.

12 Sec. 22. Section 321.193, Code 1991, is amended to read as
13 follows:

14 321.193 RESTRICTIONS ON LICENSES.

15 As provided by rule, the department or county treasurer may
16 impose restrictions suitable to the motor vehicle licensee's
17 driving ability with respect to the type of motor vehicle or
18 special mechanical control devices required on a motor vehicle
19 which the licensee may operate or other restrictions
20 applicable to the licensee as the department or county
21 treasurer may determine to be appropriate.

22 The department or county treasurer may set forth
23 restrictions upon the motor vehicle license.

24 The department may suspend or revoke the motor vehicle
25 license upon receiving satisfactory evidence of any violation
26 of the license's restrictions.

27 Sec. 23. Section 321.194, Code 1991, is amended to read as
28 follows:

29 321.194 SPECIAL MINORS' LICENSES.

30 1. DRIVER'S LICENSE ISSUED FOR TRAVEL TO AND FROM SCHOOL.
31 Upon certification of a special need by the school board or
32 the superintendent of the applicant's school, the department
33 or county treasurer may issue a class C or M driver's license
34 to a person between the ages of fourteen and eighteen years
35 who successfully completes an approved driver education

1 course. However, the completion of a course is not required
2 if the applicant demonstrates to the satisfaction of the
3 department or county treasurer that completion of the course
4 would impose a hardship upon the applicant. The department
5 shall adopt rules defining the term "hardship" and establish
6 procedures for the demonstration and determination of when
7 completion of the course would impose a hardship upon an
8 applicant.

9 a. The driver's license entitles the holder, while having
10 the license in immediate possession, to operate a motor
11 vehicle other than a commercial motor vehicle or as a
12 chauffeur:

13 (1) During the hours of 6 a.m. to 10 p.m. over the most
14 direct and accessible route between the licensee's residence
15 and schools of enrollment and between schools of enrollment
16 for the purpose of attending duly scheduled courses of
17 instruction and extracurricular activities at the schools.

18 (2) At any time when the licensee is accompanied in
19 accordance with section 321.180, subsection 1, paragraph "b".

20 b. Each application shall be accompanied by a statement
21 from the school board or superintendent of the applicant's
22 school. The statement shall be upon a form provided by the
23 department or county treasurer. The school board or
24 superintendent shall certify that a need exists for the
25 license and that the board and superintendent are not
26 responsible for actions of the applicant which pertain to the
27 use of the driver's license. The department of education
28 shall adopt rules establishing criteria for issuing a
29 statement of necessity. Upon receipt of a statement of
30 necessity, the department or county treasurer shall issue the
31 driver's license. The fact that the applicant resides at a
32 distance less than one mile from the applicant's schools of
33 enrollment is prima facie evidence of the nonexistence of
34 necessity for the issuance of a license. The driver's license
35 shall not be issued for purposes of attending a public school

1 in a school district other than either of the following:

2 (1) The district of residence of the parent or guardian of
3 the student.

4 (2) A district which is contiguous to the district of
5 residence of the parent or guardian of the student, if the
6 student is enrolled in the public school which is not the
7 school district of residence because of open enrollment under
8 section 282.18 or as a result of an election by the student's
9 district of residence to enter into one or more sharing
10 agreements pursuant to the procedures in chapter 282.

11 2. SUSPENSION AND REVOCATION. A driver's license issued
12 under this section is subject to suspension or revocation for
13 the same reasons and in the same manner as suspension or
14 revocation of any other driver's license. The department may
15 also suspend a driver's license issued under this section upon
16 receiving satisfactory evidence that the licensee has violated
17 the restrictions of the license or has been involved in one or
18 more accidents chargeable to the licensee. The department may
19 suspend a driver's license issued under this section upon
20 receiving a record of the licensee's conviction for one
21 violation. The department shall revoke the license upon
22 receiving a record of conviction for two or more violations of
23 a law of this state or a city ordinance regulating the
24 operation of motor vehicles on highways other than parking
25 violations as defined in section 321.210. After a person
26 licensed under this section receives two or more convictions
27 which require revocation of the person's license under this
28 section, the department or county treasurer shall not grant an
29 application for a new motor vehicle license until the
30 expiration of one year or until the licensee's sixteenth
31 birthday, whichever is the longer period.

32 Sec. 24. Section 321.195, Code Supplement 1991, is amended
33 to read as follows:

34 321.195 DUPLICATE MOTOR VEHICLE LICENSES AND NONOPERATOR'S
35 IDENTIFICATION CARDS.

1 If a motor vehicle license or nonoperator's identification
2 card issued under this chapter is lost or destroyed, the
3 person to whom the license or card was issued may, upon
4 payment of a fee of three dollars for a motor vehicle license
5 or nonoperator's identification card, obtain a duplicate, or
6 substitute, upon furnishing proof satisfactory to the
7 department or county treasurer that the motor vehicle license
8 or nonoperator's identification card has been lost or
9 destroyed. A fee of one dollar shall be charged for the
10 voluntary replacement of a motor vehicle license or
11 nonoperator's identification card.

12 Sec. 25. Section 321.196, Code 1991, is amended to read as
13 follows:

14 321.196 EXPIRATION OF LICENSE -- RENEWAL -- VISION TEST OR
15 REPORT MANDATORY.

16 Except as otherwise provided, a motor vehicle license,
17 other than an instruction permit, chauffeur's instruction
18 permit, or commercial driver's instruction permit issued under
19 section 321.180, expires, at the option of the applicant, two
20 or four years from the licensee's birthday anniversary
21 occurring in the year of issuance if the licensee is between
22 the ages of seventeen years eleven months and seventy years on
23 the date of issuance of the license. If the licensee is under
24 the age of seventeen years eleven months or age seventy or
25 over the license is effective for a period of two years from
26 the licensee's birthday anniversary occurring in the year of
27 issuance. Except as required in section 321.188, a motor
28 vehicle license is renewable without written examination or
29 penalty within a period of sixty days after its expiration
30 date. A person shall not be considered to be driving with an
31 invalid license during a period of sixty days following the
32 license expiration date. However, for a license renewed
33 within the sixty-day period, the date of issuance shall be
34 considered to be the previous birthday anniversary on which it
35 expired. Applicants whose licenses are restricted due to

1 vision or other physical deficiencies may be required to renew
2 their licenses every two years. For the purposes of this
3 section the birthday anniversary of a person born on February
4 29 shall be deemed to occur on March 1. The department or
5 county treasurer in its discretion may authorize the renewal
6 of a valid motor vehicle license other than a commercial
7 driver's license upon application without an examination
8 provided that the applicant either satisfactorily passes a
9 vision test as prescribed by the department or files a vision
10 report in accordance with section 321.186A which shows that
11 the applicant's visual acuity level meets or exceeds those
12 required by the department.

13 Any resident of Iowa holding a valid motor vehicle license
14 who is temporarily absent from the state, or incapacitated,
15 may, at the time for renewal for such license, apply to the
16 department or county treasurer for a temporary extension of
17 the license. The department or county treasurer upon receipt
18 of the application shall, upon a showing of good cause, issue
19 a temporary extension of the motor vehicle license for a
20 period not to exceed six months.

21 Sec. 26. NEW SECTION. 321.196A MAIL-IN RENEWAL.

22 1. SYSTEM ESTABLISHED. The department shall implement a
23 system whereby a valid motor vehicle license or nonoperator's
24 identification card can be renewed through the mail in each
25 county treasurer's office for an additional two-year or four-
26 year period. The following motor vehicle licenses shall not
27 be renewed through the system established under this section:

- 28 a. Instruction permit issued under section 321.180.
- 29 b. Chauffeur's instruction permit.
- 30 c. Commercial driver's instruction permit.
- 31 d. Commercial driver's license.
- 32 e. Special instruction permit issued under section
33 321.180A.
- 34 f. Minor's license issued under section 321.189.
- 35 g. Special minor's license issued under section 321.194.

1 h. Restricted license issued under section 321.178.

2 i. A license upon which a restriction has been imposed
3 under section 321.193.

4 j. Temporary restricted license or permit issued under
5 section 321.215.

6 k. A license which has been suspended or revoked under
7 sections 321.209, 321.210, and 321.210A.

8 l. A license which has been issued to a person who is over
9 the age of sixty-five.

10 2. RULES ADOPTED. The department shall adopt rules
11 pursuant to chapter 17A to implement this section in
12 accordance with the following:

13 a. A motor vehicle license shall be renewed for not more
14 than one additional four-year period or two additional two-
15 year periods.

16 b. Upon receipt of a renewal application, the county
17 treasurer shall issue to the applicant a renewal sticker which
18 shall be placed upon the existing license to attest to the
19 fact that the license will be valid for an additional two-year
20 or four-year time period from the expiration date as indicated
21 on the license.

22 c. The application for renewal shall contain a vision
23 report in lieu of a vision test which is in compliance with
24 section 321.186A.

25 d. A license shall not be renewed through the mail-in
26 system if the information contained on the face of the license
27 has changed substantially.

28 Sec. 27. Section 321.198, unnumbered paragraphs 2 and 4,
29 Code 1991, are amended to read as follows:

30 The department or county treasurer is authorized to renew
31 any a motor vehicle license falling within the provisions and
32 limitations of the preceding paragraph, without examination,
33 upon application and payment of fee made within six months
34 following separation from the military service.

35 A person whose period of validity of the person's motor

1 vehicle license is extended under this section may file an
2 application in accordance with rules adopted by the department
3 to have the person's record of issuance of a motor vehicle
4 license retained in the department's or county treasurer's
5 record system during the period for which the motor vehicle
6 license remains valid. If a person has had the record of
7 issuance of their motor vehicle license removed from the
8 department's or county treasurer's records, the person shall
9 have their record of motor vehicle license issuance reentered
10 by the department or county treasurer upon request if the
11 request is accompanied by a letter from the applicable
12 person's commanding officer verifying the military service.

13 Sec. 28. NEW SECTION. 321.199A COUNTY TREASURER RECORDS
14 SYSTEM -- MOTOR VEHICLE LICENSING.

15 Each county treasurer shall maintain a county records
16 system for motor vehicle licensing. The records system shall
17 consist of such information as prescribed by the department as
18 is necessary to issue and renew motor vehicle licenses. The
19 department and each county treasurer's office shall share
20 appropriate motor vehicle licensing information contained in
21 their records systems.

22 Sec. 29. Section 321.200, Code 1991, is amended to read as
23 follows:

24 321.200 CONVICTION AND ACCIDENT FILE.

25 The department shall also file all accident reports and
26 abstracts of court records of convictions received by it under
27 the laws of this state and ~~in connection therewith~~ maintain
28 convenient records or make suitable notations in order that an
29 individual record of each licensee showing the convictions of
30 such licensee and the traffic accidents in which the licensee
31 has been involved shall be readily ascertainable and available
32 for the consideration of the department or county treasurer
33 upon ~~any~~ an application for renewal of license and at other
34 suitable times.

35 Sec. 30. Section 321.201, subsection 1, Code 1991, is

1 amended to read as follows:

2 1. The department or county treasurer may cancel a motor
3 vehicle license upon determination of any of the following:

4 a. That the licensee was not entitled to the issuance of
5 the license.

6 b. That the licensee failed to give required or correct
7 information or committed fraud in making the application.

8 Upon cancellation, the licensee shall immediately return
9 the license to the department or county treasurer.

10 Sec. 31. Section 321L.1, subsection 4, Code 1991, is
11 amended to read as follows:

12 4. "Handicapped identification device" or "device" means
13 an identification device bearing the international symbol of
14 accessibility issued by the department or county treasurer,
15 and includes a handicapped registration plate issued to or for
16 a handicapped person under section 321.34, subsection 7, a
17 handicapped identification sticker affixed to a registration
18 plate issued to a disabled veteran under section 321.166,
19 subsection 6, and a handicapped identification hanging device
20 which is a placard for hanging from the rearview mirror when
21 the motor vehicle is parked.

22 Sec. 32. Section 321L.2, Code 1991, is amended to read as
23 follows:

24 321L.2 HANDICAPPED IDENTIFICATION DEVICES -- APPLICATION
25 AND ISSUANCE.

26 1. a. A handicapped resident of the state desiring a
27 handicapped identification device shall apply to the
28 department or county treasurer upon an application form
29 furnished by the department providing the applicant's name,
30 address, date of birth, and social security number and shall
31 also provide a statement from a physician licensed under
32 chapter 148, 149, 150, or 150A, or a chiropractor licensed
33 under chapter 151, or a physician or chiropractor licensed to
34 practice in a contiguous state, written on the physician's or
35 chiropractor's stationery, stating the nature of the

1 applicant's handicap and such additional information as
2 required by rules adopted by the department under section
3 321L.8. Handicapped registration plates must be ordered
4 pursuant to section 321.34, subsection 7. A handicapped
5 person may apply for either one temporary or one permanent
6 handicapped identification hanging device. Persons who seek a
7 permanent handicapped identification device shall be required
8 to furnish evidence upon initial application that they are
9 permanently handicapped. A person who has provided
10 satisfactory evidence to the department or county treasurer
11 that the person is permanently handicapped shall not be
12 required to furnish evidence of being handicapped at a later
13 date, unless the department or county treasurer deems it
14 necessary. Persons who seek only temporary handicapped
15 identification stickers or hanging devices shall be required
16 to furnish evidence upon initial application that they are
17 temporarily handicapped and, in addition, furnish evidence at
18 three-month intervals that they remain temporarily
19 handicapped. Temporary handicapped identification stickers
20 and hanging devices shall be of a distinctively different
21 color from permanent handicapped identification stickers and
22 hanging devices.

23 b. The department or county treasurer may issue permanent
24 handicapped identification hanging devices to the following in
25 accordance with rules adopted by the department:

26 (1) An organization which has a program for transporting
27 the handicapped or elderly.

28 (2) A person in the business of transporting the
29 handicapped or elderly.

30 One handicapped identification hanging device may be issued
31 for each vehicle used by the organization or person for
32 transporting the handicapped or elderly. A handicapped
33 identification hanging device issued under this paragraph
34 shall be surrendered to the department or county treasurer if
35 the organization or person is no longer providing the service

1 for which the device was issued. Notwithstanding section
2 321L.4, a person transporting handicapped or elderly in a
3 motor vehicle for which a handicapped identification hanging
4 device has been issued under this paragraph may display the
5 device in the motor vehicle and may use a handicapped parking
6 space while the motor vehicle is displaying the device. A
7 handicapped identification hanging device issued under this
8 paragraph shall be of a distinctively different color from the
9 handicapped identification hanging devices issued under
10 paragraph "a".

11 c. A new handicapped identification device can be issued
12 if the previously issued device is reported lost, stolen, or
13 damaged. The device reported as being lost or stolen shall be
14 invalidated by the department or county treasurer. A device
15 which is damaged shall be returned to the department or county
16 treasurer and exchanged for a new device in accordance with
17 rules adopted by the department.

18 2. Any person providing false information with the intent
19 to defraud on the application for a handicapped identification
20 device or on the physician's or chiropractor's statement used
21 in establishing proof under subsection 1 is subject to a civil
22 penalty of one hundred dollars which may be imposed by the
23 department, or subject to invalidation by the department or
24 county treasurer of the device issued to the individual, or
25 subject to both the civil penalty and invalidation.

26 3. Each handicapped identification device shall be
27 acquired by the department or county treasurer and sold at a
28 cost not to exceed five dollars, to handicapped persons upon
29 application on forms prescribed by the department or county
30 treasurer. Before delivering a handicapped identification
31 device to a handicapped person the department or county
32 treasurer shall permanently affix to the device a unique
33 number which may be used by the department or county treasurer
34 to identify the individual to whom the device is issued. A
35 temporary handicapped identification hanging device shall have

1 the expiration date permanently affixed to the device.
2 Expiration dates and identification numbers affixed to
3 handicapped identification hanging devices shall be of
4 sufficient size to be readable from outside the vehicle.

5 A handicapped person who owns a motor vehicle for which the
6 handicapped person has been issued radio operator registration
7 plates under section 321.34, subsection 3, or registration
8 plates as a seriously disabled veteran under section 321.105
9 may apply to the department or county treasurer for a
10 handicapped identification sticker to be affixed to the
11 plates. The handicapped identification stickers shall bear
12 the international symbol of accessibility. The handicapped
13 identification stickers shall be acquired by the department or
14 county treasurer and sold at a cost not to exceed five
15 dollars, to eligible handicapped persons upon application on
16 forms prescribed by the department.

17 Sec. 33. Section 321L.3, unnumbered paragraphs 1 and 3,
18 Code 1991, are amended to read as follows:

19 Handicapped identification hanging devices shall be
20 returned to the department or county treasurer upon the
21 occurrence of any of the following:

22 Devices may be returned to the department or county
23 treasurer as required by this section either directly to the
24 department or county treasurer or through a driver license
25 station or any law enforcement office.

26 Sec. 34. Section 321L.8, subsection 1, paragraph a, Code
27 1991, is amended to read as follows:

28 a. Establishing procedures for applying to the department
29 or county treasurer for issuance of permanent or temporary
30 handicapped identification devices under this chapter.

31 Sec. 35. Section 321L.10, subsection 2, Code 1991, is
32 amended to read as follows:

33 2. After January 1, 1991, only new handicapped
34 identification hanging devices issued by the department or
35 county treasurer pursuant to this chapter shall be valid and

1 other hanging devices issued prior to January 1, 1990, shall
2 be invalid.

3 Sec. 36. NEW SECTION. 331.557A DUTIES RELATING TO MOTOR
4 VEHICLE LICENSING.

5 The treasurer shall:

6 1. Issue, renew, and replace motor vehicle licenses and
7 nonoperator's identification cards as authorized in chapter
8 321.

9 2. Collect or pay to the state motor vehicle licensing
10 fees and nonoperator's identification card fees as required
11 under section 321.152.

12 Sec. 37. The state department of transportation shall
13 transfer the duties and responsibilities for issuing and
14 renewing motor vehicle licenses, other than commercial
15 driver's licenses, to the office of the county treasurer in
16 each county where motor vehicle licensing stations are
17 currently required to operate. The state department of
18 transportation shall retain administrative authority over the
19 licensing functions and shall be solely responsible for
20 licensing associated with commercial driver's licenses.

21 If it is necessary to hire additional employees to issue
22 licenses from the county treasurer's offices, first priority
23 for hiring shall be given to current employees of the
24 department who become unemployed due to the changes
25 necessitated by this Act.

26 All of the materials and equipment shall be transferred to
27 the office of the county treasurer of the county in which each
28 motor vehicle licensing station is located, except for those
29 motor vehicle licensing stations which are set up to issue
30 commercial driver's licenses.

31 Sec. 38. The effective date of this Act is January 1,
32 1993.

33 EXPLANATION

34 This bill transfers the duty of issuing and renewing motor
35 vehicle licenses, other than commercial driver's licenses, and

1 of issuing handicapped identification devices to the office of
2 the county treasurer of the county in which each existing
3 motor vehicle licensing station is located. The bill provides
4 that the state department of transportation retain
5 administrative authority and that all of the materials and
6 equipment in the existing licensing offices be transferred to
7 the office of the county treasurer. It also requires that
8 former departmental employees be given first priority for
9 employment relating to the issuance of motor vehicle licenses
10 within the county treasurers' offices.

11 This Act may provide for a state mandate as defined in
12 chapter 25B.

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SENATE FILE 2026
FISCAL NOTE

A fiscal note for Senate File 2026 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2026 transfers the duty of issuing and renewing motor vehicle licenses, other than commercial driver's licenses, and of issuing handicapped identification devices to the office of the county treasurer of the county in which each existing motor vehicle licensing station is located. The bill provides that the Department of Transportation retain administrative authority and that all of the materials and equipment in the existing licensing offices be transferred to the office of the county treasurer. It also requires that former Departmental employees be given first priority for employment relating to the issuance of motor vehicle licenses within the county treasurers' offices.

Assumptions

These estimates are based on FY 1992 cost.

FY 1992 cost to operate the Office of Driver Services within the Motor Vehicle Division is \$10,115,000 (based on the DOT's FY 1992 budget).

The transfer of driver license issuance to the county treasurers will result in a reduced cost of \$4,361,000 to the DOT. This includes a reduction of 136.0 FTE positions. This also assumes the DOT will continue the commercial driver's license function while providing adequate support for the increase of driver station sites from 36 to 112.

The increased cost to the DOT associated with commercial driver's licensing and providing increased support for the 112 sites is \$630,000. This includes an additional 31.0 FTE positions for team support staff, to assist with computer trouble calls, and communication specialists.

The FY 1992 operational cost to the county treasurers is estimated at \$6,437,000 and includes: \$5,807,000 for salaries and benefits of 292 additional staff, \$448,000 for support cost (i.e. desks, telephones, etc.), and \$182,000 for the lease of 13 permanent driver stations.

Equipment necessary for implementation of the proposal includes the purchase of computer hardware and printers at a cost of \$1,126,000. This includes purchasing 99 units at \$6,000 to be located in county courthouses, 13 units at \$4,000 for the 13 permanent driver station sites, 12 automated testing units at \$40,000 per unit.

The capacity of 2 remote processors will need to be upgraded at a cost of \$400,000 and additional disk storage space is required at a cost of \$125,000.

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Changes to programming and software are estimated at \$172,000 for converting the State system to the county system.

An additional 77 vision testing machines will need to be purchased to adequately furnish all 112 county sites and 8 for the commercial driver's license teams. The DOT currently owns 56 machines. Of these, 26 will remain in the 13 permanent sites, 30 will be distributed to the county sites.

It is estimated that 158,000 persons will renew their licenses by mail for a cost savings of \$106,000 in license production costs. This is based on the current cost of .669 cent per license.

Fiscal Effect

Operations

DOT operating cost: \$6,384,000 (\$10,115,000 - \$4,361,000 + \$630,000)

County operating cost: \$6,437,000

Total operating cost: \$12,821,000 (\$6,384,000 + \$6,437,000)

Savings from mail-in licenses: \$106,000

Net FY 1993 operating cost: \$12,715,000 (\$12,821,000 - \$106,000)

OPERATION COST INCREASE: \$2,706,000 (\$12,821,000 - \$10,115,000)

Equipment and related cost for implementation

Computer related equipment: \$1,126,000

Vision testing equipment: \$44,000 (77 units @ \$575)

Increased capacity needs of Network Processors: \$400,000

Software and programming cost: \$172,000

Additional disk storage for processors: \$125,000

Total equipment and related cost: \$1,867,000

TOTAL FIRST YEAR COST: \$14,582,000 (\$12,715,000 + \$1,867,000)

PROJECTED COST INCREASE: \$4,467,000 (\$14,582,000 - \$10,115,000)

FY 1993 driver license revenues are projected to be \$11,000,000. This bill allows DOT to be reimbursed from license fees for administrative cost of \$6,384,000. This will leave \$4,616,000 in revenues to help offset the county cost.

Sources: Department of Transportation and the Iowa State Association of Counties

(LSB 5159ss, DLR)

FILED FEBRUARY 6, 1992

BY DENNIS PROSTY, FISCAL DIRECTOR