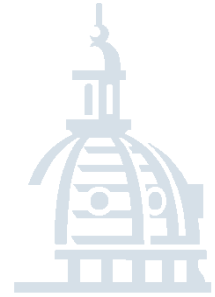


# Fiscal Note

*Fiscal Services Division*



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**SF 185** – Veterans, Disabled, Free Motor Vehicle Plates (LSB1033SV)  
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Fiscal Note Version — REVISED (removed redundancy)

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## **Description**

**Senate File 185** (previously **SF 61**) exempts veterans with a disability rating above 70.0% from annual registration fees for a single vehicle. Under Iowa Code section **321.105**, the Bill also requires the Department of Transportation (DOT) to issue one free set of regular vehicle or qualifying service type registration plates. Service-related disability ratings are classified by the U.S. Department of Veterans Affairs.

## **Background**

Under current federal law **38 U.S.C. §3901 – 3904**, veterans who experience the loss of extremities, severe injury/blindness to an eye, or severe burn injury are eligible to receive an automobile from the federal government. Iowa Code section **321.105(5)** exempts veterans receiving an automobile or other vehicle from the federal government under 38 U.S.C. §3901 – 3904 from paying a motor vehicle registration fee and from the need to apply for a persons with disabilities parking permit. Veterans also receive one free set of regular or qualifying service type registration plates.

## **Assumptions**

- As of December 2018, 12,589 Iowa veterans were classified at a 70.0% or higher disability rating. 8,229 were classified between 70% and 90% disability, leaving 4,360 at the 100% disability rating.
- There are 355 active disabled veteran plates.
- The active disabled veteran plates are 100% disability rating, leaving 4,005 at this rating.
- Half of remaining 4,005 veterans at 100% disability participate and full uptake by veterans between 70% and 90% disability for exemption. Between the two there are an estimated 10,232 veterans participating.
- Vehicles will receive an average annual registration fee exemption of \$140.
- A \$3.68 cost per set of special plates.

## **Fiscal Impact**

**Senate File 185** is expected to reduce revenue to the TIME-21 Fund by \$1.5 million per year. If the TIME-21 Fund has reached its cap, revenue deposited in the Road Use Tax Fund (RUTF) will be reduced. This includes approximately \$41,000 to produce special service-plates and \$6,200 in DOT operations towards the implementation of the Bill, with \$4,700 being annual labor costs.

## **Sources**

DOT Motor Vehicle Division Staff  
Department of Veterans Affairs  
DOT ARTS website

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/s/ Holly M. Lyons

February 12, 2019

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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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