



SF 303 – Driver’s License Electronic Renewal (LSB1303SV.1)
Analyst: Rodrigo Acevedo (515.281.6764) rodrigo.acevedo@legis.iowa.gov
Requestor: Sen. Kevin Kinney
Fiscal Note Version – Final Action

Description

[Senate File 303](#) creates the option, under Iowa Code section [321.189](#), of electronically renewing a driver’s license or nonoperator’s identification card upon reaching the age of 21 regardless of the immediate previous renewal being done electronically. The Bill requires the Department of Transportation (DOT) to notify eligible persons as well as to develop educational media to raise awareness of the option of electronic renewal.

Background

A person may receive a driver’s license or nonoperator’s identification card for up to eight years. While a person may renew the person’s license or card upon turning 18 or 21 for a \$10 fee, consecutive electronic renewals are not currently permitted. Driver’s license fees are deposited into the Statutory Allocations Fund (SAF). Driver’s license production is funded from the Road Use Tax Fund (RUTF).

Assumptions

- All eligible persons (14,000) will annually choose to renew their licenses upon reaching their twenty-first birthday. This includes persons who would otherwise have unexpired months on their current license.
- For estimating purposes, no nonoperator’s identification cards are assumed to be issued.
- The vendor cost is \$4.32 to produce and mail each license.

Fiscal Impact

[Senate File 303](#) is estimated to increase expenditures of the RUTF by \$61,000 annually for driver’s license production costs. Approximately \$140,000 in additional renewal fees would be deposited in the SAF.

In addition, annual costs to the DOT Operations budget would increase by \$48,000. In the first year, there would also be an additional \$5,700 for computer programming costs. Any need for additional DOT staff to process renewals is not expected. Labor costs to counties, which constitute 40% of total production, cannot be estimated. The fiscal impact of [SF 303](#) is summarized in **Table 1**.

Table 1

Senate File 303	
Fiscal Impact Beginning FY 2020	
Fund	Annual
Revenue	
SAF	\$ 140,000
Expenses	
RUTF - License Production	\$ 61,000
DOT - Operations	\$ 48,000
Counties	Unknown
Total Expenses	\$ 109,000
Net Annual Impact	\$ 31,000

*DOT indicates one-time IT costs of \$5,700 in FY 2020.

Sources

Iowa Department of Transportation
LSA calculations

/s/ Holly M. Lyons

June 4, 2019

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.
