



HF 2620 – License Plates, Flying Our Colors (LSB5105HV)
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 Fiscal Note Version – New

Description

House File 2620 creates a “Flying Our Colors” license plate and requires the Department of Transportation (DOT) to design the plate. The plate requires two fees, an initial special fee of \$35 and an annual special fee of \$10. These fees are deposited in the Road Use Tax Fund (RUTF). At the end of each month, the Treasurer of State is required to credit the amount equal to the special fees deposited in the RUTF from the Statutory Allocations Fund (SAF) to the Flood Mitigation Fund. The image to the right is a mockup of the proposed plate provided by the DOT. The Bill also specifies that the initial fee for a personalized plate is \$25 and the annual renewal fee for such plate is \$5. The fees for personalized plates are not subject to deposit in the Flood Mitigation Fund.



Background

The State of Iowa currently has over 70 types of specialty license plates that citizens may select. Over 221,000 of the 4.5 million vehicles registered in Iowa have specialty plates. The top 16 plate types account for 86.1% of all specialty plates issued in Iowa. The top 16 license plates in Iowa are as listed below. However, there are over 50 types not represented in the data below that have far fewer plates issued.

Top 16 Iowa Specialty Plates			
Blackout	93,634	Business Trade	4,258
University of Iowa	25,617	DNR Pheasant	3,738
Iowa State University	16,740	DNR Deer	3,532
DNR Goldfinch	13,133	God Bless America	3,465
Fire Fighter	11,860	Fallen Peace Officer	2,957
Veteran	9,505	Univ. of Northern Iowa	2,219
Cattleman's	6,426	Breast Cancer	1,463
DNR Eagle	4,600	Share the Road	1,449

Note: Through December 2019.

Assumptions

- An estimated 3,500 “Flying Our Colors” license plates will be issued within two years.
- This would make the plate as popular as the “God Bless America” plate currently issued by the DOT. It is estimated that 1,750 plates will be issued in FY 2021 and 1,750 plates will be issued in FY 2022. Approximately 30.0% of the “Flying Our Colors” plates will be personalized. This is similar to the percentage of other special plates that are personalized.

Fiscal Impact

House File 2620 is estimated to increase revenue to the Flood Mitigation Fund by \$61,250 in FY 2021, \$70,000 in FY 2022, and \$17,500 each year thereafter. The RUTF will fund plate production costs (Iowa Code section [312.2\(3\)](#)), but expenditure on these plates is expected to be minimal and can only be attributed to implementation of the Bill when individuals prematurely replace a license plate in order to replace it with the new plate.

Estimated Fiscal Impact	FY 2021	FY 2022	FY 2023
Existing Plates	-	1,750	3,500
New Plates Issued	1,750	1,750	-
Initial Special Fee	\$ 61,250	\$ 61,250	\$ -
Annual Fee	-	17,500	35,000
RUTF Revenue	\$ 61,250	\$ 78,750	\$ 35,000
SAF Transfer to Flood Mitig.	\$ 61,250	\$ 78,750	\$ 35,000

Revenues to the RUTF and transfers from the SAF to the Flood Mitigation Fund will offset at the end of the fiscal year.

The cost to produce the new plates is estimated to be \$7,400 per year in FY 2021 and FY 2022. The costs will be funded from the RUTF.

Assuming 30.0% of the new plates are personalized, the RUTF will receive an increase in revenue of \$13,100 per year in FY 2021 and FY 2022 and \$17,500 each year thereafter.

Sources

Iowa Department of Transportation
LSA calculations

s// Holly M. Lyons

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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.
