



[HF 419](#) – Driver's License Station Convenience Fee (LSB1490HV)
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Fiscal Note Version – New

Description

[House File 419](#) authorizes Iowa counties to charge a \$10 convenience fee for the issuance or renewal of a driver's license or nonoperator's identification card to a person who is not a resident of that county. The person seeking the driver's license or nonoperator's identification card may provide proof that the person paid property tax to the county in order to be exempt from the convenience fee. Under the Bill, counties are not required to charge a convenience fee, but may do so at their discretion. Convenience fees collected by counties will be deposited into the respective counties' general fund.

Background

Currently, counties keep \$7 of the fees charged for each issuance and renewal of any driver's license or nonoperator's identification card that is issued at their county driver's license sites. The Department of Transportation (DOT) reports that in calendar year (CY) 2019, there were approximately 69,000 transactions for the issuance or renewal of a driver's license or nonoperator's identification card that were performed at the county level for individuals who did not reside in the county that served them. These 69,000 transactions equate to approximately 20.0% of total transactions by counties in CY 2019.

Assumptions

The convenience fee will not reduce demand for driver's license or nonoperator's identification card transactions that occur outside the licensee's county of residence.

Fiscal Impact

If renewals match patterns in CY 2019, this Bill would result in an estimated annual increase to county general funds of \$170,000 if 25.0% of counties adopt the fee, \$340,000 if 50.0% of counties adopt the fee, \$510,000 if 75.0% of counties adopt the fee, and \$690,000 if 100.0% of counties adopt the fee. In addition, there would be a one-time information technology fee associated with the Bill.

The DOT may see an increase in labor costs if licensees decide to use a DOT service center to issue or renew a driver's license or nonoperator's identification card instead of a county site in order to avoid additional fees.

Sources

Department of Transportation
Legislative Services Agency

/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.

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