



[HF 267](#) – County Issuance of Driver’s Licenses to Nonresidents, Fee (LSB1789HV)
Staff Contact: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 267](#) allows, but does not require, Iowa counties to charge a \$10 convenience fee for the issuance or renewal of a driver’s license or nonoperator’s identification card to individuals who are not a resident of that county. Individuals that provide proof of property tax payment to the county are exempt from the convenience fee. If a county charges a convenience fee, the Bill authorizes the county to retain the entire fee revenue in its General Fund.

Background

Currently, counties are authorized to retain \$7 of the total fees collected for each issuance or renewal of driver’s licenses and nonoperator’s identification cards regardless of the licensee’s resident status.

The Department of Transportation (DOT) reports 327,577 transactions for issuance of a driver’s license or nonoperator’s identification card at the county level in calendar year (CY) 2022. Of that total, 71,733 transactions were performed at the county level for individuals who did not reside in the county that served them. These 71,733 transactions were 21.9% of total transactions by counties in CY 2022.

The DOT reports that in CY 2022, 12 counties issued 30.0% or more of their driver’s licenses or nonoperator’s identification cards to individuals who did not reside in the county. Specifically, Jones County had the highest volume of issuance to nonresidents with 7,192 (61.7%) driver’s licenses or nonoperator’s identification cards issued to individuals who did not reside in the county.

Assumptions

- All Iowa counties will charge the \$10 convenience fee.
- Calendar year 2022 renewal data and patterns were used for estimating purposes.

Fiscal Impact

While the number of annual nonresident renewals cannot be estimated, **Table 1** shows a range of nonresident renewals and estimated aggregate annual increases to county general funds.

Table 1 — Estimated Range of Annual Fiscal Impact Under HF 267

Nonresident Renewal Rate	Nonresident Renewals	County General Funds
25.0%	17,933	\$ 179,333
50.0%	35,867	358,665
75.0%	53,800	537,998
100.0%	71,733	717,330

The DOT may see an increase in labor costs if licensees decide to use a DOT service center instead of a county site for issuance of a driver’s license or nonoperator’s identification card to avoid additional fees. In addition, there would be a one-time information technology (IT) cost to the DOT of approximately \$6,000 associated with the Bill. The DOT expects to absorb these labor and IT costs within its existing staff and resources.

Sources

Department of Transportation
Legislative Services Agency calculations

/s/ Jennifer Acton

February 15, 2023

Doc ID 1369053

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.
