

Fiscal Note

Fiscal Services Division



[HF 2700](#) – Commercial Driver's Licenses, English Proficiency (LSB5328HV.1)
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Fiscal Note Version – Revised (Assumptions and Fiscal Impact)

Description

[House File 2700](#) requires the Department of Transportation (DOT) to deny the issuance or renewal of a commercial driver's license (CDL) or commercial learner's permit (CLP) if the applicant fails to demonstrate proficiency in the English language. The DOT must administer the examination in a computer-based format. The Bill does not limit an applicant from retaking the examination.

The Bill prohibits a person who is not proficient in the English language from operating a commercial motor vehicle (CMV). A person who violates this provision commits a serious misdemeanor punishable by a \$1,000 fine and imprisonment not to exceed one year. The Bill prohibits a commercial motor carrier from employing the services of a commercial driver, including an independent contractor, who is not proficient in the English language. A carrier who violates this provision commits a serious misdemeanor and is subject to a civil penalty ranging from \$3,000 to \$10,000 based on the number of violations, to be imposed and collected by the DOT and deposited into the Road Use Tax Fund.

The DOT is prohibited from complying with a provision of the Bill if compliance would cause the denial of federal funds or services or otherwise violate federal law. Requirements to perform English language proficiency examinations take effect beginning March 1, 2027. The Bill authorizes the DOT to adopt administrative rules to administer the Bill.

Background

Under Iowa Code section [321.188](#), the DOT administers CDL and CLP examinations in compliance with the procedures set forth in 49 C.F.R. [§383.73](#) before issuing or renewing a CDL or CLP. Currently the DOT offers the CDL knowledge tests in Spanish, which is allowed by 49 C.F.R. [§383.133](#)(b)(3). The DOT performs the CDL skills test in English only, as required by 49 C.F.R. [§383.133](#)(c)(5).

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not more than \$2,500.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.

- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- The DOT will have a one-time IT cost of \$74,000 for developing and implementing a computer-based test for commercial drivers.
- The DOT will have a one-time IT cost of \$122,000 for the International Registration Plan (IRP) system and a one-time IT cost of \$224,000 for the ARTS modernization.
- The DOT anticipates needing 1.0 additional administrative assistant 2 FTE position to process the civil penalty payments. The yearly salary for an administrative assistant 2 FTE position is approximately \$97,000.

Correctional Impact

House File 2700 creates two new offenses classified as serious misdemeanors. The correctional impact of the Bill cannot be determined because the number of new convictions cannot be estimated. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Minority Impact

The minority impact cannot be determined since the number of new convictions under the Bill is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact cannot be determined because the number of new convictions under the Bill cannot be estimated. The average State cost per serious misdemeanor is between \$350 and \$6,200. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

The DOT will incur a total cost of \$517,000 in FY 2027, of which \$420,000 would be for one-time IT costs and \$97,000 would be for 1.0 new administrative assistant 2 FTE position. For FY 2028, the ongoing cost to the DOT will be \$97,000 to maintain 1.0 FTE position.

Sources

Department of Transportation

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

/s/ Jennifer Acton

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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.
