



# Fiscal Note

## Fiscal Services Division



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[SF 2426](#) – Commercial Driver’s Licenses, English Proficiency (LSB5328SV.4)  
Staff Contact: Garry Martin (515.281.4611) [garry.martin@legis.iowa.gov](mailto:garry.martin@legis.iowa.gov)  
Fiscal Note Version – Final Action

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### Description

[Senate File 2426](#) requires the Department of Transportation (DOT) to examine the English language proficiency of each person who applies for issuance or renewal of a commercial driver’s license or commercial learner’s permit and to deny the issuance or renewal of a license if an applicant fails to demonstrate proficiency sufficient to meet the requirements of 49 C.F.R. [§383.133](#)(b)(2). The DOT must administer the examination in a computer-based format, and an applicant will be allowed to retake 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.

However, in lieu of a criminal penalty, a peace officer must issue an out-of-service order to a person unable to demonstrate proficiency in the English language sufficient to meet the requirements of 49 C.F.R. [§391.11](#)(b)(2) if the person holds an unexpired commercial driver’s license or commercial learner’s permit that was issued by the DOT after completing an English language proficiency exam.

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 that violates this provision commits a simple misdemeanor punishable by a \$10,000 scheduled fine.

A peace officer is required to issue an out-of-service order to a commercial motor carrier if an investigation, a safety audit, or normal business activity reveals that a carrier is allowing or has allowed within the previous 12 months a person who is not English proficient to operate a CMV or has been issued an out-of-service order by another state or the Federal Motor Carrier Safety Administration for allowing a person who is not English proficient to operate a CMV. An out-of-service order issued by a peace officer applies only in this state and prohibits a commercial motor carrier from operating a CMV owned, leased, or otherwise controlled by the carrier until the violation has been corrected or the fine has been paid.

The DOT and the Department of Public Safety (DPS) are each prohibited from complying with a provision of the Bill if compliance would cause the denial of federal funds or services or would otherwise violate federal law. The DOT is not required to examine the English language proficiency of CDL and CLP applicants until March 1, 2027, or the date the DOT director submits a statement to the Iowa Administrative Code Editor that the applicable phase of the DOT’s new record system is implemented, whichever is earlier. 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).

Under 49 C.F.R. [§383.133](#)(b)(2), a person is qualified to drive a motor vehicle if he or she can read and speak the English language sufficiently to converse with the general public, to understand highway traffic signs and signals in the English language, to respond to official inquiries, and to make entries on reports and records.

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. Moneys collected from fines and fees from commercial vehicle violation citations are deposited into the Road Use Tax Fund (RUTF) per Iowa Code section [602.8108](#)(8).

## 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 information technology (IT) cost of \$74,000 for developing and implementing a computer-based test for commercial drivers.
- Between June 2025 and May 2026, there have been 309 out-of-service orders issued by the DPS related to English language proficiency. It is unknown how many annual out-of-service orders will be issued moving forward.

## Correctional Impact

Senate File 2426 creates a new offense classified as a serious misdemeanor. 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 of the correctional 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.

Any fines issued for an out-of-service order will be deposited into the RUTF; however, total fine revenue cannot be determined at this time.

The DOT may incur a one-time IT cost of approximately \$74,000 to develop and implement a computer-based test for commercial drivers. However, the DOT has indicated this cost will be funded within existing budget resources.

**Sources**

- Department of Transportation
- Department of Public Safety
- 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.

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