



HF 355 – Online Renewal of Driver’s Licenses (LSB 1288HV)
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Fiscal Note Version – New

Description

House File 355 permits the Department of Transportation (DOT) to renew a driver’s license electronically and without requiring the licensee to pass a vision test or file a vision report pursuant to the rules of the DOT.

Assumptions

- The estimated number of applicants electing to renew online will be 137,200 per year or approximately 35% of the 392,000 annual renewals.
- The number of renewals issued by the DOT will be 89,180 (65.0% of 137,200 online annual renewals).
- The number of renewals issued by counties will be 48,020 (35.0% of 137,200 online annual renewals).
- Assumes that one third hour (20 minutes) will be saved by DOT or county license clerks per license issuance.
- The DOT driver’s license issuance time is 29,726 hours annually, or the equivalent of 17.0 FTE positions.
- The average salary and benefits for a full-time DOT driver’s license clerk is \$52,500. Salary and benefits cost for driver’s license issuance by the DOT is 17.0 FTE positions times \$52,500 for a total of \$892,500.
- Reduced DOT payments to counties for issuance cost saved equals \$336,000 (\$7.00 times 48,020).

Fiscal Impact

This Bill will result in estimated savings to the Road Use Tax Fund of \$1.2 million annually based on the above assumptions (salary savings of \$892,500 plus the reduced issuance retention transfers to the counties in the amount of \$336,000). Counties may also experience a reduction in issuance costs, but that impact cannot be determined, and is offset by the reduced DOT retention transfer payments mentioned above.

Source

DOT

/s/ Holly M. Lyons

March 12, 2013

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.
