
BUDGET UNIT BRIEF – FY 2027

Fiscal Services Division

July 1, 2026



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Driver's Licenses — RUTF

Purpose and History

This appropriation to the Department of Transportation (DOT) funds the costs associated with the production of driver's licenses. The costs represent the lease of the Driver's License Digitized Photo Imaging System. The cost of the lease for the imaging system is based on the number of licenses issued and the estimated cost per driver's license. There are more than 2.3 million licensed drivers in Iowa.

Between 865,000 and 1.1 million driver's licenses are issued annually. A graduated driver's license, or intermediate license, is issued to all first-time licensees under the age of 18. A full license is available to drivers age 17 and over, provided they have completed a one-year period of driving without a moving violation or a motor vehicle crash. Beginning in 2014, Iowa's driver's licenses began transitioning from five-year to eight-year license terms. For qualified drivers, a license renewal may be completed electronically using the [DOT's myMVD website](#).

State Funding

Beginning in FY 2026, the General Assembly authorized allocations from the Statutory Allocation Fund (SAF) for driver's license production. The SAF consists of revenues from trailer registration fees, driver's license and nonoperator identification card fees, commercial driver's license driving skills test fees, issuance of a certificate of title fees, and the certificate of title surcharge. Funds equal to the costs of producing and distributing driver's licenses and nonoperator's identification cards are appropriated from the SAF to the DOT for that purpose.

A provision included in the annual Transportation Appropriations Act permits the DOT to carry unexpended and unobligated funds forward to the subsequent fiscal year and permits those funds to remain available for expenditure for the purpose of paying driver's license issuance costs. 2025 Iowa Acts, [Senate File 628](#) (FY 2026 Transportation Appropriations Act), codified this appropriation in Iowa Code section [321.145](#).

Related Statutes and Administrative Rules

Iowa Code chapter [321](#)

Iowa Administrative Code [761—602](#)

Budget Unit Number

6450S680810

1595373

More Information

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