

FEB 28 1996

TRANSPORTATION

HOUSE FILE 2396  
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HSB 618)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act expanding the issuance of motor vehicle licenses by county  
2 treasurers and providing funding and an effective date.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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*HF 2396*

1 Section 1. Section 321.179, Code Supplement 1995, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 3. By July 1, 1996, an additional twenty-  
4 four counties as designated by the department, and by July 1,  
5 1997, any county requesting to do so, shall be authorized to  
6 issue motor vehicle licenses, nonoperator's identification  
7 cards, and handicapped identification devices on a permanent  
8 basis, as provided in this section.

9 Sec. 2. ISSUANCE OF MOTOR VEHICLE LICENSES BY COUNTY  
10 TREASURERS -- EXPANSION -- FUNDING.

11 1. By July 1, 1996, twenty-four counties in addition to  
12 those counties referenced in section 321.179 and by July 1,  
13 1997, any other county requesting to do so, shall be  
14 authorized to issue motor vehicle licenses on a permanent  
15 basis. The department shall select the twenty-four new  
16 counties from a pool of counties which have so requested. The  
17 county treasurers' offices in the designated counties shall  
18 issue motor vehicle licenses, including commercial driver's  
19 licenses, nonoperator's identification cards, and handicapped  
20 identification devices. The department shall designate the  
21 counties by July 1, 1996. The department shall authorize any  
22 other county requesting to do so, to issue motor vehicle  
23 licenses pursuant to this section and section 321.179 by July  
24 1, 1997.

25 2. The state department of transportation shall work in  
26 conjunction with the county treasurer in each designated  
27 county and with a representative of the Iowa state county  
28 treasurers association to facilitate and implement the  
29 transfer of licensing duties and responsibilities to the  
30 designated counties in accordance with all of the following:

31 a. The department shall retain all administrative  
32 authority over licensing functions which shall include  
33 administrative procedures relating to cancellation,  
34 revocation, or suspension of licenses, administrative hearings  
35 and appeals, and training.

1 b. The department shall provide the county treasurer's  
2 office in each of the counties with all of the supplies,  
3 materials, and equipment necessary to carry out the provisions  
4 of this subsection.

5 c. If it is necessary for a county treasurer to hire  
6 additional employees, first priority in hiring shall be given  
7 to current employees of the department who become unemployed  
8 due to the changes necessitated by this section.

9 d. The county treasurers in the designated counties shall  
10 be required to offer hours and days of service to the public  
11 equal to or greater than the hours and days of service  
12 provided by the state department of transportation in the  
13 designated county immediately prior to the start of the  
14 county's provision of the service.

15 3. Notwithstanding any other provisions to the contrary,  
16 the county treasurers of the counties authorized to issue  
17 motor vehicle licenses may retain for deposit in the county  
18 general fund, up to five dollars for each motor vehicle  
19 license transaction, including, but not limited to, issuance  
20 or renewal of motor vehicle licenses, nonoperator's  
21 identification cards, or handicapped identification devices.

22 4. As a condition for retention of moneys under subsection  
23 3, a county treasurer shall document the actual quarterly  
24 expenditures associated with motor vehicle license issuance  
25 including the amount of time spent during that quarter on  
26 motor vehicle license-related activities, the proportionate  
27 share of salaries and benefits for county employees performing  
28 motor vehicle license-related activities, the total numbers of  
29 transactions conducted, and other costs related to the  
30 administration of motor vehicle license-related activities.  
31 Each county treasurer shall provide the documentation of  
32 expenditures to the state department of transportation and  
33 legislative fiscal bureau. If the county treasurer's total  
34 expenses are less than the moneys retained under this  
35 subsection, the county treasurer shall submit the difference

HOUSE FILE 2396  
FISCAL NOTE

A fiscal note for House File 2396 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2396 transfers the motor vehicle license issuance responsibilities to 24 counties and allows any county in addition to the 24 to issue licenses. The Bill also allows the counties to retain \$5 for each motor vehicle license, nonoperator identification card, and handicapped device processed.

ASSUMPTIONS

1. The addition of 24 counties will eliminate five Department of Transportation (DOT) driver license teams and 22 employees at an annual cost savings of \$748,000 in salaries and support.
2. The DOT will hire three additional staff to provide oversight and technical support for the 24 counties licensing functions. The first year cost for salary and support is \$163,000, the annual cost will be \$148,000.
3. The DOT will be required to pay an average weekly unemployment benefit of \$260 for each laid off employee for an estimated 11 weeks, at a cost of \$63,000.
4. The 24 counties will be reimbursed an average of \$427,000 annually for processing 85,400 transactions.
5. The first year cost for equipping the 24 counties will be \$79,000. This represents the equipment needed which is in addition to the license photo imaging equipment leased from Polaroid.
6. The annual lease cost of the license photo imaging equipment will increase by \$699,000 by expanding motor vehicle license issuance to 24 counties.
7. There will be 48 county employees receiving training by the DOT.
8. The first year cost of training 48 county employees by the DOT is \$65,000. This includes county costs of \$60,000 for employee expenses to be paid by the counties, and DOT costs of \$5,000 for rent of adequate facilities for training to be paid from the Road Use Tax Fund.
9. Two additional DOT staff will be required in the central office at an annual cost of \$66,000. These costs include: \$28,000 for one position to provide support for county staff on identifying driver record problems through the Commercial Driver License Information System and the National Driver Records System; \$31,000 for one position to provide assistance on technical computer problems associated with the increased number of users; \$7,000 for costs associated with shipping and mailing materials to the

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additional issuance sites.

10. The DOT will incur costs totaling \$58,000 for staff time associated with training, equipment installation, procurement, and testing. This cost is primarily for salaries of existing personnel and will be funded from the DOT's current operating budget.
11. The estimate assumes all 24 counties will participate in the issuance of driver's licenses and will result in the elimination of five complete DOT Driver License Teams. If the final selection of counties results in the partial elimination of DOT Teams, the cost may be higher than stated in this fiscal note depending on the location of the counties.

#### FISCAL IMPACT

House File 2396 will result in an estimated increased cost to the Road Use Tax Fund of \$754,000 the first year of implementation and an annual operating cost of \$592,000. In addition, the counties will incur an initial cost of \$60,000 for employee training.

The fiscal impact associated with the provision to allow any county the option of issuing motor vehicle licenses can not be determined.

#### SOURCES

Department of Transportation  
Cass and Appanoose County Treasurers Offices  
Legislative Fiscal Bureau  
Polaroid Corporation

(LSB 3946hv, DLR)

FILED FEBRUARY 29, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

## HOUSE FILE 2396

H-5134

1 Amend House File 2396 as follows:

2 1. Page 1, by inserting before line 1, the  
3 following:

4 "Section 1. Section 312.2, Code 1995, is amended  
5 by adding the following new subsection:

6 NEW SUBSECTION. 22. The treasurer of state,  
7 before making the allotments provided for in  
8 subsection 2, shall reduce the amount of the allotment  
9 by the amount of moneys retained by the counties  
10 pursuant to section 321.179, subsection 4, and the  
11 amount of moneys the state department of  
12 transportation expends to provide the counties with  
13 the supplies, materials and equipment necessary for  
14 issuance of motor vehicle licenses."

15 2. Page 1, line 2, by striking the word  
16 "subsection" and inserting the following:  
17 "subsections".

18 3. Page 1, by inserting after line 8, the  
19 following:

20 "NEW SUBSECTION. 4. Counties authorized to issue  
21 licenses under this section may retain for deposit in  
22 the county general fund, up to five dollars for each  
23 motor vehicle license transaction conducted pursuant  
24 to this section."

25 4. Page 2, line 4, by inserting after the word  
26 "subsection." the following: "All costs incurred by  
27 the state department of transportation for carrying  
28 out the provisions of this subsection shall be  
29 deducted from the counties' secondary road fund  
30 allotments in accordance with section 312.2,  
31 subsection 22."

32 5. Page 2, line 21, by inserting after the word  
33 "devices." the following: "The amount of moneys  
34 retained by a county pursuant to this subsection shall  
35 be deducted from the county's allotment of secondary  
36 road fund moneys in accordance with 312.2, subsection  
37 22."

By BRADLEY of Clinton

H-5134 FILED FEBRUARY 29, 1996

*Weidman, Chr.  
Arnold  
Mundie*

**HSB 618**

LOCAL GOVERNMENT

Succeeded By  
SF / (HF) 2396

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL  
BY CHAIRPERSON VANDE HOEF)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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32 expenditures to the state department of transportation and  
33 legislative fiscal bureau. If the county treasurer's total  
34 expenses are less than the moneys retained under this  
35 subsection, the county treasurer shall submit the difference

1 to the treasurer of state on a quarterly basis. The treasurer  
2 of state shall deposit that amount in the road use tax fund.

3 Sec. 3. This Act, being deemed of immediate importance,  
4 takes effect upon enactment.

5 EXPLANATION

6 This bill expands the issuance of motor vehicle licenses,  
7 nonoperator's identification cards, and handicapped  
8 identification devices by county treasurers from six counties  
9 to 30 counties by July 1, 1996, and expands it further by July  
10 1, 1997, by allowing any county requesting to do so to issue  
11 motor vehicle licenses. The state department of  
12 transportation is required to certify the counties so that  
13 they may issue commercial driver's licenses and to provide  
14 oversight over the counties. This bill requires the  
15 department to choose the 24 additional counties from a pool of  
16 counties who have requested to participate by July 1, 1996,  
17 and by July 1, 1997, to certify any other county requesting to  
18 do so. The bill allows the counties to retain \$5 for each  
19 motor vehicle licensing transaction but requires that the  
20 counties document actual quarterly expenditures and provide  
21 this information to the legislative fiscal bureau. Any  
22 windfall above expenses due to retention of the \$5 per  
23 transaction must be deposited in the road use tax fund.

24 The bill takes effect upon enactment in order to allow the  
25 24 counties to be designated by July 1, 1996.

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