

4-16-97 W.M. Calendar

FILED APR 16 1997

H-4/21/97 (p. 1743)  
H-4/28/97 No Pass  
545

SENATE FILE  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 262)

Passed Senate, Date 4/21/97 (p. 1292) Passed House, Date 4/29/97 (p. 1743)  
Vote: Ayes 50 Nays 0 Vote: Ayes 97 Nays 0  
Approved May 19, 1997

A BILL FOR

1 An Act relating to the nonrenewal or suspension of motor vehicle  
2 licenses for failure to pay indebtedness owed to or being  
3 collected by the state in pilot project counties, and  
4 providing an effective date.

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

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S.F. 545

1 Section 1. Section 321.210B, Code 1997, is amended to read  
2 as follows:

3 321.210B NONRENEWAL, OR SUSPENSION FOR FAILURE TO PAY  
4 INDEBTEDNESS OWED TO THE STATE.

5 The department shall suspend or refuse to renew the motor  
6 vehicle license of a person who has a delinquent account owed  
7 to the state according to records provided by the department  
8 of revenue and finance pursuant to section 421.17. A license  
9 shall be suspended or shall not be renewed until such time as  
10 the department of revenue and finance notifies the state  
11 department of transportation that the licensee has made  
12 arrangements for payment of the debt with the agency which is  
13 owed or is collecting the debt. This section is only  
14 applicable to those persons residing in a county which is  
15 participating in the driver's license indebtedness clearance  
16 pilot project.

17 Sec. 2. DRIVER'S LICENSE INDEBTEDNESS CLEARANCE PILOT  
18 PROJECT.

19 1. As used in this section, unless the context otherwise  
20 requires:

21 a. "Department" means the state department of  
22 transportation.

23 b. "Driver's license" means "motor vehicle license" as  
24 defined in section 321.1.

25 2. The department, in consultation with the department of  
26 revenue and finance, as well as other applicable state  
27 agencies, shall establish a driver's license indebtedness  
28 clearance pilot project. The department shall determine which  
29 and how many counties to include in the pilot project.  
30 However, a county may voluntarily participate in the pilot  
31 project and the department shall include such a county in the  
32 pilot project.

33 3. In pilot project counties, the department shall not  
34 issue a driver's license, shall not renew a driver's license,  
35 and shall suspend a driver's license if the applicant or

1 licensee has a delinquent account, charge, fee, loan, or other  
2 indebtedness owed to or being collected by the state, unless  
3 the applicant or licensee has made arrangements for the  
4 payment of the debt with the agency, which is owed or is  
5 collecting the debt, to the satisfaction of the agency. A  
6 determination of money owed shall be based upon information  
7 provided pursuant to section 421.17. An applicant or licensee  
8 may contest this action by requesting a contested case  
9 proceeding from the agency that referred the debt for  
10 collection pursuant to section 421.17.

11 4. The department may issue a temporary permit allowing an  
12 applicant or licensee to operate a motor vehicle under limited  
13 circumstances if an applicant is denied a driver's license, if  
14 a driver's license is not renewed, or if a driver's license is  
15 suspended pursuant to this section. The department shall give  
16 special consideration to an applicant or licensee who is  
17 required to operate a motor vehicle for employment purposes.

18 5. The department shall utilize the records system  
19 maintained pursuant to section 321.31, subsection 1, to  
20 implement the pilot project. Notwithstanding any provisions  
21 of law to the contrary, the department of revenue and finance  
22 may exchange information with the department for purposes of  
23 the pilot project.

24 6. The pilot project shall commence on the effective date  
25 of this Act. The department shall submit a report to the  
26 governor and the general assembly by April 1, 1998, providing  
27 a summary of the pilot project, any amounts collected as a  
28 result of the pilot project, and any commensurate  
29 recommendations. The department shall adopt rules in  
30 accordance with chapter 17A to implement the pilot project in  
31 accordance with this section.

32 Sec. 3. Section 421.17, subsection 34, paragraph i, Code  
33 1997, is amended to read as follows:

34 i. The director may distribute to credit reporting  
35 entities and for publication the names, addresses, and amounts

1 of indebtedness owed to or being collected by the state if the  
2 indebtedness is subject to the centralized debt collection  
3 procedure established in this subsection. The director shall  
4 adopt rules to ~~implement~~ administer this paragraph, and the  
5 rules shall provide guidelines by which the director shall  
6 determine which names, addresses, and amounts of indebtedness  
7 may be distributed for publication. The director may  
8 distribute information for publication pursuant to this  
9 paragraph, notwithstanding sections 422.20, 422.72, and  
10 423.23, or any other provision of state law to the contrary  
11 pertaining to confidentiality of information.

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

14 EXPLANATION

15 This bill reestablishes the driver's license indebtedness  
16 clearance pilot project. The bill provides that the state  
17 department of transportation shall not renew a driver's  
18 license or shall suspend the driver's license of a person who  
19 has a delinquent account or other indebtedness owed to or  
20 being collected by the state unless the applicant or licensee  
21 has made arrangements for the payment of the debt with the  
22 agency which is collecting the debt. A determination of the  
23 amount owed shall be based upon information provided pursuant  
24 to Code section 421.17. The department of transportation  
25 shall determine which counties will participate in the pilot  
26 project. However, a county may elect to join the pilot  
27 project voluntarily.

28 In addition, the bill provides that the director of the  
29 department of revenue and finance may provide the names,  
30 addresses, and amount of indebtedness owed or being collected  
31 by the state to credit reporting agencies.

32 The bill takes effect upon enactment.

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## SENATE FILE 546

S-3633

1 Amend Senate File 546 as follows:  
2 1. Page 19, by inserting after line 7 the  
3 following:  
4 "Sec. \_\_\_\_ . Section 445.60, Code 1997, is amended  
5 to read as follows:  
6 445.60 REFUNDING ERRONEOUS TAX.  
7 The board of supervisors shall direct the county  
8 treasurer to refund to the taxpayer any tax or portion  
9 of a tax found to have been erroneously or illegally  
10 paid, with all interest, fees, and costs actually  
11 paid. A refund shall not be ordered or made unless a  
12 claim for refund is presented to the board within one  
13 year five years of the date the tax was due, or if  
14 appealed to the board of review, the state board of  
15 tax review, or district court, within one-year five  
16 years of the final decision."

By WILLIAM D. PALMER

S-3633 FILED APRIL 21, 1997

## SENATE FILE 546

S-3636

1 Amend Senate File 546 as follows:  
2 1. Page 2, line 21, by striking the words "eight  
3 million eight" and inserting the following: "eighteen  
4 million seven".  
By MARY LOU FREEMAN MARY NEUHAUSER  
STEVEN D. HANSEN STEVE KING

S-3636 FILED APRIL 21, 1997

Drake, Chair  
McKibben  
Szymoniak

SSB 262  
Ways & Means

Succeeded By  
SENATE FILE ~~SEHF~~ 545  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON DOUGLAS)

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

A BILL FOR

1 An Act relating to the nonrenewal or suspension of motor vehicle  
2 licenses for failure to pay indebtedness owed to or being  
3 collected by the state.

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

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1 Section 1. Section 321.177, subsection 10, Code 1997, is  
2 amended to read as follows:

3 10. To any person who has a delinquent account owed to the  
4 state according to records provided to the state department of  
5 transportation by the department of revenue and finance  
6 pursuant to section 421.17, unless the person provides to the  
7 state department of transportation evidence of approval for  
8 issuance from the department of revenue and finance. The  
9 department of revenue and finance shall approve issuance if  
10 the applicant has made arrangements for payment of the debt  
11 with the agency, which is owed or is collecting the debt, to  
12 the satisfaction of the agency. ~~This subsection is only  
13 applicable to those persons who are applying for issuance of a  
14 license in a county which is participating in the driver's  
15 license indebtedness clearance pilot project.~~

16 Sec. 2. Section 321.210B, Code 1997, is amended to read as  
17 follows:

18 321.210B NONRENEWAL, OR SUSPENSION FOR FAILURE TO PAY  
19 INDEBTEDNESS OWED TO THE STATE.

20 1. The department shall suspend or refuse to renew the  
21 motor vehicle license of a person who has a delinquent account  
22 owed to the state according to records provided by the  
23 department of revenue and finance pursuant to section 421.17.  
24 A license shall be suspended or shall not be renewed until  
25 such time as the department of revenue and finance notifies  
26 the state department of transportation that the licensee has  
27 made arrangements for payment of the debt with the agency  
28 which is owed or is collecting the debt. ~~This section is only  
29 applicable to those persons residing in a county which is  
30 participating in the driver's license indebtedness clearance  
31 pilot project.~~

32 2. A person may challenge the suspension or nonrenewal of  
33 a license under this section by making written appeal to the  
34 department of revenue and finance within ten days of the  
35 notice that the person's license is suspended or the refusal

1 to renew the person's license. The only ground for reversing  
2 or modifying the department's action is a mistake of fact,  
3 including but not limited to a mistake as to whether the  
4 person owes a debt to the state or a mistake in the amount  
5 owed or being collected by the state. The department of  
6 revenue and finance shall notify the department and the person  
7 of its determination by regular mail.

8 3. An appeal under this section is not subject to chapter  
9 17A.

10 Sec. 3. Section 421.17, subsection 34, paragraph i, Code  
11 1997, is amended to read as follows:

12 i. The director may distribute to credit reporting  
13 entities and for publication the names, addresses, and amounts  
14 of indebtedness owed to or being collected by the state if the  
15 indebtedness is subject to the centralized debt collection  
16 procedure established in this subsection. The director shall  
17 adopt rules to implement administer this paragraph, and the  
18 rules shall provide guidelines by which the director shall  
19 determine which names, addresses, and amounts of indebtedness  
20 may be distributed for publication. The director may  
21 distribute information for publication pursuant to this  
22 paragraph, notwithstanding sections 422.20, 422.72, and  
23 423.23, or any other provision of state law to the contrary  
24 pertaining to confidentiality of information.

25 EXPLANATION

26 This bill makes the driver's license indebtedness clearance  
27 pilot project permanent and extends the pilot project  
28 statewide. The bill provides that the state department of  
29 transportation shall not renew a driver's license or shall  
30 suspend the driver's license of a person who has a delinquent  
31 account or other indebtedness owed to or being collected by  
32 the state unless the applicant or licensee has made  
33 arrangements for the payment of the debt with the agency which  
34 is collecting the debt. A determination of the amount owed  
35 shall be based upon information provided pursuant to Code

1 section 421.17.

2 The bill also provides that a person who is refused renewal  
3 of a license or whose license is suspended may appeal to the  
4 department of revenue and finance that the person is not the  
5 person with the delinquent account or debt being collected by  
6 the state or that the amount sought to be collected is  
7 incorrect. The appeal is not subject to the provisions of the  
8 Iowa administrative procedure Act, chapter 17A of the Code.

9 In addition, the bill provides that the director of the  
10 department of revenue and finance may provide the names,  
11 addresses, and amount of indebtedness owed or being collected  
12 by the state to credit reporting agencies.

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SENATE FILE 545

AN ACT

RELATING TO THE NONRENEWAL OR SUSPENSION OF MOTOR VEHICLE  
LICENSES FOR FAILURE TO PAY INDEBTEDNESS OWED TO OR BEING  
COLLECTED BY THE STATE IN PILOT PROJECT COUNTIES, AND  
PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 321.210B, Code 1997, is amended to read  
as follows:

321.210B NONRENEWAL, OR SUSPENSION FOR FAILURE TO PAY  
INDEBTEDNESS OWED TO THE STATE.

The department shall suspend or refuse to renew the motor  
vehicle license of a person who has a delinquent account owed  
to the state according to records provided by the department  
of revenue and finance pursuant to section 421.17. A license  
shall be suspended or shall not be renewed until such time as  
the department of revenue and finance notifies the state

department of transportation that the licensee has made  
arrangements for payment of the debt with the agency which is  
owed or is collecting the debt. This section is only  
applicable to those persons residing in a county which is  
participating in the driver's license indebtedness clearance  
pilot project.

Sec. 2. DRIVER'S LICENSE INDEBTEDNESS CLEARANCE PILOT  
PROJECT.

1. As used in this section, unless the context otherwise  
requires:

a. "Department" means the state department of  
transportation.

b. "Driver's license" means "motor vehicle license" as  
defined in section 321.1.

2. The department, in consultation with the department of  
revenue and finance, as well as other applicable state  
agencies, shall establish a driver's license indebtedness  
clearance pilot project. The department shall determine which  
and how many counties to include in the pilot project.  
However, a county may voluntarily participate in the pilot  
project and the department shall include such a county in the  
pilot project.

3. In pilot project counties, the department shall not  
issue a driver's license, shall not renew a driver's license,  
and shall suspend a driver's license if the applicant or  
licensee has a delinquent account, charge, fee, loan, or other  
indebtedness owed to or being collected by the state, unless  
the applicant or licensee has made arrangements for the  
payment of the debt with the agency, which is owed or is  
collecting the debt, to the satisfaction of the agency. A  
determination of money owed shall be based upon information  
provided pursuant to section 421.17. An applicant or licensee  
may contest this action by requesting a contested case  
proceeding from the agency that referred the debt for  
collection pursuant to section 421.17.

4. The department may issue a temporary permit allowing an applicant or licensee to operate a motor vehicle under limited circumstances if an applicant is denied a driver's license, if a driver's license is not renewed, or if a driver's license is suspended pursuant to this section. The department shall give special consideration to an applicant or licensee who is required to operate a motor vehicle for employment purposes.

5. The department shall utilize the records system maintained pursuant to section 321.31, subsection 1, to implement the pilot project. Notwithstanding any provisions of law to the contrary, the department of revenue and finance may exchange information with the department for purposes of the pilot project.

6. The pilot project shall commence on the effective date of this Act. The department shall submit a report to the governor and the general assembly by April 1, 1998, providing a summary of the pilot project, any amounts collected as a result of the pilot project, and any commensurate recommendations. The department shall adopt rules in accordance with chapter 17A to implement the pilot project in accordance with this section.

Sec. 3. Section 421.17, subsection 34, paragraph 1, Code 1997, is amended to read as follows:

1. The director may distribute to credit reporting entities and for publication the names, addresses, and amounts of indebtedness owed to or being collected by the state if the indebtedness is subject to the centralized debt collection procedure established in this subsection. The director shall adopt rules to implement administer this paragraph, and the rules shall provide guidelines by which the director shall determine which names, addresses, and amounts of indebtedness may be distributed for publication. The director may distribute information for publication pursuant to this paragraph, notwithstanding sections 422.20, 422.22, and 423.23, or any other provision of state law to the contrary pertaining to confidentiality of information.

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

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MARY E. KRAMER  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 545, Seventy-seventh General Assembly.

Approved May 19, 1997

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MARY PAT GUNDERSON  
Secretary of the Senate

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TERRY E. BRANSTAD  
Governor