

House Study Bill 181

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON HUSER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning the county driver's license issuance program,
2 the amount of fees retained by county treasurers under the
3 program, and providing fees to be charged for certain
4 commercial driver's license services.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2021HC 82
7 dea/je/5

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1 1 Section 1. Section 321.191, subsection 7, Code 2007, is
1 2 amended by striking the subsection and inserting in lieu
1 3 thereof the following:
1 4 7. COMMERCIAL DRIVER'S LICENSE SKILLS TESTS. The fee for
1 5 the knowledge skills test for a commercial driver's license is
1 6 six dollars. The fee for the three-part skills test for a
1 7 commercial driver's license is fifty dollars. The department
1 8 may provide by rule for prorated fees to be charged for each
1 9 part of the skills test taken separately from the rest. Upon
1 10 renewal of a commercial driver's license, no fee is payable
1 11 for retaining endorsements or the removal of the air brake
1 12 restriction for those endorsements or restrictions which do
1 13 not require the taking of either a knowledge or a driving
1 14 skills test for renewal.
1 15 Sec. 2. Section 321M.1, Code 2007, is amended by adding
1 16 the following new subsections:
1 17 NEW SUBSECTION. 10. "Tier A" service means any of the
1 18 following activities related to the provision of driver's
1 19 license services:
1 20 a. Original issuance of a driver's license.
1 21 b. Upgrading a license class privilege.
1 22 c. Reinstatement of a driver's license.
1 23 d. Issuance of a duplicate driver's license.
1 24 e. Renewal of a driver's license.
1 25 NEW SUBSECTION. 11. "Tier B" service means any of the
1 26 following activities relating to the fulfillment of commercial
1 27 driver's license requirements:
1 28 a. Knowledge skills testing.
1 29 b. Driving skills testing.
1 30 Sec. 3. Section 321M.4, subsection 2, Code 2007, is
1 31 amended to read as follows:
1 32 2. The department is not obligated to provide service in a
1 33 county for issuance of driver's licenses, nonoperator
1 34 identification cards, or persons with disabilities
1 35 identification devices if the county fails to meet the
2 1 department's standards for issuance or if the county elects to
2 2 discontinue providing the service.
2 3 Sec. 4. Section 321M.5, subsection 1, Code 2007, is
2 4 amended to read as follows:
2 5 1. The department and each county participating in county
2 6 issuance shall execute an agreement pursuant to chapter 28E,
2 7 detailing the relative responsibilities and liabilities of
2 8 each party to the agreement. The agreement shall require that
2 9 the level of service offered by the county include, at a
2 10 minimum, all activities required for services under tier A.
2 11 Sec. 5. Section 321M.9, subsection 1, as amended by 2005
2 12 Iowa Acts, chapter 54, section 8, is amended to read as
2 13 follows:
2 14 1. FEES TO COUNTIES. Notwithstanding any other provision
2 15 in the Code to the contrary, the county treasurer of a county
2 16 authorized to issue driver's licenses under this chapter shall

2 17 retain for deposit in the county general fund seven dollars of
2 18 ~~fees received for each issuance or renewal of driver's~~
2 19 ~~licenses and nonoperator's identification cards, the fees~~
2 20 ~~provided for in this subsection, but shall not retain any~~
2 21 ~~moneys for the issuance of any persons with disabilities~~
2 22 ~~identification devices. The five dollar processing fee~~
2 23 ~~charged by a county treasurer for collection of a civil~~
2 24 ~~penalty under section 321.218A or 321A.32A shall be retained~~
2 25 ~~for deposit in the county general fund. The county treasurer~~
2 26 ~~shall remit the balance of fees and all civil penalties to the~~
2 27 ~~department.~~

2 28 a. For each tier A service performed by the county
2 29 treasurer, the county treasurer shall retain the following
2 30 amount from fees for motor vehicle services for deposit in the
2 31 county general fund.

2 32 (1) For the fiscal year beginning July 1, 2007, the county
2 33 shall retain eight dollars and sixty-three cents for a tier A
2 34 service.

2 35 (2) For the fiscal year beginning July 1, 2008, and each
3 1 fiscal year thereafter, the amount to be retained by county
3 2 treasurers for a tier A service shall be increased by the
3 3 allowable growth amount for the fiscal year. For purposes of
3 4 this subparagraph, "allowable growth amount for the fiscal
3 5 year" means the amount of the fee retained by counties for a
3 6 tier A service for the previous fiscal year multiplied by the
3 7 state percent of growth established pursuant to section 257.8,
3 8 subsection 1, for the school budget year that corresponds to
3 9 the county's current fiscal year beginning July 1 and ending
3 10 June 30.

3 11 b. For each tier B service performed by the county
3 12 treasurer, the county treasurer shall retain all of the fee
3 13 charged pursuant to section 321.191, subsection 7, for deposit
3 14 in the county general fund.

3 15 c. The five-dollar processing fee charged by a county
3 16 treasurer for collection of a civil penalty under section
3 17 321.218A or 321A.32A shall be retained for deposit in the
3 18 county general fund.

3 19 Sec. 6. Section 321M.9, Code 2007, is amended by adding
3 20 the following new subsection:

3 21 NEW SUBSECTION. 3A. BUDGET. Each county treasurer
3 22 participating in county issuance shall establish a separate
3 23 budget for the program that includes the following elements,
3 24 as applicable:

3 25 a. Salaries and benefits.

3 26 b. Consumable supplies not furnished or paid for by the
3 27 department.

3 28 c. For counties with alternate driver's license issuance
3 29 sites, travel costs.

3 30 d. For counties with alternate driver's license issuance
3 31 sites, phone costs.

3 32 Sec. 7. Section 321M.9, subsection 4, Code 2007, is
3 33 amended to read as follows:

3 34 4. PERIODIC FEE ADJUSTMENT STUDY. The auditor of state,
3 35 in consultation with the state department of transportation
4 1 and the Iowa county treasurers association, shall conduct a
4 2 study of the fiscal impact of the county driver's license
4 3 issuance program and report its findings and recommendations
4 4 to the general assembly prior to January 1, 2006, and repeat
4 5 the study and reporting prior to January 1, 2012, and every
4 6 four years thereafter. The auditor of state's costs for
4 7 conducting the study shall be paid by the department. The
4 8 study shall include a comparison of the cumulative costs to
4 9 issue driver's licenses and nonoperator's identification cards
4 10 under both the state department of transportation program and
4 11 the county issuance program. The study shall be based on
4 12 those issuance activities that are common to both programs.
4 13 Prior to ~~the~~ each study period, the auditor of state shall
4 14 meet with the department and the county treasurers association
4 15 to determine the study methodology to ensure appropriate
4 16 accounting for time and cost during the study. The findings
4 17 and recommendations submitted by the auditor of state shall be
4 18 considered by the general assembly in adjusting the amount of
4 19 the fees retained by the county treasurers for issuance of
4 20 driver's licenses and nonoperator's identification cards.

4 21 EXPLANATION

4 22 This bill revises provisions relating to the issuance of
4 23 driver's licenses and nonoperator's identification cards by
4 24 county treasurers and by the department of transportation.
4 25 Currently, 81 county treasurers participate in the county
4 26 issuance program. Counties retain \$7 from fees for each
4 27 license issued or renewed. The bill establishes a fee system

4 28 for county treasurers that is based on the type of service
4 29 performed, rather than the license issued. The bill defines
4 30 two types of issuance services. Tier B services are
4 31 administration of the knowledge skills tests and driving
4 32 skills tests for commercial driver's licenses. Tier A
4 33 services are all other licensing activities, including
4 34 original issuance of a driver's license, upgrading a license
4 35 class privilege, license reinstatement, issuance of a
5 1 duplicate license, and license renewal. Not every county
5 2 offers tier B services, but the bill requires that every
5 3 county participating in the county issuance program must offer
5 4 all of the activities for tier A services. The bill also
5 5 specifies that if a county decides to discontinue providing
5 6 driver licensing services, the department of transportation is
5 7 not obligated to provide the services in that county.
5 8 The bill eliminates the fees currently charged for
5 9 endorsements on a commercial driver's license, and establishes
5 10 fees to be charged by the department or a county treasurer for
5 11 administering tests for commercial driver's licenses. For the
5 12 knowledge skills test, the fee is \$6. For the three-part
5 13 driving skills test, the fee is \$50. The department may
5 14 establish separate fees to be charged for each part of the
5 15 driving skills test: pretrip inspection, basic vehicle
5 16 control skills, and on-the-road driving demonstration.
5 17 The bill revises the amount of the license fee to be
5 18 retained by county treasurers for a driver's license service.
5 19 Currently, the amount retained is \$7 for each license issued
5 20 or renewed. The bill establishes a new fee system based on
5 21 the service tiers. For a tier A service under the system, the
5 22 amount of the license fee retained by the county treasurer is
5 23 \$8.63 for the fiscal year beginning July 1, 2007. The amount
5 24 retained is to be increased annually on July 1 by an allowable
5 25 growth amount linked to the school budget formula. For a tier
5 26 B service, the amount retained by the treasurer is the entire
5 27 fee for the service: \$6 for the knowledge test and \$50 for
5 28 the three-part driving skills test.
5 29 The bill amends a provision in current law that requires
5 30 the state auditor, in consultation with the department of
5 31 transportation and the Iowa county treasurers association, to
5 32 study and report every four years on the fiscal impact of the
5 33 county driver's license issuance program. The bill extends
5 34 the due date for the next report by two years, to January 1,
5 35 2012. To facilitate the study, the bill requires county
6 1 treasurers to adopt standard budgeting practices for the
6 2 driver's license issuance program.
6 3 LSB 2021HC 82
6 4 dea:nh/je/5