

**House Study Bill 622 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON BYRNES)

**A BILL FOR**

1 An Act providing for special vehicle registration plates  
2 displaying a decal designed and issued by a nonprofit  
3 organization, providing fees, making a penalty applicable,  
4 and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.34, subsection 13, Code 2016, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 13. *Special plates displaying organization decal.*

5 a. (1) The owner of a motor vehicle subject to registration  
6 pursuant to section 321.109, subsection 1, motor truck, motor  
7 home, multipurpose vehicle, motorcycle, trailer, or travel  
8 trailer may upon request be issued special registration  
9 plates that contain a space reserved for the placement of an  
10 organization decal. If the special plates are requested at the  
11 time of initial application for registration and certificate  
12 of title for the vehicle, no special plate fee is required  
13 other than the regular annual registration fee for the vehicle.  
14 If the special plates are requested as replacement plates,  
15 the owner shall surrender the current regular or special  
16 registration plates in exchange for the special plates and  
17 shall pay a replacement plate fee of five dollars. The county  
18 treasurer shall validate special plates with an organization  
19 decal in the same manner as regular plates, upon payment of the  
20 annual registration fee.

21 (2) An applicant may obtain a personalized special  
22 registration plate with space reserved for an organization  
23 decal, subject to the additional fees for a personalized plate  
24 as provided in subsection 5. Personalized plates with space  
25 reserved for an organization decal shall be limited to no more  
26 than five initials, letters, or combinations of numerals and  
27 letters.

28 b. (1) An organization may apply to the department  
29 for approval to issue a decal to be displayed on vehicle  
30 registration plates. To qualify for such approval, an  
31 organization must have at least two hundred members in this  
32 state and shall meet the following requirements:

33 (a) The primary activity or interest of the organization  
34 serves the community, contributes to the welfare of others,  
35 and is not discriminatory in its purpose, nature, activity, or

1 name.

2 (b) The name and purpose of the organization do not promote  
3 any specific product or brand name that is provided for sale.

4 (c) The organization is a nonprofit corporation which is  
5 exempt from taxation under section 501(c)(3) of the Internal  
6 Revenue Code and is organized under the laws of this state or  
7 authorized to do business within this state.

8 (2) The department may accept an application for a decal  
9 design from a group of nonprofit organizations with a common  
10 purpose, provided that each organization within the group meets  
11 the requirements for a qualifying organization established by  
12 the department under this subsection.

13 c. An organization desiring to issue a decal shall submit an  
14 application to the department on a form to be provided by the  
15 department. Along with the application, the organization shall  
16 furnish to the department all of the following:

17 (1) A copy of the articles of incorporation for the  
18 organization.

19 (2) A copy of the charter or by-laws for the organization.

20 (3) Any Internal Revenue Service rulings concerning the  
21 organization's nonprofit tax exemption status.

22 (4) A color copy of the completed decal design.

23 (5) A clear and concise explanation of the purpose of the  
24 decal, all eligibility requirements for purchasing the decal,  
25 and fees to be charged for the decal.

26 (6) Certification by the person who has legal rights to the  
27 decal design allowing use of the design.

28 (7) Any other information required by the department.

29 d. The department shall consider a proposed decal design  
30 based upon criteria established by the department, which shall  
31 include but not be limited to the following:

32 (1) A decal shall not promote a specific religion, faith, or  
33 anti-religious sentiment.

34 (2) A decal shall not have any sexual connotation and shall  
35 not be vulgar, prejudiced, hostile, insulting, or racially or

1 ethnically degrading.

2 e. Upon approval by the department of an organization's  
3 application to issue a decal and approval of the design of the  
4 decal, the organization is responsible for the production,  
5 administration, and issuance of the decal. An organization  
6 shall not issue a decal that has not been approved by the  
7 department or alter the approved design of a decal without the  
8 department's approval.

9 f. A person shall not display a decal on a vehicle  
10 registration plate other than a decal approved by the  
11 department.

12 g. The department may adopt rules pursuant to chapter 17A as  
13 necessary to implement this subsection.

14 Sec. 2. Section 321.166, subsection 9, Code 2016, is amended  
15 to read as follows:

16 9. Special registration plates issued pursuant to section  
17 321.34, other than gold star, medal of honor, collegiate, fire  
18 fighter, and natural resources registration plates, shall be  
19 consistent with the design and color of regular registration  
20 plates but shall provide a space on a portion of the plate  
21 for the purpose of allowing the placement of a distinguishing  
22 processed emblem or an organization decal. Special  
23 registration plates shall also comply with the requirements  
24 for regular registration plates as provided in [this section](#) to  
25 the extent the requirements are consistent with the section  
26 authorizing a particular special vehicle registration plate.

27 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,  
28 2017.

29

#### EXPLANATION

30 The inclusion of this explanation does not constitute agreement with  
31 the explanation's substance by the members of the general assembly.

32 This bill provides for the issuance of special vehicle  
33 registration plates containing a space for the placement of  
34 an organization decal and provides a process for the approval  
35 of registration plate decals to be issued by qualifying

1 organizations.

2 Under current law, anyone may submit a request to the  
3 department of transportation for approval of a new special  
4 registration plate with a processed emblem. If the department  
5 approves the request and the design of the proposed emblem,  
6 a minimum of 500 paid applications are required before the  
7 department begins issuing the plate. The department may cancel  
8 its approval if sufficient applications are not received within  
9 one year. A vehicle owner is charged a fee of \$25 for the  
10 issuance of the special plates, and an annual \$5 validation  
11 fee for renewal. Those fees are deposited in the road use  
12 tax fund. An alternative process allows for a state agency  
13 to sponsor a special registration plate, with fees of \$35 for  
14 issuance and \$10 for renewal. Those fees are credited to the  
15 sponsoring state agency.

16 The bill eliminates the current process for a person to  
17 request a new special plate and eliminates state agency  
18 sponsorship of new special plates. Under the bill, the  
19 department will begin issuing special registration plates with  
20 a space reserved for placement of an organization decal to be  
21 designed, produced, and issued by a qualifying organization,  
22 rather than the department. The plates will be available  
23 without an additional special plate fee at the time of initial  
24 registration of a vehicle, and will be renewed annually upon  
25 payment of the regular annual registration fee for the vehicle.  
26 A \$5 replacement fee applies if the plates are issued in  
27 exchange for regular or special plates. The new plates will  
28 also be available as personalized plates upon payment of  
29 personalized plate fees.

30 A qualifying organization must be a nonprofit corporation  
31 with at least 200 members, whose primary activity or interest  
32 serves the community, contributes to the welfare of others, and  
33 is not discriminatory. A group of such organizations with a  
34 common purpose may also be approved to issue a decal. The bill  
35 specifies that organizations that promote a specific product

1 or brand name are not eligible to issue organization decals.  
2 An organization desiring to issue a decal must apply to the  
3 department for approval by submitting information concerning  
4 its nonprofit corporation identity along with a copy of the  
5 proposed decal design, certification of legal rights to use  
6 the design, and an explanation of the purpose of the decal,  
7 eligibility requirements, and fees the organization will charge  
8 for the decal. The department may establish criteria for decal  
9 designs, including that a decal shall not promote a specific  
10 religion, faith, or anti-religious sentiment, shall not have  
11 any sexual connotation, and shall not be vulgar, prejudiced,  
12 hostile, insulting, or racially or ethnically degrading. If  
13 the department approves the application, the organization is  
14 responsible for the production, administration, and issuance  
15 of the decal, and any fees charged by the organization for the  
16 decals will be retained by the organization.

17 The bill prohibits any organization from issuing a decal  
18 without the approval of the department. The bill also  
19 prohibits a person from displaying a decal other than an  
20 approved decal on a vehicle registration plate. Pursuant to  
21 current law, a person who violates Code provisions relating  
22 to vehicle registration plates commits a simple misdemeanor  
23 punishable by a scheduled fine of \$20.

24 The bill takes effect January 1, 2017.