SENATE FILE 564 BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 224) (SUCCESSOR TO SF 90)

## A BILL FOR

- 1 An Act relating to motor vehicle special registration plate
- 2 decals created by a nonprofit veterans' organization or 3 associated with military service.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 321.34, subsection 13, paragraph b,
 subparagraph (1), subparagraph division (c), Code 2023, is
 amended to read as follows:

4 (c) The organization is a nonprofit corporation which is
5 exempt from <u>federal income</u> taxation under section 501(c)(3) <u>or</u>
6 <u>501(c)(19)</u> of the Internal Revenue Code and is organized under
7 the laws of this state or authorized to do business within this
8 state.

9 Sec. 2. Section 321.34, subsection 13, paragraph f, Code 10 2023, is amended to read as follows:

11 f. A person shall not display a decal on a vehicle 12 registration plate other than a decal approved <u>or issued</u> by the 13 department.

14 Sec. 3. Section 321.34, subsection 20C, Code 2023, is 15 amended to read as follows:

16 20C. Combat infantryman badge, combat action badge, combat
17 action ribbon, air force combat action medal, and combat medical
18 badge plates decals.

The department, in consultation with the adjutant 19 a. 20 general, shall design separate and distinct decals representing 21 a combat infantryman badge, combat action badge, combat action 22 ribbon, air force combat action medal, and combat medical badge 23 distinguishing processed emblems. Upon receipt of two hundred 24 fifty orders for combat infantryman badge, combat action badge, 25 combat action ribbon, air force combat action medal, or combat 26 medical badge special registration plates, accompanied by a 27 start-up fee of twenty dollars per order, the department shall 28 begin issuing special registration plates with the applicable 29 distinguishing processed emblem as provided in paragraphs 30 "b", "c", and "d". The minimum order requirement shall apply 31 separately to each of the special registration plates created 32 under this subsection. The decals shall be designed to be 33 displayed on special plates issued under subsection 13. 34 An owner referred to in subsection 12 who was awarded a b. 35 combat infantryman badge, combat action badge, combat action

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1 ribbon, air force combat action medal, or combat medical badge 2 by the United States government may, upon written application 3 to the department and presentation of satisfactory proof of 4 the award, order special registration plates with two decals 5 representing a combat infantryman badge, combat action badge, 6 combat action ribbon, air force combat action medal, or 7 combat medical badge processed emblem. The special plate fees 8 collected by the director under subsection 12, paragraph "a", 9 from the annual validation of letter-number designated combat 10 infantryman badge, combat action badge, combat action ribbon, 11 air force combat action medal, and combat medical badge plates, 12 and subsection 12, paragraph c'', from the issuance and annual 13 validation of personalized combat infantryman badge, combat 14 action badge, combat action ribbon, air force combat action 15 medal, and combat medical badge plates fee for each pair of 16 decals is ten dollars, and all such fees collected under this 17 subsection shall be paid monthly to the treasurer of state and 18 deposited in the road use tax fund. The treasurer of state 19 shall transfer monthly from the statutory allocations fund 20 created under section 321.145, subsection 2, to the veterans 21 license fee fund created in section 35A.11 the amount of the 22 special fees collected under this subsection  $\frac{12}{12}$ , paragraph  $\tilde{a}''$ , 23 in the previous month for combat infantryman badge, combat 24 action badge, combat action ribbon, air force combat action 25 medal, and combat medical badge plates decals. 26 Notwithstanding subsection 12, paragraph "a", an owner C. 27 who is approved for special registration plates under this 28 subsection shall be issued one set of special registration 29 plates with a combat infantryman badge, combat action badge, 30 combat action ribbon, air force combat action medal, or combat 31 medical badge distinguishing processed emblem at no charge. d. The surviving spouse of a person who was issued special 32 33 plates decals under this subsection may continue to use or 34 apply for and use the special plates decals affixed to the 35 plates issued under subsection 13 subject to registration of

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1 the special plates in the surviving spouse's name and upon
2 payment of the annual five-dollar special plate fee and the
3 regular annual registration fee for the vehicle. If the
4 surviving spouse remarries, the surviving spouse shall <u>either</u>
5 remove and dispose of the decals or return the special plates
6 with the decals affixed to the department and the department
7 shall issue regular registration plates to the surviving
8 spouse.

DEPARTMENT TO MAKE ACCOMMODATIONS. For special 9 Sec. 4. 10 registration plate applications received by the department of 11 transportation under section 321.34, subsection 20C, Code 2023, 12 prior to July 1, 2023, the department shall make reasonable 13 efforts to contact the applicants to inform the applicants 14 of the decals authorized by this Act. The department shall 15 give the applicant the option to be refunded the twenty-dollar 16 start-up fee for combat infantryman badge, combat action badge, 17 combat action ribbon, air force combat action medal, or combat 18 medical badge special registration plates paid by the applicant 19 prior to July 1, 2023, or to be refunded ten dollars of the 20 original start-up fee and be issued a special plate under 21 section 321.34, subsection 13, along with the applicable decals 22 authorized by this Act, if the applicant is eligible to be 23 issued the decals.

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EXPLANATION

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

27 Under current law, the department of transportation (DOT) is 28 authorized to issue special registration plates with a space 29 to display an organization decal. The DOT does not issue the 30 organization decal. Instead, the organization is responsible 31 for producing, administering, and issuing the decal.

32 An organization must submit an application to the DOT 33 for approval to issue a decal. An application must include 34 proof of eligibility to issue the decal, a color copy of the 35 completed decal design, a clear and concise explanation of

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1 the purpose of the decal, all eligibility requirements for 2 purchasing the decal, and the fees to be charged for the decal. 3 To qualify for approval, the primary activity or interest 4 of the organization must serve the community, contribute to 5 the welfare of others, and cannot be discriminatory in its 6 purpose, nature, activity, or name; the name and purpose of the 7 organization cannot promote any specific product or brand name 8 that is provided for sale; and the organization is required to 9 be a nonprofit corporation which is exempt from taxation under 10 section 501(c)(3) of the Internal Revenue Code and organized 11 under Iowa's laws or authorized to do business within Iowa. 12 This bill also authorizes an organization which is exempt 13 under section 501(c)(19) of the Internal Revenue Code to 14 apply for approval to issue an organization decal. To be 15 exempt under section 501(c)(19), an organization must be a 16 post or organization of past or present members of the United 17 States armed forces, an auxiliary unit or society of such post 18 or organization, or a trust or foundation for such post or 19 organization.

20 In 2011, the general assembly authorized the DOT, in 21 consultation with the adjutant general, to design combat 22 infantryman badge, combat action badge, combat action ribbon, 23 air force combat action medal, and combat medical badge 24 distinguishing processed emblem special registration plates. 25 However, the DOT is required to receive 250 orders, including 26 a start-up fee, for each plate before the DOT can produce or 27 issue any of the registration plates. The bill strikes the 28 provisions relating to the special registration plates and 29 minimum order requirements and instead requires the DOT to 30 design and issue separate and distinct decals representing the 31 applicable badges, ribbons, and medals. The decals must be 32 designed to be displayed on registration plates issued under 33 Code section 321.34(13) (plates with space reserved for a 34 decal).

35 The DOT must issue two decals to an approved applicant and

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LSB 1278SZ (1) 90 th/ns 1 the fee for a pair of decals is \$10. The fee is deposited into 2 the road use tax fund and, each month, the treasurer of state 3 must transfer from the statutory allocations fund the amount 4 of fees received under the bill to the veterans license fee 5 fund. The bill makes corresponding changes to Code section 6 321.34(20C).

7 The DOT is required to make reasonable efforts to contact 8 applicants who previously applied for and paid the required 9 start-up fee. An applicant is eligible to receive a refund of 10 the \$20 fee, or receive a refund of \$10 plus the applicable 11 decals and plates as provided in the bill.

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