

Senate File 637 - Introduced

SENATE FILE 637
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 151)
(SUCCESSOR TO SF 36)

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, and providing fees.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 35A.11, subsection 2, paragraph h, Code
2 2025, is amended to read as follows:

3 h. Combat infantryman badge, combat action badge, combat
4 action ribbon, air force combat action medal, and combat medical
5 badge ~~plates~~ decals issued pursuant to section 321.34, subsection
6 20C.

7 Sec. 2. Section 321.34, subsection 13, paragraph b,
8 subparagraph (1), subparagraph division (c), Code 2025, is
9 amended to read as follows:

10 (c) The organization is a nonprofit corporation which is
11 exempt from federal income taxation under section 501(c)(3) or
12 501(c)(19) of the Internal Revenue Code and is organized under
13 the laws of this state or authorized to do business within this
14 state.

15 Sec. 3. Section 321.34, subsection 13, paragraph f, Code
16 2025, is amended to read as follows:

17 f. A person shall not display a decal on a vehicle
18 registration plate other than a decal approved or issued by the
19 department.

20 Sec. 4. Section 321.34, subsection 20C, Code 2025, is amended
21 to read as follows:

22 20C. *Combat infantryman badge, combat action badge, combat*
23 *action ribbon, air force combat action medal, and combat medical*
24 *badge ~~plates~~ decals.*

25 a. The department, in consultation with the adjutant general,
26 shall design separate and distinct decals representing a combat
27 infantryman badge, combat action badge, combat action ribbon,
28 air force combat action medal, and combat medical badge
29 ~~distinguishing processed emblems. Upon receipt of two hundred~~
30 ~~fifty orders for combat infantryman badge, combat action badge,~~
31 ~~combat action ribbon, air force combat action medal, or combat~~
32 ~~medical badge special registration plates, accompanied by a~~
33 ~~start-up fee of twenty dollars per order, the department shall~~
34 ~~begin issuing special registration plates with the applicable~~
35 ~~distinguishing processed emblem as provided in paragraphs "b",~~

1 ~~"c", and "d". The minimum order requirement shall apply~~
 2 ~~separately to each of the special registration plates created~~
 3 ~~under this subsection. The decals shall be designed to be~~
 4 ~~displayed on special plates issued under subsection 13.~~

5 b. An owner referred to in subsection 12 who was awarded
 6 a combat infantryman badge, combat action badge, combat action
 7 ribbon, air force combat action medal, or combat medical badge by
 8 the United States government may, upon written application to the
 9 department and presentation of satisfactory proof of the award,
 10 ~~order special registration plates with two decals representing~~
 11 ~~a combat infantryman badge, combat action badge, combat action~~
 12 ~~ribbon, air force combat action medal, or combat medical badge~~
 13 ~~processed emblem. The special plate fees collected by the~~
 14 ~~director under subsection 12, paragraph "a", from the annual~~
 15 ~~validation of letter-number designated combat infantryman badge,~~
 16 ~~combat action badge, combat action ribbon, air force combat~~
 17 ~~action medal, and combat medical badge plates, and subsection~~
 18 ~~12, paragraph "c", from the issuance and annual validation~~
 19 ~~of personalized combat infantryman badge, combat action badge,~~
 20 ~~combat action ribbon, air force combat action medal, and combat~~
 21 ~~medical badge plates~~ fee for each pair of decals is ten dollars,
 22 and all such fees collected under this subsection shall be paid
 23 monthly to the treasurer of state and deposited in the road use
 24 tax fund. The treasurer of state shall transfer monthly from
 25 the statutory allocations fund created under section 321.145,
 26 subsection 2, to the veterans license fee fund created in section
 27 35A.11 the amount of the special fees collected under this
 28 subsection 12, paragraph "a", in the previous month for combat
 29 infantryman badge, combat action badge, combat action ribbon,
 30 air force combat action medal, and combat medical badge plates
 31 decals.

32 c. ~~Notwithstanding subsection 12, paragraph "a", an owner who~~
 33 ~~is approved for special registration plates under this subsection~~
 34 ~~shall be issued one set of special registration plates with~~
 35 ~~a combat infantryman badge, combat action badge, combat action~~

1 ~~ribbon, air force combat action medal, or combat medical badge~~
 2 ~~distinguishing processed emblem at no charge.~~

3 ~~d. c.~~ The surviving spouse of a person who was issued
 4 ~~special plates decals~~ under this subsection may continue to use
 5 or apply for and use the ~~special plates decals~~ affixed to the
 6 plates issued under subsection 13 subject to registration of the
 7 special plates in the surviving spouse's name ~~and upon payment~~
 8 ~~of the annual five-dollar special plate fee and the regular~~
 9 annual registration fee for the vehicle. If the surviving spouse
 10 remarries, the surviving spouse shall either remove and dispose
 11 of the decals or return the special plates with the decals
 12 affixed to the department and the department shall issue regular
 13 registration plates to the surviving spouse.

14 Sec. 5. DEPARTMENT TO MAKE ACCOMMODATIONS. For special
 15 registration plate applications received by the department of
 16 transportation under section 321.34, subsection 20C, Code 2025,
 17 prior to July 1, 2025, the department shall make reasonable
 18 efforts to contact the applicants to inform the applicants of the
 19 decals authorized by this Act. The department shall give the
 20 applicant the option to be refunded the twenty-dollar start-up
 21 fee for combat infantryman badge, combat action badge, combat
 22 action ribbon, air force combat action medal, or combat medical
 23 badge special registration plates paid by the applicant prior
 24 to July 1, 2025, or to be refunded ten dollars of the original
 25 start-up fee and be issued a special plate under section 321.34,
 26 subsection 13, along with the applicable decals authorized by
 27 this Act, if the applicant is eligible to be issued the decals.

28 EXPLANATION

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

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

1 must submit an application to the DOT for approval to issue
2 a decal. An application must include proof of eligibility to
3 issue the decal, a color copy of the completed decal design,
4 a clear and concise explanation of the purpose of the decal,
5 all eligibility requirements for purchasing the decal, and the
6 fees to be charged for the decal. To qualify for approval,
7 the primary activity or interest of the organization must serve
8 the community, contribute to the welfare of others, and cannot
9 be discriminatory in its purpose, nature, activity, or name;
10 the name and purpose of the organization cannot promote any
11 specific product or brand name that is provided for sale; and
12 the organization is required to be a nonprofit corporation which
13 is exempt from taxation under section 501(c)(3) of the Internal
14 Revenue Code and organized under Iowa's laws or authorized to do
15 business within Iowa.

16 This bill authorizes an organization which is exempt under
17 section 501(c)(19) of the Internal Revenue Code to apply
18 for approval to issue an organization decal. To be exempt
19 under section 501(c)(19), an organization must be a post or
20 organization of past or present members of the United States
21 armed forces, an auxiliary unit or society of such post
22 or organization, or a trust or foundation for such post or
23 organization.

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

1 on registration plates issued under Code section 321.34(13)
2 (plates with space reserved for a decal).

3 The DOT must issue two decals to an approved applicant and the
4 fee for a pair of decals is \$10. The fee is deposited into the
5 road use tax fund and, each month, the treasurer of state must
6 transfer from the statutory allocations fund the amount of fees
7 received under the bill to the veterans license fee fund. The
8 bill makes corresponding changes to Code sections 35A.11(2)(h)
9 and 321.34(20C).

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