

Motor Vehicle Division Information Memo # 20-23

2020 Legislation – Flying Our Colors License Plates

DATE: July 1, 2020

FROM: Kelli Huser, Compliance Officer, VMCS

TO: All Vehicle & Motor Carrier Services staff, Iowa County Treasurers, and County Treasurer's staff

SUBJECT

This informational memo explains legislation enacted during the 2020 legislative session requiring us to create a new "flying our colors" license plate.

SUMMARY

Division XXVIII of HF 2641 requires us to create a new flying our colors license plate. The flying our colors license plate shall be navy along the top and red along the bottom, containing a white space in the middle of the plate which shall include the plate's letters and numbers in black and a gray image of a bald eagle behind the plate's letters and numbers. The first-time fee for a flying our colors plate shall be \$35 above the regular costs for a plate, and there is an additional \$25 first-time fee for a personalized flying our colors plate. The fees for the new flying our colors plate will be deposited in the Road Use Tax Fund (RUTF). Until July 1, 2023, the treasurer of state shall credit monthly from the statutory allocations fund to the flood mitigation fund in the amount of the special fees collected in the previous month for flying our colors plate.

The legislation is effective July 1, 2020.

LINK TO LEGISLATION

<https://www.legis.iowa.gov/legislation/BillBook?ga=88&ba=HF2641>

CURRENT

Current law does not address the creation of a flying our colors license plate.

NEW

The new law requires us to create a new flying our colors license plate that is navy along the top and red at the bottom, containing a white space in the middle of the plate which shall include the plate's letters and numbers in black and a gray image of a bald eagle behind the plate's letters and numbers.

BUSINESS IMPACT

This directive will require us to produce a new flying our colors license plate that we predict will be available for order beginning early September 2020. Once available, customers will have the following transaction options:

- Order and pay for flying our colors personalized plates by mail;
- Order and pay for flying our colors personalized plates on-line;
- Purchase and pick-up non-personalized plates at the County Treasurer offices, contingent on each county's operations at the time; and
- Order and pay for non-personalized plates through Electronic Registration & Title (ERT) at an authorized motor vehicle dealer, with the County Treasurer mailing the plates to the customer.

We will be updating the license plate application and the DOT website prior to order availability to include the new flying our colors plate.

HELPFUL QUESTIONS AND ANSWERS

The following questions and answers provide additional information that will be helpful to you and to customers.

WHY WAS THE FLYING OUR COLORS LICENSE PLATE CREATED?

This bill was requested by Representative Hanusa as a means to assist with flood mitigation efforts in the state. The design of this plate is the same design as the license plate that was voted runner-up in the contest to select a new county standard plate several years ago.

The special fees collected for this plate will be credited to a flood mitigation fund administered by the Iowa Department of Homeland Security and Emergency Management until July 1, 2023. At that time, the funds collected will cease being credited to the flood mitigation fund and will remain in the Road Use Tax Fund (RUTF).

WHAT IS THE FLOOD MITIGATION FUND?

The legislature created the flood mitigation fund in 2012 as a separate and distinct fund in the state treasury under the management of the Iowa Department of Homeland Security and Emergency Management. Under Iowa Code 418.10, the fund consists of moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the flood mitigation board for placement in the fund. Moneys in the fund may only be used to provide assistance through grants, loans, or forgivable loans to governmental entities for flood projects.

WHAT DOES IT MEAN THAT THE SPECIAL FEES WILL ONLY BE CREDITED TO THE FLOOD MITIGATION FUND UNTIL JULY 1, 2023?

The legislature set a deadline of July 1, 2023 to stop crediting special fees from these plates to the flood mitigation fund. As of July 1, 2023, the special fees for these plates will remain the Road Use Tax Fund (RUTF).

WILL APPLICATIONS OR RENEWALS MAILED OR SUBMITTED PRIOR TO THE REPEAL DATE, BUT NOT PROCESSED UNTIL AFTER THE REPEAL DATE, BE CREDITED TO THE FLOOD MITIGATION FUND?

No. Any applications or renewals processed on or after July 1, 2023 will have the collected fees remain in the Road Use Tax Fund (RUTF). This is because the section that credits the flood mitigation fund is repealed effective July 1, 2023. On and after July 1, 2023, it will be as if the language no longer exists and there will no longer be authority for special fees to be credited to the flood mitigation fund.

WHEN MAY A CUSTOMER APPLY FOR A NEW FLYING OUR COLORS LICENSE PLATE?

We anticipate that customers may begin applying for the new flying our colors license plate in early September 2020. Although the bill is effective July 1, 2020, it will take additional time to program ARTS for the new plate type and to test the system. Because this is a legislative mandate, it is necessary to have these plates ready as soon as possible. We predict early September 2020 will be the earliest feasible date to have these plates available.

WHEN WILL A NEW FLYING OUR COLORS PLATE BE PRODUCED AND DELIVERED?

Iowa Prison Industries is already preparing for production of the new plates. It is necessary to program ARTS to accommodate the new plate type. We predict that counties may order the number-letter combination plates in late August. Upon initial orders of personalized plates, we anticipate deliveries will begin within 3-5 weeks of initial orders. Any future delivery will be the same as for any other specialty plate.

WHAT ARE THE FEES FOR A FLYING OUR COLORS LICENSE PLATE?

The first-time fee for the flying our colors plate shall be \$35 above the regular costs for a plate, and there is an additional \$25 first-time fee for a personalized flying our colors plate. The annual renewal fee for a non-personalized flying our colors plate is \$10, and for a personalized flying our colors plate is \$15. The special annual renewal fees for flying our colors plates are in addition to the regular annual registration fee.

WHAT VEHICLES QUALIFY TO APPLY FOR A FLYING OUR COLORS LICENSE PLATE?

The bill authorizes the DOT to issue flying our colors plates to owners of the following vehicles:

- motor vehicle subject to registration under section 321.109, subsection 1;
- autocycle;
- motor truck;
- motor home;
- multipurpose vehicle;
- motorcycle;
- trailer; or
- travel trailer.

MAY COUNTIES ORDER AND STOCK STANDARD (NON-PERSONALIZED) FLYING OUR COLORS LICENSE PLATES?

Yes, VMCS anticipates that counties will be able to order standard flying our colors license plates in late August 2020 in preparation for a predicted September 2020 distribution.

WHAT IS THE COST AND PROCESS TO SWITCH FROM ANY OTHER STANDARD OR SPECIAL PLATE TO THE FLYING OUR COLORS PLATE?

The application process and payment of \$35 for the standard flying our colors plate is the same regardless of the type of plate that a customer currently uses or whether it is a new registration.

If a customer currently has a special plate but chooses to order a new flying our colors plate at the time of registration, the customer would be charged \$35 for the new plate. At the customer's next renewal, the customer would be charged the renewal fee for the flying our colors plate.

WHAT IF A CUSTOMER REFUSES DELIVERY OF ANOTHER SPECIAL PLATE TO INSTEAD PURCHASE THE FLYING OUR COLORS PLATE?

If a customer currently has a special plate on order but refuses delivery to instead purchase a flying our colors plate, the county should assist the customer in applying to the Iowa DOT for a refund and start a new transaction for the purchase of the flying our colors plate.

If, however, a customer has accepted delivery of the first special plate, then the procedure listed above to switch to a flying our colors plate would apply.

DO YOU HAVE A SAMPLE OF WHAT THE NEW FLYING OUR COLORS PLATE WILL LOOK LIKE?

VMCS will display the following image on its license plates web page and provide artwork to the counties:



IF A CUSTOMER SEEKS A REFUND FOR A FLYING OUR COLORS PLATE WILL THE REFUND COME FROM THE FLOOD MITIGATION FUND OR THE RUTF?

The refund will come from the money collected for the special plate fees. Under the legislation, the DOT shall collect all special plate fees for the flying our colors plate. When a refund is processed, the special plate funds are reduced by the amount of the refund prior to being transferred to the Treasurer of State. Therefore, the refund is taken from the special plate funds prior to the funds being allocated to either the flood mitigation fund or the RUTF.

IF A CUSTOMER ORDERS A SAMPLE PLATE OF THE FLYING OUR COLORS PLATE, WILL THE FEE GO TO THE FLOOD MITIGATION FUND?

No, the fees for the flood mitigation fund are limited to “special fees collected in the previous month for flying our colors plates.” Special fees are identified in the legislation. Sample plates are authorized under Iowa Code 321.34(6) and identify a fee of three dollars. This is not a special fee as identified under the legislation, and therefore will not be credited to the flood mitigation fund.

IF A CUSTOMER ORDERS A REPLACEMENT PLATE FOR THE FLYING OUR COLORS PLATE, WILL THE FEE GO TO THE FLOOD MITIGATION FUND?

No, the fees for the flood mitigation fund are limited to “special fees collected in the previous month for flying our colors plates.” Special fees are identified in the legislation. Replacement plates are authorized under Iowa Code 321.42 and identify a fee of \$5. This is not a special fee as identified under the legislation, and therefore will not be credited to the flood mitigation fund.

HOW WILL DEALERS BE IMPACTED BY THE NEW FLYING OUR COLORS PLATE?

Dealers utilizing ERT will have the non-personalized flying our colors plate added as an option for the customer to order and pay for at the time of the transaction. The County Treasurer will mail the plate to the customer.

WHAT IF A CUSTOMER ALTERS THIS OR ANY OTHER PLATE?

Iowa Code 321.37(3) states "It is unlawful for the owner of a vehicle to place any frame around or over the registration plate which does not permit full view of all numerals and letters printed on the registration plate." Iowa Code 321.96(1) also prohibits a person from displaying "altered...registration number plates...". Any such violation could result in a citation by law enforcement.