

Motor Vehicle Division Informational Memo # 22-20

2022 legislation - driver's license fee waivers for military members and veterans

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FROM: Kathleen Meradith-Eyers, MVD Compliance Officer

TO: All Motor Vehicle Division staff, Iowa County Treasurers and County Treasurer's staff that issue or support the issuance of driver's licenses

SUBJECT

This policy memo explains a bill that was passed during the 2022 legislative session that waives certain driver's license fees for veterans and military servicemembers.

SUMMARY

SF 2383 was enacted during the 2022 legislative session and included several changes impacting veterans and the operation of other state agencies. Relevant to the MVD, the bill requires us to waive the fee for a chauffeur (Class D) or commercial license (Class A, B, or C CDL) for an active duty military member or a veteran with honorable discharge or general discharge (under honorable conditions). The bill also requires us to waive the fee for an operator license (Class C noncommercial) or a motorcycle license (Class M or endorsement L) for veterans with a permanent service-connected disability rating of 100%. As written, a customer could qualify for more than one fee waiver (e.g., an honorably discharged veteran who also has a permanent 100% disability rating).

This bill was enacted as part of a statewide workforce initiative. We believe the reason for these fee waivers is to reduce barriers for and incentivize active duty military service members and veterans to enter the workforce in industries where a CDL or chauffeur's license is required, and also to reduce barriers for and incentivize disabled veterans to enter and remain in the workforce by possessing a valid operator's license. That is why the operator's license fee is only waived for fully disabled veterans, and not for active duty or not fully disabled veterans

The following chart depicts which categories of military service members are eligible for fee waivers. A printable quick reference chart is also included at the end of this memo.

<i>X = fees waived</i>	Active Duty	Honorable/general discharge (<100% disability rating or a temporary 100% disability)	Honorable/general discharge + permanent 100% disability rating	Non-honorable discharge* + permanent 100% disability rating
Noncommercial– Class C <i>\$4/year of license validity</i>			X	X
Chauffeur– Class D <i>\$8/year of license validity</i>	X	X	X	
Commercial – CDL <i>\$8/year of license validity</i>	X	X	X	
Motorcycle privilege <i>Class M = \$6/year</i> <i>Endorsement L = \$2/year</i>			X	X

**Discharge categories that do not qualify include: OTH (other than honorable), Bad Conduct, Dishonorable*

In order to qualify for the above fee waivers, customers will need to provide documentary proof of their military or veteran status as follows:

Proof required to show active duty status: An active duty service member must show an unexpired Common Access Card (CAC). A Uniformed Services ID Card (USID) is acceptable only if it shows “reserve” affiliation. Examples of these documents are included below, and the customer must provide a hardcopy of the card.

Proof required to show honorable or general discharge status: A veteran must provide a form DD-214 indicating either “honorable discharge” or “general discharge.” We can also use a DD-214 or DOT form 432035 that is already on file in ERMS if the customer previously provided such proof to obtain the veteran designation on their card.

Proof required to show permanent 100% service-connected disability rating: The Department of Veterans Affairs provides a “Summary of Benefits” letter listing a customer’s overall/combined service-related disability rating in terms of a percentage and identifying whether the disability is permanent. **The letter must show that the disability is both rated at 100% and permanent.** Veterans can view and print their Summary of Benefits letter from the DVA at www.ebenefits.va.gov. Examples of this letter are included below. An electronic or paper version is acceptable.

If a customer falls into both the honorable or general discharge category and the permanent 100% disability rating category, they will need to provide proof they are eligible for the fee waiver under both categories. Additionally, once a customer submits proof of their honorable or general discharge status or their permanent 100% service-connected disability rating, they do not need to re-submit that proof for future driver’s license issuance or renewal transactions and will be automatically given the fee waiver in the future. However, active duty military members must re-submit proof for each issuance they wish to receive the fee waiver.

There are many fees that are **not waived** under the bill for these customers, including but not limited to the following:

- CDL endorsement fees
- Fees to remove CDL restrictions
- Commercial learner’s permit (CLP) fees
- Nonoperator ID fees
- Instruction permit (standalone)
- Minor’s school licenses
- Minor’s restricted licenses
- Duplicate license fees
- Reinstatement fee
- CDL skills test fees

LINK TO LEGISLATION

<https://www.legis.iowa.gov/docs/publications/LGE/89/SF2383.pdf>

CURRENT

Under current law, there is no exemption for veterans or military members from paying any of the required driver's license fees.

NEW

Effective July 1, 2022, active duty military members, honorably or generally discharged veterans, and veterans with a permanent 100% service-connected disability rating are exempt from certain driver's license fees under Iowa Code section 321.191, as explained above.

BUSINESS IMPACT

Beginning July 1, 2022, upon receiving sufficient proof, ARTS no longer assess certain license fees to veterans or active duty military service members as explained above. **ARTS will automatically waive the applicable fees when staff selects the appropriate document type from the Documents tab of DLM during the issuance transaction.** Additionally, all active duty service members and honorably/generally discharged veterans should be offered the choice between renewing their operator's license for the standard fee, or upgrading to the chauffeur's license for free (if eligible).

Furthermore, future improvements to myMVD will allow a veteran with a permanent 100% service-related disability or who received an honorable or general discharge, who has already provided proof of their fee waiver eligibility during an in-person transaction, to renew online and receive the fee waiver. Active duty military members will not be eligible to have their license fees waived if they choose to renew on myMVD.

Staff should not make a copy or scan in the proof provided by the customer. The type of document the customer provided will be listed in the copy of the license application that is saved into ERMS.

Example: The customer seeks an 8-year noncommercial Class C license (no endorsements).

- A 100% disabled veteran with no proof of honorable or general discharge would receive a fee waiver of \$32 (\$4 per year).
- An honorably discharged veteran that does not have a permanent 100% disabled certification would not receive a fee waiver for the operator license, but if they are eligible to upgrade to a class D chauffeur license, they would qualify for a free credential, applying the \$64 waiver (\$8 per year).
- An active duty military service member would receive no fee waiver for the operator license, but if they are eligible to upgrade to a class D chauffeur license, they would qualify for a free credential, applying the \$64 waiver (\$8 per year).

Example: The customer seeks an 8-year CDL with the motorcycle (L) endorsement.

- An active duty military service member would receive a fee waiver of \$64 (\$8/year for the base CDL) but would have no fees waived for the L endorsement.
- An honorably discharged, permanently 100% disabled veteran would receive a fee waiver of \$100 (\$8/year of the base CDL and \$2/year for the motorcycle endorsement).
- A permanently 100% disabled veteran with no proof of honorable or general discharge would receive a fee waiver of \$16 per year (\$2/year for the motorcycle endorsement) but would have no fees waived for the base CDL.

QUESTIONS AND ANSWERS

The following questions and answers provide additional information to you and to customers.

CAN AN ACTIVE DUTY SERVICE MEMBER OR VETERAN WHO HAS AN OPERATOR’S LICENSE UPGRADE TO A D-3 CHAUFFEUR LICENSE TO GET THE LICENSE FOR FREE?

If eligible, the active duty service member can choose to upgrade their license in order to receive a free credential under this new law. **We should explain the D-3 Chauffeur license option and eligibility requirements to all active duty service members and honorably/generally discharged veterans and allow them to choose which license (operator or chauffeur) best suits their needs.**

IS THIS DIFFERENT FROM AN ACTIVE DUTY MILITARY EXTENSION?

Yes. Active duty service members are eligible under Iowa Code section 321.198 to have their current license extended indefinitely, up until 6 months after separation from active duty. The active duty military extension is in the form of a letter that they must carry along with their expired license informing law enforcement that their license is considered valid for driving under Iowa law. If a person has an active duty military extension, their ARTS record will show “indefinite expiration.”

To summarize, an active duty military service member has several options when their license is up for renewal:

- Pay to renew their operator’s license (in person or online, if eligible)
- Voluntarily upgrade to a CDL or D-3 Chauffeur license (if eligible) to receive the active duty fee waiver upon presentation of proper proof, in-person
- Apply for the indefinite active duty military extension by submitting form 430031 and their CAC or active duty orders to the DOT

WILL WE ISSUE REFUNDS TO CUSTOMER WHO FORGET THEIR PAPERWORK DURING ISSUANCE?

No. A customer who is issued their driver’s license without providing proof of their eligibility for the military or veteran fee waiver must bring the proof for their next driver’s license renewal or upgrade to receive the fee waiver. We cannot retroactively apply a fee waiver or issue refunds.

WHAT DOES “ACTIVE DUTY” MEAN, AND WHICH SERVICE BRANCHES ARE ELIGIBLE FOR THE WAIVER?

Under the bill “active duty” includes both federal and state active duty as defined in Iowa Code section 29A.1.

Federal active duty includes full-time service in the Army, Navy, Marine Corps, Air Force, Space Force, U.S. Reserves, U.S. National Guard, and Coast Guard.

State active duty includes service performed within the Iowa Air or Army National Guard, as well as serving as the adjutant general, a deputy adjutant general, or the state quartermaster of the Iowa National Guard.

IS THERE A MINIMUM LENGTH OF ACTIVE DUTY SERVICE REQUIRED?

No. Unlike a customer applying for a veteran’s designation who must have at least 90 days aggregate of active duty service, there is no minimum length of service required to be eligible for this fee waiver.

DOES ACTIVE DUTY FOR TRAINING COUNT?

Yes. Unlike a customer applying for a veteran's designation who must have served "active duty other than training" to be considered a veteran, there is no such requirement to be eligible for this fee waiver. In other words, a customer who has served or is currently serving only "active duty for training" is eligible for the applicable fee waiver.

CAN THE FEES FOR AN INTERMEDIATE LICENSE OR FULL MINOR'S LICENSE BE WAIVED UNDER THIS BILL?

Yes, but we should note that the minimum age to join military service is 17, so we anticipate these cases would be rare, if any. However, if the minor proves a permanent 100% service-connected disability rating issued by the U.S. Department of Veteran's Affairs, the fees for both an intermediate license and a full minor's license issued to individuals ages 16 and 17 can be waived.

IF A CUSTOMER HAS PREVIOUSLY PRESENTED A FORM DD-214 OR FORM 432035 TO OBTAIN A VETERAN DESIGNATION, CAN WE USE THAT DOCUMENT ON FILE?

Yes, you can use a DD-214 or form 432035 that we already have on file to demonstrate "honorable discharge" or "general discharge under honorable conditions."

WHAT IF FORM 432035 ALREADY ON THE RECORD DOESN'T DISTINGUISH BETWEEN HONORABLE DISCHARGE OR GENERAL DISCHARGE?

As part of this project, we revised form 432035 to have the DVA indicate whether the character of discharge was "honorable" or "general (under honorable conditions)." Older forms will only indicate if the character of service was eligible for the veteran designation, which includes either honorable or general (under honorable conditions). If the form in ERMS is an older version that doesn't differentiate between honorable or general discharge, you should consider it to be an "honorable" discharge for purposes of selecting the ARTS dropdown waiver reason. There is no difference in the types of fee waivers a customer with honorable discharge is eligible for compared to a customer with a general discharge.

IF A CUSTOMER HAS MULTIPLE DD-214 DOCUMENTS, WHICH ONE DO I ENTER?

It is possible for a customer to have multiple DD-214 documents, such as if they left and re-entered active duty multiple times. We should always use the most recent DD-214, and only enter that document into ARTS for the waiver reason. Each subsequent DD-214 a person is issued replaces any prior version.

WHAT IF THE CUSTOMER ALREADY HAS AN OPERATOR LICENSE AND IS UPGRADING TO A CHAUFFEUR OR A CDL?

Since the customer has already paid the base fee of \$4/year for the operator license, they should be waived from the remaining \$4/year upgrade fee if eligible for the chauffeur or CDL fee waiver.

WILL CUSTOMERS ELIGIBLE FOR THE MILITARY DL FEE WAIVER BE ABLE TO RENEW ONLINE?

It depends. We are working on programming to allow customers who have already received the fee waiver in-person to be able to renew online for future issuances and receive the fee waiver, without providing any additional proof. However, this will apply only to veterans who have a permanent 100% service-related disability or who received an honorable or general discharge. Active duty military members will need to bring proof of active duty military status each time

they are issued a license to receive the fee waiver and will not be able to renew online if they want to receive the fee waiver.

WHAT IF A CUSTOMER PREVIOUSLY HAD A LESS THAN 100% SERVICE-RELATED DISABILITY RATING, AND THEY BRING IN PROOF SHOWING AN INCREASE IN THEIR DISABILITY RATING TO 100% OR MORE?

It is possible for a customer to receive an increase in their permanent service-related disability rating. In that case, upon submission of new proof at their next license renewal, they will be eligible for the applicable fees to be waived. Since duplicate license fees are not waived under the bill, the customer will have to wait until their next issuance to receive the benefits of the fee waiver. We will not refund any license fees if the customer brings in such proof in the middle of their current license validity.

WHAT IF A CUSTOMER'S LETTER SHOWS THEIR DISABILITY RATING AS 100% BUT DOES NOT STATE THAT THE DISABILITY IS PERMANENT?

It is possible for a customer to have a 100% service-related disability rating that temporary, not permanent. Under the new law, only veterans whose 100% disability rating is considered **permanent** by the Department of Veterans Affairs is eligible for the fee waiver.

It is also possible for a customer with a permanent 100% disability to possess documentation that does not indicate that the disability is permanent. In this case, the customer should retrieve a new/updated version of their Summary of Benefits letter from the DVA at www.ebenefits.va.gov which should contain the correct language.

Examples of a temporary 100% disability situation include a person who has surgery and during recovery is immobilized, or a person who is using a splint or cast to help with healing an injury. These individuals could temporarily receive a 100% disability rating to be eligible for certain benefits during the temporary injury/recovery period, but after recovery their certification reverts to a lower disability rating. They are not eligible for the waiver of operator or motorcycle privileges under the new law.

ARE TEMPORARY FOREIGN NATIONALS ELIGIBLE FOR THE FEE WAIVER?

Yes. If they present the proper proof of military or veteran status, the applicable fees for a non-domicile CDL or a limited-term credential can be waived.

WHY CAN'T WE SCAN OR COPY THE COMMON ACCESS CARD (CAC) OR THE UNIFORMED SERVICES ID CARD (USID)?

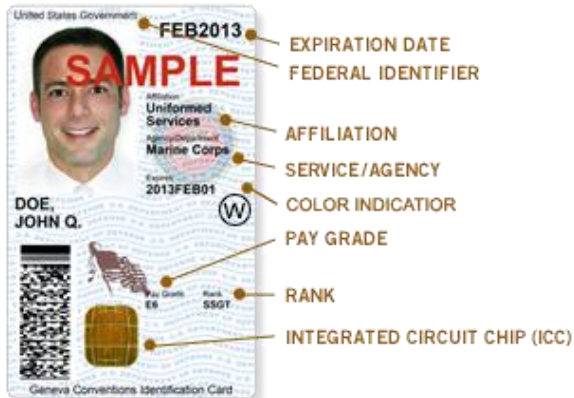
Federal law prohibits photocopying official federal government identification cards such as the CAC or the USID. While official governmental purposes are exempt, we are erring on the side of caution by not scanning these documents into ERMS and simply asking staff to review the document and notate via the license application document automatically saved in ERMS which type of document was reviewed.

WILL COUNTY TREASURERS STILL RECEIVE THE \$7 PER LICENSE ISSUED?

No. 321M.9 does not allow a county treasurer to receive the \$7 reimbursement if there were no "fees received" for issuance of the card.

WHAT DOES A COMMON ACCESS CARD (CAC) OR UNIFORMED SERVICES ID (USID) CARD LOOK LIKE?

Here is an example of a Common Access Card issued to an active duty member of the Marine Corps.



Some reservists are issued a uniformed services ID card (USID) instead of a CAC. A USID is acceptable proof for the active duty fee waiver only if it shows “reserve” affiliation. “Civilian,” “spouse,” or “retired” affiliations are not acceptable. Below are two examples of an acceptable USID:



WHAT DOES A SUMMARY OF BENEFITS LETTER FROM THE U.S. DVA LOOK LIKE?

Below are some examples of letters issued by the U.S. Department of Veterans Affairs proving a customer’s permanent service-connected disability rating:



DEPARTMENT OF VETERANS AFFAIRS
810 Vermont Ave NW
Washington, D.C. 20420

June 13, 2016



In Reply Refer to:
xxx-xx-9011
27/eBenefits

Dear [Redacted]

This letter is a summary of benefits you currently receive from the Department of Veterans Affairs (VA). We are providing this letter to disabled Veterans to use in applying for benefits such as state or local property or vehicle tax relief, civil service preference, to obtain housing entitlements, free or reduced state park annual memberships, or any other program or entitlement in which verification of VA benefits is required. Please safeguard this important document. This letter is considered an official record of your VA entitlement.

Our records contain the following information:

Personal Claim Information

Your VA claim number is: xxx-xx-9011

You are the Veteran.

VA Benefit Information

You have one or more service-connected disabilities:	Yes
Your combined service-connected evaluation is:	100%
You are considered to be totally and permanently disabled due solely to your service-connected disabilities:	Yes
You are in receipt of special monthly compensation due to the type and severity of your service-connected disabilities:	Yes

You should contact your state or local office of Veterans' affairs for information on any tax, license, or fee-related benefits for which you may be eligible. State offices of Veterans' affairs are available at <http://www.va.gov/statedva.htm>.

How You Can Contact Us

- If you need general information about benefits and eligibility, please visit us at <https://www.ebenefits.va.gov> or <http://www.va.gov>.
- Call us at 1-800-827-1000. If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-829-4833.
- Ask a question on the Internet at <https://iris.va.gov>.

Sincerely,



DEPARTMENT OF VETERANS AFFAIRS
810 Vermont Ave NW
Washington, D.C. 20420

Month Day, Year

First Name Last Name
Street Address
City, State Zip

In Reply Refer to
xxx-xx-xxxx
27/eBenefits

Dear First Name Last Name:

This letter is a summary of benefits you currently receive from the Department of Veterans Affairs (VA). We are providing this letter to disabled Veterans to use in applying for benefits such as state or local property or vehicle tax relief, civil service preference, to obtain housing entitlements, free or reduced state park annual memberships, or any other program or entitlement in which verification of VA benefits is required. Please safeguard this important document. This letter is considered an official record of your VA entitlement.

Our records contain the following information:

Personal Claim Information

Your VA claim number is: xxx-xx-xxxx
You are the Veteran.

Military Information

Your most recent, verified periods of service (up to three) include:

Branch of Service	Character of Service Honorable	Entered Active Duty Month Day, Year	Released/Discharged Month Day, Year
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(There may be additional periods of service not listed above.)

VA Benefit Information

You have one or more service-connected disabilities:

Yes/No

Your combined service-connected evaluation is:

%

You are considered to be totally and permanently disabled due solely to your service-connected disabilities:

Yes/No

You should contact your state or local office of Veterans' affairs for information on any tax, license, or fee-related benefits for which you may be eligible. State offices of Veterans' affairs are available at <http://www.va.gov/statedva.htm>.

How You Can Contact Us

- If you need general information about benefits and eligibility, please visit us at <https://www.ebenefit.va.gov> or <http://www.va.gov>.
- Call us at 1-800-827-1000. If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-829-4833.
- Ask a question on the Internet at <https://iris.custhelp.va.gov>.

Appendix A: Quick reference veteran/military fee waiver chart

Fee Waiver Chart			
License Class	Active Duty	Honorable/General discharge	Permanent disability rating of 100%
Noncommercial - Class C	Not eligible for fee waiver	Not eligible for fee waiver	<p>Must present:</p> <ul style="list-style-type: none"> Letter from US Department of Veteran Affairs showing the disability is rated at 100% and is permanent
Chauffeur - Class D	<p>Must present one of the following:</p> <ul style="list-style-type: none"> Unexpired Common Access Card (CAC) Uniformed Services ID Card (USID) showing "reserve" 	<p>Must present one of the following:</p> <ul style="list-style-type: none"> DD-214 indicating "honorable discharge" DD-214 indicating "general discharge" DOT form 432035 already on file in ERMS to obtain the veteran designation 	Not eligible for fee waiver
Commercial - CDL	<p>Must present one of the following:</p> <ul style="list-style-type: none"> Unexpired Common Access Card (CAC) Uniformed Services ID Card (USID) showing "reserve" 	<p>Must present one of the following:</p> <ul style="list-style-type: none"> DD-214 indicating "honorable discharge" DD-214 indicating "general discharge" DOT form 432035 already on file in ERMS to obtain the veteran designation 	<p>Not eligible for fee waiver</p>
Motorcycle privilege	Not eligible for fee waiver	Not eligible for fee waiver	<p>Must present:</p> <ul style="list-style-type: none"> Letter from US Department of Veteran Affairs showing the disability is rated at 100% and is permanent