

Motor Vehicle Division Informational Memo # 23-13

2023 Legislation – State Government Alignment

DATE: May 12, 2023

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TO: All Motor Vehicle Division staff; all county treasurers

SUBJECT

This memo explains a bill that was passed during the 2023 legislative session that restructures certain departments and operations of Iowa’s state government.

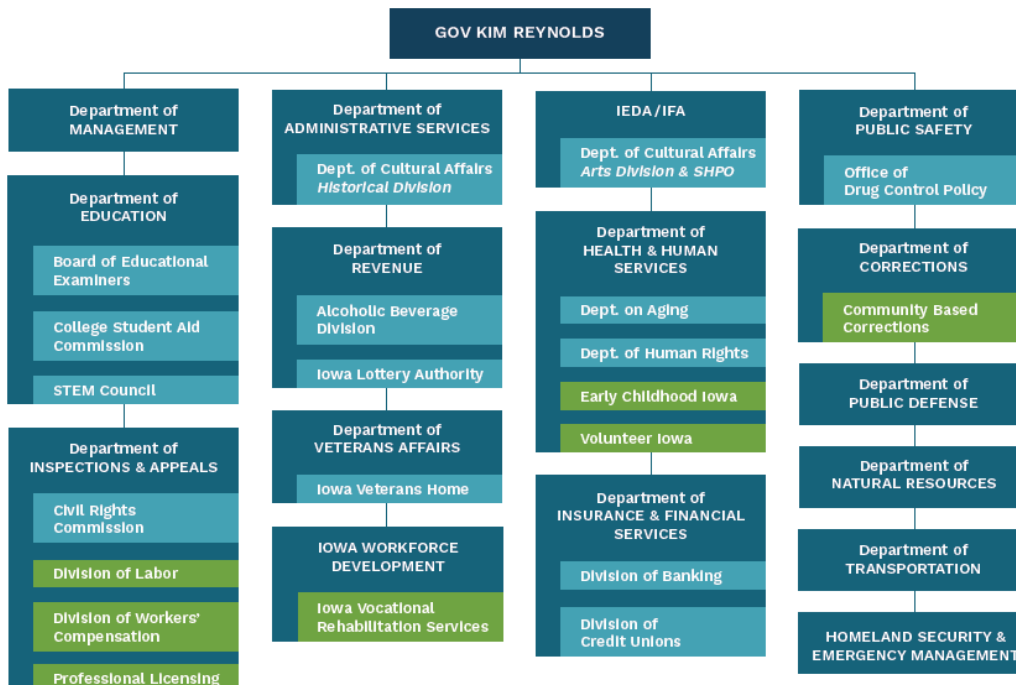
BACKGROUND

SF 514, proposed by Governor Kim Reynolds and enacted during the 2023 legislative session, contains many changes to Iowa’s state government that are intended to improve and streamline state operations. The bill reduces the number of executive cabinet-level agencies from 37 to 16, centralizes similar programs, and reduces the state’s office space footprint, among other changes.

There are no organizational changes to the Motor Vehicle Division due to the bill. As Director Marler has reiterated the past few months through department-wide emails, no layoffs will occur and no programs or services will be cut as a result of these changes. However, there are a few operational impacts for MVD to be aware of.

This legislation will take effect July 1, 2023.

As an overview, the state’s cabinet-level agencies will now be organized as follows:



The legislature also passed a separate bill, SF 513, to move the Motor Vehicle Enforcement (MVE) bureau of the Iowa DOT to the Iowa Department of Public Safety and modify the authority of MVD's peace officers within the Bureau of Investigation and Identity Protection (BIIP). Additional information regarding SF 513 is forthcoming.

EXPLANATION OF CHANGES

While there are no significant changes to MVD due to this bill, there are a number of operational changes and items for awareness, including:

1. **Department name changes.** Throughout Iowa Code, chapters 321 (motor vehicles and laws of the road), 321J (operating while intoxicated), 322 (motor vehicle dealers), 322A (motor vehicle franchisers), and 322C (towable RV dealers) are amended to change the following department names:
 - a. Department of Public Health (DPH) → Department of Health and Human Services (DHHS)
 - b. Department of Human Services (DHS) → Department of Health and Human Services (DHHS)
 - c. Department of Cultural Affairs (DCA) → Department of Administrative Services (DAS)
 - d. Department of Inspections and Appeals (DIA) → Department of Inspections, Appeals, and Licensing (DIAL)

There are no operational impacts from this change, this is for awareness only.

2. **Revenues and fee deposits.** Due to the reorganization of departments, deposits of certain special plate revenues in 321.34 and the voluntary vehicle registration contributions under 321.44A will be shifted as follows:
 - a. *Love our kids* plate revenues will now go to DHHS, rather than DPH.
 - b. *Breast cancer awareness* plate revenues will now go to DHHS, rather than DPH.
 - c. *Civil war sesquicentennial* plate revenues in 321.34(25) will go to DAS, not DCA.
 - d. *Iowa heritage* plate revenues in 321.34(21) will still be deposited into the Iowa heritage fund, but the fund will be managed by DAS, not the State Historical Society.
 - e. Voluntary contributions during vehicle registration transactions will still be deposited in the anatomical gift public awareness and transplantation fund, but the fund will now be administered by DHHS, not DPH.

There are no operational impacts from this change, this is for awareness only. This will not affect how staff processes these transactions.

3. **Emergency vehicle operations and flashing lights.** The change from Department of Public Health to Department of Health and Human Services impacts several emergency vehicle functions under 321.231B, 321.423(7), and 321.451 specifically:
 - a. DHHS, not DPH, will now be administering the emergency vehicle operation course for certain EMS providers and owners of privately-owned authorized emergency vehicles; accordingly, drivers will need to provide proof that they have completed a DHHS-approved (rather than DPH-approved) course in order to be immune from liability for certain vehicle operation or receive a DOT designation as an authorized emergency vehicle.
 - b. Vehicles authorized by DHHS, not DPH, will now be authorized to display a flashing white light.
 - c. DHHS, not DPH, will now be responsible for issuing certificates of authorization to operate vehicles with flashing white lights.

There are a few minor operational impacts from this change, discussed under "Business Impact" below.

4. **Administrative appeals.** Under the bill, the Department of Inspections, Appeals, and Licensing (DIAL) will conduct all contested case hearings to which the MVD is party. This was previously the Department of

Inspections and Appeals (DIA). Staff will need to be aware, provide accurate information to customers regarding contested case hearings, and adjust customer correspondence accordingly.

Staff involved in the administrative appeals process will need to be aware of these changes.

5. **Operating while intoxicated (OWI) and driver's education terminology.** Throughout Iowa Code, the term "substance abuse" is replaced with "substance use disorder." While no substantive changes are made, this does impact OWI reinstatement requirements and driver's education curriculum (Chapter 321J and sections 321.178, 321.178A, and 321.215). Effectively:
 - a. An OWI offender will need to complete a "substance use disorder evaluation" rather than a "substance abuse evaluation."
 - b. Driver's education courses will need to include "substance use disorder" education rather than "substance abuse" education

There are a few minor operational impacts from this change, discussed under "Business Impact" below.

6. **"Confidential" official plates for government agencies.** Due to department name changes, the MVD will now be authorized to issue regular license plates in lieu of "official" state license plates for the following state vehicles that are used for investigations and exempt from registration under 321.19:
 - a. Vehicles used by DHHS, rather than DPH
 - b. Vehicles used by DIAL, rather than DIA
 - c. Vehicles used by Department of Revenue (DOR) rather than Alcoholic Beverages Division (ABD)

*Note: DOR can already receive regular plates under current law, but the volume of their requests may increase as ABD is being moved under DOR.

Staff involved in processing official plate applications will need to be aware of these changes.

7. **Driver's license "chauffeur" requirements.** The exemption from the requirement to obtain a chauffeur license now includes DHHS employees, rather than DHS employees, and excludes employees of the Iowa braille and sight saving school (Iowa Code section 321.1(8)).

There is a minor one-time operational impact from this change, discussed under "Business Impact" below.

8. **DOT general counsel.** Significant changes are made concerning legal services for the department (Iowa Code section 307.23). The Attorney General's office will now directly provide legal services for the DOT, rather than a special assistant attorney general housed within the DOT. However, all legal services for the DOT will still be provided by this position and his/her team, and at this time MVD should not experience an interruption in services we receive from DOT general counsel regarding court filings, contested case hearings, or any other legal matters.

There are no operational impacts from this change, this is for awareness only.

LINK TO LEGISLATION

<https://www.legis.iowa.gov/docs/publications/LGE/90/SF514.pdf>

ADDITIONAL RESOURCES

- Office of the Governor webpage: <https://governor.iowa.gov/vision-iowa/government-alignment>
- Governor's video message to state employees: <https://www.youtube.com/watch?v=E2J8wAjOqLE>
- Additionally, the Governor's office has published two fact sheets regarding the alignment effort:



01_AlignmentOvervi
ew_FactSheet_Jan20

02_AlignmentOrgC
hart_FactSheet_Jan2

BUSINESS IMPACT

To effectively implement this bill, MVD will need to make the following changes:

1. **Vehicle Central Programs:** updating form 411025 related to authorized emergency vehicles to reflect that DHHS, not DPH, will now be administering the emergency vehicle operation course.
2. **Systems & Administration Records team, Strategic Communications, and MVD IT:** updating ARTS OWI correspondence, OWI public forms, and OWI website information to change the term “substance abuse” to “substance abuse disorder.”
3. **Driver Central Programs:** updating driver’s education curricula certification forms to change the term “substance abuse” to “substance abuse disorder.”
4. **Systems & Administration - privacy team:** educating staff and updating practices to reflect that release of certain personal information under 321.11 will be made to DIAL, rather than DIA.
5. **Customer Services Bureau – vehicle team:** educating staff regarding the state government agencies that are now authorized to receive standard license plates instead of “official” state plates under 321.19; re-registration of confidential plates to the appropriate agencies.
6. **MVD Operations & Policy team:** revising the CDL quick guide to update the section on chauffeur license exemptions.
7. **MVD Operations & Policy team:** working with DOT finance to ensure the proper adjustments are made for the distribution of special plate fees and voluntary anatomical gift fund contributions.

QUESTIONS AND ANSWERS:

WILL ARTS REPROGRAMMING BE NECESSARY?

In reviewing all of the impacts to MVD as a result of this bill, there are no programming changes needed in ARTS at this time. As noted in #2 under “business impacts,” certain auto-generated OWI correspondence will need to be updated in ARTS, but this effort will be one-time and minimal.

As it relates to OWI “substance abuse evaluation,” no changes will be needed to the OWI driving record compliance portion of ARTS. Further, if any future programming changes are needed to the external OWI treatment portal used by Department of Education-approved providers to submit evaluation and treatment results, we will ensure that any terminology concerning “substance abuse” is changed at that time.

WILL STATE VEHICLES NEED TO BE RETITLED DUE TO STATE AGENCY REORGANIZATION?

We have confirmed that the vehicles owned by state agencies that are being reorganized are titled in the name “State of Iowa” rather than to the individual state agency, so we do not anticipate needing to retitle state vehicles under the bill. However, should this become an issue, staff should process the official title transfer as we would for any official/fee exempt vehicle.

MVD may need to adjust records for vehicles that are currently assigned “confidential” plates under 321.19 to reflect the new organizations, but again, most state vehicles are already titled in the name of “State of Iowa” rather than an individual agency.

DO THESE CHANGES IMPACT COUNTY TREASURERS?

To the extent that county treasurer offices are involved in the vehicle and driver’s license transactions described above (i.e., voluntary contributions during vehicle registration renewal), county treasurers should be aware of and plan to implement any applicable changes discussed above.

However, MVD's review of this bill has focused on state-level impacts, and we would encourage county treasurers to consult with their legislative liaisons to identify any additional impacts to their operations beyond what is described for MVD operations above.