

Motor Vehicle Division Policy Memo # 21-03

CDL Endorsement Renewal Fees

DATE: March 31, 2021

FROM: Kathleen Meradith-Eyers, Policy & Compliance Officer

TO: All DIS staff, Iowa County Treasurers and County Treasurers' staff that issue driver's licenses and non-operator's identification cards.

EFFECTIVE: Immediately

SUBJECT

This memo explains when we should be assessing endorsement fees for commercial driver's license (CDL) renewal transactions.

EXPLANATION

In connection with a review of pending legislation regarding CDL renewals, we determined an inconsistency when our system assesses endorsement fees when a customer renews a CDL. Specifically, ARTS is currently programmed to assess all CDL endorsement fees when a customer renews their CDL more than 60 days after the printed expiration date. These have been referred to as CDL endorsement "late" fees, assessed by ARTS when a person is renewing their CDL after their 60-day grace period has ended. This was based on a previous interpretation that the endorsement fee paid only lasted for the validity of the license plus the 60-day grace period. However, it has been determined we should not be charging customers to renew a CDL endorsement unless testing is required to renew or retain the endorsement.

With the release of this policy memo, we will no longer assess CDL endorsement renewal fees for a customer renewing their CDL with endorsements they already hold, unless the customer is renewing more than one year after the expiration of their CDL or they are renewing a hazardous materials endorsement (HME). The endorsements we will no longer charge to renew (within one year of CDL expiration) include: school bus endorsement (\$10), tank endorsement (\$5), double/triple endorsement (\$5), and passenger endorsement (\$10). We will continue to charge the \$5 HME renewal fee whenever a customer renews a CDL with HME, regardless of when the license expires, as well as the \$10 fee for lifting the air brake restriction (L) the first time a customer is issued a CDL without the L restriction.

An easy way to determine if we should be charging a CDL holder to renew an endorsement is whether testing is required to renew the endorsement. For instance, hazardous materials endorsement holders must take a HazMat knowledge test at each renewal, so we should always charge the \$5 fee to renew the HME. Also, if a customer is renewing their CDL more than one year after the printed expiration date, we should charge all endorsement fees, because they must re-test for the entire base license plus each endorsement. Customers do not need to re-test to renew a school bus, tank, double/triple, or passenger endorsement within one year of CDL expiration, therefore, no endorsement fee should be assessed in these cases.

In other words, the only times we should be charging customers a CDL endorsement fee are:

- Initial CDL issuance with endorsements (endorsement testing required)
- Renewing a hazardous materials endorsement (HME testing required each renewal)
- Adding a new endorsement or removing a restriction that requires testing (airbrake restriction "L") from an existing CDL (because testing is required for the new endorsement or first-time restriction removal)
- Renewing more than 1 year after expiration (retesting required for base license and all endorsements)

To summarize, for customers renewing their existing CDL with no changes to endorsements or restrictions:

Standard renewal window	180 days prior to expiration through 60 days after expiration	No endorsement renewal fees due (except HME renewal or first-time lifting airbrake restriction, if applicable)
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Late renewal window	61 days to 365 days after expiration	No endorsement renewal fees due (except HME renewal or first-time lifting airbrake restriction, if applicable)
Retesting required at renewal	366 days or more after expiration	All endorsement fees due
Re-exam or line exam (when retesting is required <i>only</i> due to the re-exam or line exam)	Any time during license validity until 365 days after expiration (i.e., the customer is attempting to retain their existing driving privileges following a re-exam or line exam request)	No endorsement renewal fees due (except HME renewal or first-time lifting airbrake restriction, if applicable)

HELPFUL QUESTIONS AND ANSWERS

Why are we making this change?

A review of Iowa Code sections 321.191 and 321.196 and Iowa administrative rule chapters 604, 605, and 607 determined that renewal fees for CDL endorsements should only be charged when the customer is required to take a test to renew and retain the endorsement (such as a hazardous materials endorsement which requires knowledge testing at each renewal, or the license has been expired for more than one year and requires full retesting for the base license and all endorsements).

This interpretation accounts for the fact that renewing an endorsement that doesn't require any new testing does not incur any extra costs to renew the endorsement.

Is ARTS being programmed to stop charging the CDL endorsement late fees?

Due to several high-priority projects consuming our IT developers' time and effort, we are not immediately reprogramming ARTS to stop the system from assessing these CDL endorsement "late" fee for renewals. Instead, we ask that you manually waive the endorsement fees when renewing a CDL with existing endorsements (except the fee for hazardous materials endorsement, which should be charged at each HME renewal).

Please know that we do have this change on the list of IT projects to be completed as time allows and we hope to have a permanent programming solution in place soon, so that you do not need to complete the ARTS workaround to waive the "late" fees. In the meantime, we are grateful for your help in adopting this solution to better serve our customers!

How do we manually waive CDL endorsement "late" fees when issuing?

After you've completed the necessary requirements, click on the [Fee Detail](#) tab. The endorsement fees will be listed individually. For each fee, you will need to add an adjustment for 'No Charge.' Each row will require a comment as to why you are adjusting the fees, this comment should read something like 'waiving endorsement late fees per policy.' The last step is to add the adjustment to each row using the minus sign (-) in front of the fee so it deducts it from the total fee below.

Here's an example of waiving the Tank endorsement renewal fee for a person renewing their Class B CDL with Tank and HazMat endorsement. We will still charge to renew the HazMat endorsement, as always, because it requires a test at each renewal:

Current CDL B; END: N; REST: F,B,K,L; ISS: 11-01-2018; EXP: 10-30-2020
Previous

Application Documents Eligibility Qualifications Knowledge Skills **Fee Detail**

Fee Type	Comment	Annual Fee	Fee Amount	Adjustment	
CDL B	License Fee		\$16.00	\$0.00	Add Adjustment
N - Tank	Endorsement Fee		\$5.00	(\$5.00)	Add Adjustment
Adjustment Reason			Comment	Adjustment	
<input checked="" type="checkbox"/> No Charge				(\$5.00)	
H - Hazmat	Endorsement Fee		\$5.00	\$0.00	Add Adjustment
			Total	\$26.00	(\$5.00)
Apply Gift Certificate			Amount Due		\$21.00

Here is an example of a customer renewing a Class A CDL with the motorcycle, and CDL endorsements for: Double/Triple Trailer, Tank, and HazMat. We will still charge for the motorcycle endorsement as always, and still charge for the HazMat endorsement as always (since it is a CDL endorsement that requires a test), but we will waive the Tank and Double/Triple Trailer endorsement fees. (Also, like normal we will waive the "lift airbrake restriction" automatically assessed by the system since the customer has already tested for airbrakes previously and is not removing the airbrake restriction "L" during this transaction.)

Current CDL A; END: L,T,X; REST: J; ISS: 11-18-2015; EXP: 12-16-2020
Previous CDL A; END: L,T,X; ISS: 04-16-2014; EXP: 12-16-2015

Application Documents Eligibility Qualifications Knowledge Skills **Fee Detail**

Fee Type	Comment	Annual Fee	Fee Amount	Adjustment	
CDL A	License Fee		\$64.00	\$0.00	Add Adjustment
Lift Airbrake Restriction	L - No Air Brake Equipped CMV		\$10.00	(\$10.00)	Add Adjustment
Adjustment Reason			Comment	Adjustment	
<input checked="" type="checkbox"/> No Charge				(\$10.00)	
N - Tank	Endorsement Fee		\$5.00	(\$5.00)	Add Adjustment
Adjustment Reason			Comment	Adjustment	
<input checked="" type="checkbox"/> No Charge				(\$5.00)	
L - Motorcycle	Endorsement Fee		\$16.00	\$0.00	Add Adjustment
H - Hazmat	Endorsement Fee		\$5.00	\$0.00	Add Adjustment
T - Double/Triple Trailers	Endorsement Fee		\$5.00	\$0.00	Add Adjustment
Adjustment Reason			Comment	Adjustment	
<input checked="" type="checkbox"/> No Charge				-5.00	
			Total	\$125.00	(\$40.00)
Apply Gift Certificate			Amount Due		\$85.00

Will we be issuing refunds to customers who were charged CDL late renewal endorsement fees based on the previous policy?

No. The policy to only charge CDL endorsement renewal fees when testing is required is effective on a forward-going basis. However, if after the release of this policy memo, you discover that you have accidentally assessed a CDL endorsement “late” renewal fee, you should make every attempt to correct the transaction while the customer is still there. Please work with your supervisor if you need to correct endorsement fees that were added to the transaction and should not have been.

Are you updating internal manuals to reflect this change?

Yes, section B, page 40 of the ARTS examiner’s manual has been updated to state that CDL endorsement fees are only required as outlined in this policy memo, and that we do not assess CDL endorsement “late” fees if a customer is renewing beyond their 60-day grace period and no retesting is required.

Should CDL endorsement fees be waived when a CDL driver is required to retest due to a re-examination or line examination?

Yes, this policy has not changed. If the only reason the customer is retaking endorsement tests is due to the re-examination or line exam, we should not re-assess the endorsement fees if/when the customer passes the re-examination and is re-issued the CDL with endorsements. This is because we are requiring the re-examination or line exam, and without our requirement for the re-examination or line exam, the customer’s license would otherwise be valid (unexpired and unsanctioned).

However, if a customer subject to a re-examination or a line examination would be required to complete re-testing regardless of the re-examination (i.e., their license has been expired for more than one year, or they are reinstating from another sanction that began more than one year ago), we should assess all CDL endorsement fees like normal.