



IOWA HOUSE DEMOCRATS

BILL SUMMARY

HF 870

Motor Vehicle Registration in Another County and Fees

Status of Bill: On House Ways and Means Calendar
Committee: Local Government (12-6) Ways and Means (18-6)
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Lead Democrat: Isenhart
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Bill Summary

Under the bill, any county treasurer can accept applications for initial registration and issue initial registrations and certificates of title to owners of vehicles from any county. If it is a renewal application, then it has to be done in the county of residence and the annual registration fee applies.

An application for renewal of registration for a vehicle would be submitted to the county treasurer of the county of the owner's residence, or if a nonresident or a firm association or corporation with vehicles in multiple counties, to the county treasurer of the county where the primary users of the vehicle are located, or if a lessor of the vehicle, to the county treasurer of the county of the lessee's residence. However, the bill does not change the requirement that every registration plate issued by a county treasurer must display the name of the county where the plate is issued under Iowa Code section 321.166. Under the bill, a person may register a vehicle other than by renewal in any county.

The changes include all of the following:

- Owners of commercial vehicles;
- Owners of certain foreign vehicles;
- Owners of transferred vehicles;
- Owners of vehicles with a lost or damaged certificate of title;
- Owners of vehicles transferred by law, and nonresident purchasers of vehicles;
- Receive forwarded plates from the owner of a registered vehicle who has transferred or assigned ownership of the vehicle to another person;
- Accept the return of an original certificate of title from a lienholder;
- Issue an original certificate of title to a new purchaser or transferee who presents an assigned replacement copy;
- Receive affidavits certifying the sale or transfer of ownership of a vehicle;
- Receive registration plates from a vehicle that has been transferred by operation of law;
- Issue certificates of title to dealers in possession of foreign registered vehicles;
- Receive applications for the transfer of registration and certificates of title;
- Perfect security interests;
- Accept certificates of title, or other forms, noting that a security interest has been discharged;
- Receive certificates of title of vehicles that have been sold for scrap or junk;
- Accept applications for salvage certificates of title;
- Receive certificates of title of a wrecked or salvage vehicle; and
- Accept applications and issue temporary permits for vehicles that are unregistered or have delinquent registration.

Fee Increases

The bill increases the following fees from \$20 to \$25:

- Applications for initial registration and issuance of a certificate of title for a vehicle;
- Applications for initial registration and issuance of a certificate of title for a commercial vehicle;
- Applications for initial registration of a vehicle failing to meet the equipment requirements of Iowa Code Chapter 321;
- Applications for a replacement copy of an original certificate of title;
- Applications for a new initial registration and a new title upon transfer;
- Applications for initial registration and issuance of a certificate of title for a vehicle transferred by operation of law; and
- Applications for certificate of title to a nonresident purchaser.

The bill increases the following fees from \$10 to \$15:

- Applications by a manufacturer for a certificate of title;
- Applications to perfect a security interest in a vehicle by delivery to a county treasurer; and
- Applications for the issuance of a salvage certificate of title.

The bill increases the fee from \$5 to \$10 for applications for certificates of title by a dealer for a foreign registered vehicle.

Currently there is an annual registration fee plus 5% of the purchase price. The fee for new registration under the bill would be \$5 plus 5% of the purchase price of each vehicle subject to registration.

Date of Implementation Struck

The bill strikes the current date requirement in Iowa Code section 321.20(2) which the Department of Transportation (DOT) is required to develop and implement a program to allow for electronic applications, titling, initial registrations, and funds transfers for vehicles subject to registration.

Use of Fees by County Treasurer

The bill changes the amounts of certain fees a county treasurer may retain for deposit in the county general fund. The bill increases the amount a County Treasurer can retain from \$2.50 to \$7.50 from each fee collected for certificates of title, from \$6 to \$11 from each fee collected for perfection of security interests, and from \$1 to \$6 from each fee for new registration. Due to the fee increase in the bill, this will not affect the state General Fund.

	Fees Retained by Counties	
	<u>Current Fees Retained</u>	<u>Fees Retained Under HF 870</u>
Fees for New Title	\$2.50	\$7.50
Fees for Replacement Title	\$2.50	\$7.50
Manufacturer Buy Back	\$2.50	\$7.50
Perfection of Security Interest	\$6.00	\$11.00
Salvage Title	\$2.50	\$7.50
Fee for New Registration	\$1.00	\$6.00

Fiscal Impact

HF 870, according the Fiscal Estimate, would increase fee revenue retained in county general funds by \$10.7 million annually beginning in FY 2022. The DOT states that they will incur a one-time IT expense of \$14,000.

Epley, David [LEGIS]G:\Caucus Staff\depley\21 Session\Local Government\Bill Summary\Bill Sum HF 870 Vehicle Registration in Another County 4-19.docx\April 19, 2021|11:15 AM