



[HF 2678](#) – Motor Vehicle Registration (LSB5585HZ)
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Fiscal Note Version – New

Description

[House File 2678](#) allows a county treasurer in a contiguous county to accept applications from an owner of a vehicle or a lessor of a vehicle pursuant to Iowa Code chapter [321F](#) that has a gross weight of less than 10,000 pounds for initial issuance of a vehicle registration and certificate of title and to issue regular registration plates that does not contain a county name. The Bill requires an applicant for initial registration and issuance of certificate of title to pay a \$1 application fee if the application is submitted in a contiguous county.

Background

Under current law, a person must generally apply for vehicle registration and issuance of certificate of title to the county treasurer where the person resides or where the primary user of the vehicle is located. However, in 2016, the General Assembly required the Department of Transportation (DOT) to develop and implement a program to allow for electronic application, titling, registering, and fund transfers for vehicles subject to registration. At the same time, the General Assembly conditionally authorized an owner of a vehicle subject to registration to apply to a contiguous county treasurer if the electronic program was not yet implemented by July 1, 2019. This conditional authorization was not limited to initial issuance of a vehicle registration and certificate of title.

Current law requires registration plates to display the name of the county that issues the plates unless a specific exception is provided.

Iowa Code section [321.152](#) allows county treasurers to retain for deposit in the county general fund 4.0% of the total collection for each annual registration issued.

Assumptions

- The DOT will incur a one-time information technology (IT) programming cost for the Archon Registration and Titling System (ARTS) and the Electronic Registration and Titling System (ERTS) to ensure issuance of an initial title and registration is the only transaction that can be performed by a county treasurer in a contiguous county.
- ARTS and ERTS will also need to be programmed to implement the \$1 fee and “blank county name” plate option for a regular license plate that currently requires a county name. The work will be performed by outside contractors.
- There were 117,231 contiguous county transactions that occurred in FY 2023.
- Of the fees collected, 96.0% will be deposited into the Road Use Tax Fund (RUTF), and 4.0% will remain with the counties.

Fiscal Impact

House File 2678 is estimated to increase revenues to the RUTF by \$113,000 and \$5,000 to county general funds, respectively. Additionally, there will be a one-time IT cost to the DOT of approximately \$147,000 in FY 2025 for programming and testing costs.

Source

Department of Transportation

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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