

Transportation 12/3/85

FILED JAN 22 1985

SENATE FILE

86

BY SMALL

Passed Senate, Date _____ Passed House, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to registration fees on motor vehicles by al-
 2 lowing certain credits on registration fees for vehicles
 3 sold or traded either within or without the state, and by
 4 providing for a refund of registration fees for certain
 5 motor vehicles which have been destroyed or junked on or
 6 after January 1, 1983.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 86

1 Section 1. Section 321.46, subsection 3, unnumbered para-
2 graph 1, Code 1985, is amended to read as follows:

3 The applicant ~~shall be~~ is entitled to a credit for that
4 portion of the registration fee of the vehicle sold, or
5 traded, ~~or junked within the state~~ which had not expired prior
6 to the transfer of ownership of the vehicle. The registration
7 fee for the new registration for the vehicle acquired shall be
8 reduced by the amount of the credit. The credit shall be
9 computed on the basis of the number of months remaining in the
10 registration year, rounded to the nearest whole dollar. The
11 credit shall be subject to the following limitations:

12 Sec. 2. Section 321.46, subsection 3, paragraph a, Code
13 1985, is amended to read as follows:

14 a. The credit shall be claimed within thirty days from the
15 date the vehicle for which credit is granted was sold, or
16 transferred, ~~or junked~~. After thirty days, all credits shall
17 be disallowed.

18 Sec. 3. Section 321.46, subsection 3, paragraph b, Code
19 1985, is amended to read as follows:

20 b. Any A credit granted to the owner of a vehicle which
21 has been sold, or traded, ~~or junked~~ may only be claimed by
22 that person toward the registration fee for another vehicle
23 purchased and the credit may not be sold, transferred, or
24 assigned to any other person.

25 Sec. 4. Section 321.46, subsection 3, paragraph d, Code
26 1985, is amended by striking the paragraph.

27 Sec. 5. NEW SECTION. 321.126A REFUND OF REGISTRATION
28 FEES FOR CERTAIN JUNKED VEHICLES.

29 If a motor vehicle which is registered by a county
30 treasurer is destroyed by fire or accident, or junked and its
31 identity as a motor vehicle entirely eliminated, the owner in
32 whose name the motor vehicle was registered at the time of
33 destruction or dismantling shall return the plates to the
34 county treasurer and within thirty days thereafter may make a
35 statement of the destruction or dismantling and make claim for

1 a refund. No refund shall be allowed unless the owner
2 presents a junking certificate or other evidence as required
3 by the department to the county treasurer. The refund for a
4 motor vehicle shall be paid equal to one-twelfth of the annual
5 registration fee for the motor vehicle times the number of
6 complete calendar months remaining from the date the vehicle
7 is destroyed or junked until the registration expires. When
8 the amount of refund is computed to be less than five dollars,
9 the refund shall be disallowed.

10 Sec. 6. Section 321.127, Code 1985, is amended to read as
11 follows:

12 321.127 AMOUNT OF REFUND.

13 The refund for motor vehicles shall be computed on the
14 basis of one-fourth of the annual registration fee multiplied
15 by the number of remaining quarters of the registration year
16 from date of filing of the claim for refund with the county
17 treasurer, computed to the nearest quarter dollar. The
18 department, unless reasonable grounds exist for delay, shall
19 make refund on or before the fifteenth day of the quarter
20 following the quarter in which the claim is filed with the
21 department. For trailers or semitrailers issued a multiyear
22 registration plate a refund shall be paid equal to the annual
23 fee for twelve months times the remaining number of complete
24 registration years. Refunds for motor vehicles registered for
25 prorated under chapter 326 shall be paid on the basis of
26 ~~unexpired~~ the complete calendar months remaining on the
27 registration from the date the claim is filed with the
28 department. This section does not apply to refunds issued
29 under section 321.126A.

30 Sec. 7. Section 321.128, Code 1985, is amended to read as
31 follows:

32 321.128 PAYMENT AUTHORIZED.

33 The department may make the payments under sections
34 321.126, 321.126A and 321.127, when sufficient proof of such
35 destruction by accident, ~~or~~ the junking and entire elimination

1 of identity as a motor vehicle, theft, or storage by an owner
2 entering the military service of the United States in time of
3 war, is properly certified, approved by the county treasurer,
4 and filed with the department.

5 Sec. 8. Sections 5 through 7 of this Act take effect
6 retroactively for vehicles destroyed or junked on or after
7 January 1, 1983. However, no refund shall be provided for
8 destroyed or junked vehicles for which a credit has been ap-
9 plied for under section 312.46.

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EXPLANATION

11 Current law does not provide for a refund of registration
12 fees for motor vehicles registered by county treasurers which
13 have been destroyed or junked. However a refund is provided
14 for motor vehicles registered by the state department of
15 transportation. This bill provides for refund of the
16 registration fees for junked or destroyed vehicles registered
17 by the county treasurers. The refund is prorated based on the
18 number of complete calendar months remaining on the
19 registration of the motor vehicle at the date it is destroyed
20 or junked. No refunds are allowed if the amount is less than
21 five dollars. The bill applies retroactively to vehicles
22 destroyed or junked on or after January 1, 1983. However it
23 does not apply to vehicles for which a credit has been applied
24 for under section 321.46.

25 The bill also eliminates the credit for registration fees
26 for junked vehicles as these vehicles would be eligible for
27 the refund.

28 The bill also eliminates the restriction against receiving
29 a credit on registration fees for vehicles sold or traded
30 outside the state of Iowa.

31 The bill creates and internally cites new section 321.126A.

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SENATE FILE 86
FISCAL NOTE

REQUESTED BY SEN. SMALL

In compliance with a request a fiscal note for Senate File 86 is hereby submitted pursuant to Joint Rule 17.

Senate File 86 provides for refund of the registration fees for junked or destroyed vehicles registered by the county treasurers. The refund is prorated based on the number of complete calendar months remaining on the registration of the motor vehicle at the date it is destroyed or junked. No refunds are allowed if the amount is less than five dollars. The bill applies retroactively to vehicles destroyed or junked on or after January 1, 1983. However, it does not apply to vehicles for which a credit has been applied under section 321.46.

ASSUMPTIONS: Under Senate File 86 the following assumptions would be established:

- a. 10,000 vehicles are sold or traded outside of Iowa each year.
- b. 4,300 junked vehicles would be eligible for refund each year (Note: This is a 10% estimate by the DOT of the 43,000 vehicles which are junked each year).
- c. The average credit/refund is \$20.
- d. Regarding DOT's administrative cost, the junked vehicles currently eligible for credit under this proposed bill must file for a refund, so it increases the administrative cost of all 43,000 junked vehicles. The administrative cost for refunds is 20%.
- e. The administrative cost retained by counties for refunds is 2.6%.

FISCAL EFFECT: Under Senate File 86 the annual fiscal effect would be established.

a.	REVENUE DECREASES:	
	Sold or traded out of state	
	(10,000 x \$20)	\$200,000
	Refund expansion to junked vehicles	
	(4,300 x \$20)	86,000
	DOT administration cost on refunds	
	(43,000 x \$20 x 20%)	172,000
	County administration cost on refunds	
	(43,000 x \$20 x 2.6%)	22,360
	Total cost	<u>\$480,360</u>
b.	RUTF RECEIPTS WOULD BE ANNUALLY REDUCED AS FOLLOWS:	
	State (45% x \$480,360)	\$216,162
	County (37% x \$480,360)	177,733
	City (18% x \$480,360)	86,465
		<u>\$480,360</u>