

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

**Proposing rule making related to foreign certificates of title
and providing an opportunity for public comment**

The Transportation Department hereby proposes to amend Chapter 400, “Vehicle Registration and Certificate of Title,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 321.23(3) as amended by 2022 Iowa Acts, House File 2341.

Purpose and Summary

This proposed rule making updates Chapter 400 to conform the rules with 2022 Iowa Acts, House File 2341. This legislation creates a new exception from the requirement that a holder of a foreign certificate of title with an Iowa nontransferable registration must first obtain an Iowa title before transferring the vehicle. Iowa Code section 321.23 requires that an owner who has registered a foreign vehicle in Iowa, but has a foreign certificate of title, cannot transfer the vehicle before applying for and receiving an Iowa certificate of title. The new exception will allow an owner to transfer the foreign certificate of title to an insurance carrier authorized to do business in Iowa if at the time of transfer the foreign certificate of title is held by a secured party and the insurance carrier has forwarded to the secured party the sum necessary to discharge the security interest. This same exception currently exists for motor vehicle dealers who have forwarded the funds to discharge the security interest in these situations. The proposed amendment expands the exception to insurance carriers authorized to do business in Iowa as authorized in the legislation.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond any impact anticipated by the legislation.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rule making or may submit a written request to make an oral presentation at a public hearing. Written comments or requests to present oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on January 17, 2023. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

If requested, a public hearing to hear oral presentations will be held on January 19, 2023, via conference call at 9 a.m. Persons who wish to participate in the conference call should contact Tracy George before 4:30 p.m. on January 17, 2023, to facilitate an orderly hearing. A conference call number will be provided to participants prior to the hearing.

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact Tracy George and advise of specific needs.

The public hearing will be canceled without further notice if no oral presentation is requested.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend paragraph **400.4(3)“d”** as follows:

d. A person who registers a foreign vehicle under Iowa Code ~~subsection~~ section 321.23(3) shall be issued a nontransferable-nonnegotiable registration. To transfer ownership of the vehicle, the owner must first obtain an Iowa certificate of title except as follows: If ownership is transferred to an Iowa licensed motor vehicle dealer or an insurance carrier authorized to do business in Iowa as provided in Iowa Code ~~subsection~~ section 321.23(3) as amended by 2022 Iowa Acts, House File 2341, the foreign certificate of title may be assigned to the dealer or the insurance carrier; the owner is not required to obtain an Iowa title. The dealer may then reassign the foreign title, as provided in Iowa Code ~~subsection~~ section 321.48(2) and rule 761—400.27(321,322).

ITEM 2. Amend rule **761—400.4(321)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 321.20, 321.23 as amended by 2022 Iowa Acts, House File 2341, 321.24, 321.30, 321.31, 321.45 to 321.50, 321.67, 321.515, 321.519, 322.3 and 633A.4604.