RA 26-300

TRANSPORTATION DEPARTMENT[761]

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 425
"Motor Vehicle and Towable Recreational Vehicle Dealers,
Manufacturers, Distributors and Wholesalers"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 322.13
State or federal law(s) implemented by the rulemaking: Iowa Code section 321.63(3) as enacted by 2026 Iowa Acts, House File 2485, section 2, and section 322.13

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 6, 2026 9 to 9:30 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 597 994 217#

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Transportation no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Sara Siedsma
6310 SE Convenience Boulevard
Ankeny, Iowa 50021
Email: sara.siedsma@iowadot.us

Purpose and Summary

The proposed amendments are intended to align the rules with 2026 Iowa Acts, House File 2485, section 2. This legislation authorizes a motor vehicle dealer to store records at the dealer's parent company location, provided the location is within the United States. Current administrative rules only contemplate record storage at another licensed location of the dealer and only if the dealer has multiple licensed locations. The amendments update the rules to clarify storage at the dealer's parent company location is permissible in accordance with the new statutory authority and require dealers to provide parent company information as part of the dealer license application.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs or fees associated with the proposed amendments beyond those of the underlying statute. The amendments align with the new statutory authority for dealers to store records at a parent company location.
- **Classes of persons that will benefit from the proposed rulemaking:**

Dealers may benefit from having more options to store records in a manner that aligns with its business model.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

There are no quantitative impacts beyond those of the underlying statute.

- **Qualitative description of impact:**

There are no qualitative impacts beyond those of the underlying statute.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no implementation or enforcement costs beyond those of the underlying statute.

- **Anticipated effect on State revenues:**

There are no anticipated effects on State revenues beyond those of the underlying statute.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

There is no benefit of inaction. The amendments conform with statutory changes.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly or less intrusive methods to achieve the purpose of the proposed amendments, which are authorized by statute.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Department did not consider alternatives for the proposed amendments.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no impact on small business from the proposed rule amendments beyond those of the underlying statute.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** paragraph **425.4(1)"g"**:

g. Parent company information. If the dealer stores records at the place of business of an entity having direct ownership or control over the dealer pursuant to Iowa Code section 321.63(3) as enacted by 2026 Iowa Acts, House File 2485, section 2, the application shall include the legal name, bona fide address and telephone number of said entity.

ITEM 2. Amend rule 761—425.7(321,322) as follows:

761—425.7(321,322) Business records of a motor vehicle dealer with multiple licenses.

425.7(1) *Applicability.* A motor vehicle dealer licensed under Iowa Code chapter 322 and this chapter who holds more than one motor vehicle dealer license may maintain the dealer's collective business records together at any of the dealer's licensed locations or at a location identified in Iowa Code section 321.63(3) as enacted by 2026 Iowa Acts, House File 2485, section 2.

425.7(2) *Separation of records.* Business records of licensed motor vehicle dealers kept at a single ~~licensed~~ location under this rule shall:

a. and *b.* No change.

425.7(3) No change.

This rule is intended to implement Iowa Code ~~sections~~ section 321.63 as amended by 2026 Iowa Acts, House File 2485, section 3, and sections 322.2 through 322.15.