

## CHAPTER 1127

### ENVIRONMENTAL SALES TAX EXEMPTION AND MOTORSPORTS RECREATIONAL VEHICLES

S.F. 2364

**AN ACT** relating to state regulatory matters by exempting from sales tax the furnishing of certain environmental testing services, modifying the registration and regulation of motorsports recreational vehicles, recreational vehicle operators, and recreational vehicle cargo, and including fees, penalties, and effective date provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

#### DIVISION I ENVIRONMENTAL TESTING SALES TAX EXEMPTION

Section 1. Section 423.2, subsection 6, paragraph a, Code 2014, is amended to read as follows:

a. The sales price of any of the following enumerated services is subject to the tax imposed by subsection 5: alteration and garment repair; armored car; vehicle repair; battery, tire, and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; vehicle wash and wax; campgrounds; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dating services; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, carpet, and upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; gun and camera repair; house and building moving; household appliance, television, and radio repair; janitorial and building maintenance or cleaning; jewelry and watch repair; lawn care, landscaping, and tree trimming and removal; limousine service, including driver; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pay television; pet grooming; pipe fitting and plumbing; wood preparation; executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; reflexology; security and detective services, excluding private security and detective services furnished by a peace officer with the knowledge and consent of the chief executive officer of the peace officer's law enforcement agency; sewage services for nonresidential commercial operations; sewing and stitching; shoe repair and shoeshine; sign construction and installation; storage of household goods, mini-storage, and warehousing of raw agricultural products; swimming pool cleaning and maintenance; tanning beds or salons; taxidermy services; telephone answering service; test laboratories, including mobile testing laboratories and field testing by testing laboratories, and excluding tests on humans or animals and excluding environmental testing services; termite, bug, roach, and pest eradicators; tin and sheet metal repair; transportation service consisting of the rental of recreational vehicles or recreational boats, or the rental of motor vehicles subject to registration which are registered for a gross weight of thirteen tons or less for a period of sixty days or less, or the rental of aircraft for a period of sixty days or less; Turkish baths, massage, and reducing salons, excluding services provided by massage therapists licensed under chapter 152C; water conditioning and softening; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl, and vegetables; wrecking service; wrecker and towing.

Sec. 2. Section 423.3, Code 2014, is amended by adding the following new subsection:

**NEW SUBSECTION.** 101. The sales price from the furnishing of environmental testing services performed at a laboratory, in the field, or by a mobile testing service. For purposes of this subsection, "environmental testing" means the physical or chemical analysis of soil, water, wastewater, air, or solid waste performed in order to ascertain the presence of environmental contamination or degradation.

Sec. 3. EFFECTIVE DATE. This division of this Act takes effect July 1, 2015.

DIVISION II  
MOTORSPORTS RECREATIONAL VEHICLES

Sec. 4. Section 321.1, subsection 8, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. i. A person operating a motorsports recreational vehicle is not a chauffeur.

Sec. 5. Section 321.1, subsection 36C, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. “*Motorsports recreational vehicle*” means a modified motor vehicle used for the purpose of participating in motorsports competitions and consisting of a conversion unit mounted on a truck tractor or motor truck chassis such that the motor vehicle can be used as a conveyance on the highway and as a temporary or recreational dwelling. The motor vehicle must have at least four of the permanently installed systems listed in paragraph “d”, two of which shall be systems specified in paragraph “d”, subparagraph (1), (4), or (5).

Sec. 6. Section 321.109, subsection 1, paragraph a, Code 2014, is amended to read as follows:

a. The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, 1993 and subsequent model year multipurpose vehicles, and 2010 and subsequent model year motor trucks with an unladen weight of ten thousand pounds or less, except motor trucks registered under section 321.122, business-trade trucks, special trucks, motor homes, motorsports recreational vehicles, ambulances, hearses, motorcycles, motorized bicycles, and 1992 and older model year multipurpose vehicles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident’s state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ten dollars shall be paid. And provided, however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident’s state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed; and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer’s or importer’s certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of twenty dollars, issue a certificate of title in the name and address of the nonresident purchaser delivering the title to the owner. If there is a security interest noted on the title, the county treasurer shall mail to the secured party an acknowledgment of the notation of the security interest. The county treasurer shall not release a security interest that has been noted on a title issued to a nonresident purchaser as provided in this paragraph. The application requirements of section 321.20 apply to a title issued as provided in this subsection, except that a natural person who applies for a certificate of title shall provide either the person’s social security number, passport number, or driver’s license number, whether the license was issued by this state, another state, or another country. The provisions of this subsection relating to multipurpose vehicles are effective for all 1993 and subsequent model years. The annual registration fee for multipurpose vehicles that are 1992 model years and older shall be in accordance with section 321.124.

Sec. 7. Section 321.124, Code 2014, is amended by adding the following new subsection:  
NEW SUBSECTION. 4. *a.* The annual registration fee for a motorsports recreational vehicle is four hundred dollars. For purposes of determining that portion of the annual registration fee which is based upon the value of the motorsports recreational vehicle, sixty percent of the annual fee is attributable to the value of the vehicle. The owner of a motor vehicle registered under this subsection shall certify at the time of registration or renewal of registration that the motor vehicle is used for the purpose of participating in motorsports competition.

*b.* If the department determines by audit or other means that a person registered a vehicle as a motorsports recreational vehicle that is not qualified for such registration, the person shall be required to pay the difference between the regular annual registration fees owed for the vehicle for each year the vehicle was registered in violation of this section and the fees actually paid.

*c.* If the department determines by audit or other means that the person knowingly registered a vehicle as a motorsports recreational vehicle that is not qualified for such registration, the person shall be required to pay a penalty for improper registration in the amount of seven hundred fifty dollars for each registration year in which the vehicle was registered in violation of this section, not to exceed two thousand two hundred fifty dollars.

Sec. 8. Section 321.152, subsection 1, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. *g.* Twenty-five percent of each penalty collected for improper motorsports recreational vehicle registration under section 321.124, subsection 4.

Sec. 9. Section 321.284A, subsection 2, Code 2014, is amended to read as follows:

2. This section does not apply to a passenger being transported in a motor vehicle designed, maintained, or used primarily for the transportation of persons for compensation, or a passenger being transported in the living quarters of a motor home, motorsports recreational vehicle, manufactured or mobile home, travel trailer, or fifth-wheel travel trailer.

Sec. 10. Section 321.310, subsections 1 and 2, Code 2014, are amended to read as follows:

1. A motor vehicle shall not tow a four-wheeled trailer with a steering axle, or more than one trailer or semitrailer, or both in combination. However, this section does not apply to a motor home, motorsports recreational vehicle, multipurpose vehicle, motor truck, truck tractor or road tractor nor to a farm tractor towing a four-wheeled trailer, nor to a farm tractor or motor vehicle towing implements of husbandry, nor to a wagon box trailer used by a farmer in transporting produce, farm products, or supplies hauled to and from market.

2. Any four-wheeled trailer towed by a truck tractor or road tractor shall be registered under the semitrailer provisions of section 321.123; provided, ~~however,~~ that the provisions of this ~~section subsection~~ shall not be applicable ~~apply~~ to motor vehicles drawing wagon box trailers used by a farmer in transporting produce, farm products, or supplies hauled to and from market, or to a four-wheeled trailer towed by a motorsports recreational vehicle.

Sec. 11. Section 321.446, subsection 3, paragraph b, Code 2014, is amended to read as follows:

*b.* The transportation of children in 1965 model year or older vehicles, authorized emergency vehicles, buses, or motor homes, or motorsports recreational vehicles except when a child is transported in a motor home's or motorsports recreational vehicle's passenger seat situated directly to the driver's right.

Sec. 12. Section 321.450, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Notwithstanding other provisions of this section, rules adopted under this section applicable to the transportation of any fuel used in race car engines shall not apply to the transportation of such fuel if the fuel is contained in the fuel cells of a race car being transported in a trailer and the fuel cells are certified by SFI foundation, inc.

Sec. 13. Section 321.454, Code 2014, is amended to read as follows:

**321.454 Width of vehicles.**

The total outside width of a vehicle or the load on the vehicle shall not exceed eight feet six inches. This limitation on the total outside width of a vehicle or the load on the vehicle does not include safety equipment on a vehicle or incidental appurtenances or retracted awnings on motor homes, motorsports recreational vehicles, travel trailers, or fifth-wheel travel trailers if the incidental appurtenance or retracted awning is less than six inches in width. However, if hay, straw, or stover is moved on an implement of husbandry and the total width of load of the implement of husbandry exceeds eight feet six inches, the implement of husbandry is not subject to the permit requirements of chapter 321E. If hay, straw, or stover is moved on any other vehicle subject to registration, the moves are subject to the permit requirements for transporting loads exceeding eight feet six inches in width as required under chapter 321E.

Sec. 14. Section 321.457, subsection 2, paragraph j, Code 2014, is amended to read as follows:

j. A motor home or motorsports recreational vehicle shall not have an overall length, excluding front and rear bumpers and safety equipment, in excess of forty-five feet.

Sec. 15. Section 321.457, subsection 2, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. o. Notwithstanding any other provision of this chapter, and to the extent allowed under federal law, a combination of two vehicles coupled together, one of which is a motorsports recreational vehicle, shall not have an overall length in excess of eighty-five feet.

Sec. 16. Section 322.2, subsection 11, Code 2014, is amended to read as follows:

11. “*Manufacturer*” means any person engaged in the business of fabricating or assembling motor vehicles. “*Manufacturer*” does not include a person who converts, modifies, or alters a completed motor vehicle manufactured by another person or a person who assembles a glider kit vehicle as defined in section 321.1. “*Manufacturer*” includes a person who uses a completed motor vehicle manufactured by another person to construct a class “B” motor home as defined in section 321.124 or a motorsports recreational vehicle as defined in section 321.1.

Approved May 30, 2014