



[HF 870](#) – Motor Vehicle Title and Registration, County of Issuance (LSB2767HZ)
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Fiscal Note Version – New

Description

[House File 870](#) allows a person to go to any county treasurer to register the person's vehicle or obtain a certificate of title. The Bill requires that if a person utilizes a county other than the one the person resides in for these services, the county providing the service must electronically submit the required documentation to that person's county of residence, the county where the primary user of the vehicle is located, a lessee's county of residence, or the county where the primary user is located in the event that a business has vehicles in multiple counties.

The Bill requires a person who buys a mobile or manufactured home to apply for and obtain a new registration and certificate of title within 30 calendar days of the purchase or transfer. In addition, under the Bill, a security interest for a mobile or manufactured home is perfected once an owner pays a \$15 fee for each security interest that is shown.

The Bill also increases by \$5 various fees required in the registration and titling of vehicles, including establishing a \$5 increase in the fee for new registrations.

Background

Iowa Code section [321.152](#) currently allows counties to retain and deposit fees in their general funds. The fees that can be retained are as follows:

- 4.0% of the total collection of each annual or semiannual vehicle registration, and each duplicate registration card or plate issued.
- \$2.50 from each fee collected for certificates of title.
- 40.0% of all fees collected for certified copies of certificates of title.
- 60.0% of all fees collected for perfection of security interests.
- 25.0% of each penalty collected for improper business-trade truck registration.
- \$1.00 from each fee for new registration.
- 25.0% of each penalty collected for improper motorsports recreational vehicle registration.

Currently, a person must apply for registration and certificate of title from the person's county of residence or from the county where the primary users of the vehicle are located.

Assumptions

- FY 2022 transactions will be similar to CY 2019.

Fiscal Impact

Table 1 shows both the current share of fees retained in county general funds and the share under HF 870.

Table 1

Fees Retained by Counties			
	<u>Current Fees Retained</u>	<u>Fees Retained Under HF 870</u>	
Fees for New Title	\$2.50		\$7.50
Fees for Replacement Title	\$2.50		\$7.50
Manufacturer Buy Back	\$2.50		\$7.50
Perfection of Security Interest	\$6.00		\$11.00
Salvage Title	\$2.50		\$7.50
Fee for New Registration	\$1.00		\$6.00

House File 870 is estimated to increase fee revenue retained in county general funds by \$10.7 million annually, beginning in FY 2022 (**Table 2**).

Table 2

Fee Revenue Retained by Counties				
	<u>2019 Transactions</u>	<u>Current Revenue</u>	<u>Estimated Increase in Revenue</u>	<u>Estimated FY 2022 Total</u>
Fees for New Title	971,028	\$ 2,427,570	\$ 4,855,140	\$ 7,282,710
Fees for Replacement Title	62,483	156,208	312,415	468,623
Manufacturer Buy Back	138	345	690	1,035
Perfection of Security Interest	175,903	1,055,418	879,515	1,934,933
Salvage Title	48,738	121,845	243,690	365,535
Fee for New Registration	888,704	888,704	4,443,520	5,332,224
Totals	<u>2,146,994</u>	<u>\$ 4,650,090</u>	<u>\$ 10,734,970</u>	<u>\$ 15,385,060</u>

In addition, the Department of Transportation has stated it would incur a one-time information technology expense of \$14,000 under the Bill.

Sources

Legislative Services Agency
Department of Transportation

/s/ Holly M. Lyons

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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.