



[HF 344](#) – Motor Vehicle Title and Registration, County of Issuance (LSB1245HV)
 Staff Contact: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov
 Fiscal Note Version – New

Description

[House File 344](#) allows for any county treasurer, instead of the county where the primary user of the vehicle is located, to conduct certain transactions, including accepting applications for and issuing certain certificate of titles, accepting applications for and issuing new registrations, and perfecting security interests. The Bill also increases by \$10 various fees required in the registration and titling of vehicles, including establishing a \$10 increase in the fee for new registration. House File 344 subsequently increases the amount the county treasurer is allowed to retain for deposit in the county general fund by \$10 from each fee for certificate of title, perfection of security interest, and new vehicle registration, as seen in **Table 1**.

Table 1 — County Fee Retention per Transaction Under House File 344

Type of Transaction	Current Fees Retained	Fees Retained Under HF 344
Certificate of Titles	\$2.50	\$12.50
Perfection of Security Interests	\$6.00	\$16.00
New Registration	\$1.00	\$11.00

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.

Table 2 includes the total number of transactions at the county level in FY 2022. The transactions are listed as they are identified in the Department of Transportation’s (DOT’s) system.

Table 2 — FY 2022 Initial Registration and Certificate of Title Transactions by Counties

<u>Type of Transaction</u>	<u>FY 2022 Transactions</u>
Title and Registration	888,860
Replacement and Corrected Title	61,462
Manufacturer Buy Back Title	89
Salvage Title	42,151
Security Interests	213,427

In addition to the transactions above, Iowa DOT locations processed 11,148 title transactions for commercial vehicles and 2,026 transactions for perfection of security interests in FY 2022.

Assumptions

- FY 2024 transactions will match FY 2022 transactions.
- All “Title and Registration” transactions pay both the new title fee and the new registration fee. As a result, it is assumed there are 888,860 new title transactions and 888,860 new registration transactions.
- Fee revenue from transactions processed by the Iowa DOT is deposited into the Road Use Tax Fund (RUTF).
- The Iowa Code section [321.23\(1\)](#) fee amount of \$10 is not increased under HF 344. However, the Bill increases the total amount counties can retain in their general funds for transactions under Iowa Code section 321.23(1) by \$10. As a result, the RUTF will lose an additional \$8.50 per transaction under Iowa Code section 321.23(1). It is assumed there will be an estimated 800 transactions of this type annually.
- The DOT has stated it would incur a one-time information technology labor expense of \$48,000, which would be absorbed with existing resources.

Fiscal Impact

House File 344 is estimated to increase fee revenue retained in county general funds by \$20.9 million annually, beginning in FY 2024 (**Table 3**).

Table 3 — Estimated Annual Increase to Counties

<u>Type of Transaction</u>	<u>Estimated Annual Number of Transactions</u>	<u>Estimated Annual Increases in Revenue</u>
Certificate of Titles	992,562	\$ 9,925,620
Security Interests	213,427	2,134,270
New Registration	888,860	8,888,600
Total Increase in Revenue		\$ 20,948,490

Additionally, HF 344 is estimated to increase net revenue to the RUTF of \$125,000 annually, beginning in FY 2024 (**Table 4**).

Table 4 — Estimated Annual Net Increase to the RUTF

<u>Type of Transaction</u>	<u>Estimated Annual Number of Transactions</u>	<u>Estimated Annual Changes in Revenue</u>
Certificate of Title — Commercial Vehicles	11,148	\$ 111,480
Security Interests	2,026	20,260
Titles under Iowa Code section 321.23(1)	800	-6,800
Total Increase in Revenue		\$ 124,940

Sources

Department of Transportation
LSA calculations

/s/ Jennifer Acton

February 23, 2023

Doc ID 1369483

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.

www.legis.iowa.gov