



**HF 627** – Motor Vehicle Title Transfer, Surviving Owner (LSB1958HZ)  
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 Fiscal Note Version – New

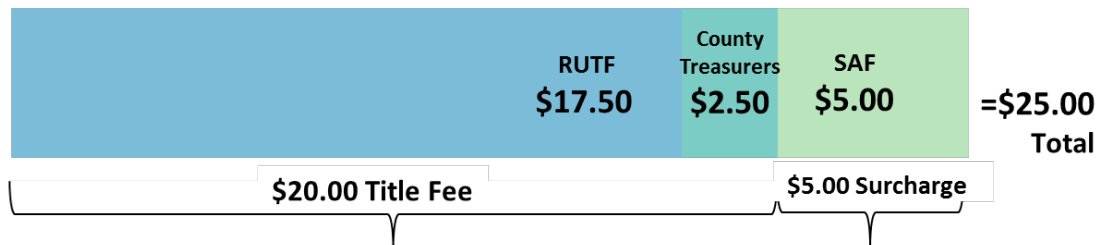
**Description**

**House File 627** requires the Iowa Department of Transportation (DOT) to waive fees and surcharges for co-owners of motor vehicles of deceased persons in relation to the issuance of certificates of title.

**Background**

Under current law, Iowa Code section [321.46](#) requires an applicant to pay a title fee of \$20.00 per motor vehicle. Under Iowa Code section [321.52](#), the county treasurer may retain \$2.50 from each title fee. The remaining fee is deposited into the Road Use Tax Fund (RUTF). Under Iowa Code section [321.52A](#), there is a surcharge of \$5.00 applied to each title application. This fee is deposited into the Statutory Allocations Fund (SAF) and distributed pursuant to Iowa Code section [321.145\(2\)](#). The chart below illustrates the distribution of the fee and surcharge.

**Distribution of Motor Vehicle  
 Certificate of Title Fees**



The [2011 Iowa Acts, ch. 38](#), amended Iowa Code section [321.47](#) to waive motor vehicle certificate of title fees for the surviving spouse of a decedent. In FY 2016, 18,130 individuals requested this title exemption, according to the DOT.

In FY 2016, there were 4.3 million registered vehicles in Iowa. Of those registered vehicles, 1.1 million were registered with more than one owner.

**Assumptions**

- The DOT is unable to calculate the population of motor vehicle co-owners who are nonspousal and may be eligible for an exemption of fees under the proposed law. Nonspousal ownership may include business co-ownership, along with other familial or nonfamilial relationships listed on a certificate of title.
- There will be an increase in waivers for an exemption of certificate of title fees under the proposed law. It is assumed that the number of waivers under this proposed law will be greater than 5,000 per year.

**Fiscal Impact**

House File 627 will reduce revenues to the RUTF, the SAF, and county treasurer’s offices. The DOT cannot determine how many co-owners of a decedent will qualify for a waiver under House File 627 per fiscal year. **Table 1** estimates the fiscal impact under the proposed law for a range of 5,000 to 20,000 waivers per year.

**Table 1**

<b>Estimated Revenue Decrease for HF 627</b>				
<b>Funds Impacted</b>	<b>5,000 Waivers</b>	<b>10,000 Waivers</b>	<b>15,000 Waivers</b>	<b>20,000 Waivers</b>
RUTF	\$ 87,500	\$ 175,000	\$ 262,500	\$ 350,000
SAF	25,000	50,000	75,000	100,000
County Treasurers	12,500	25,000	37,500	50,000
<b>Total</b>	<b>\$ 125,000</b>	<b>\$ 250,000</b>	<b>\$ 375,000</b>	<b>\$ 500,000</b>

**Sources**

Iowa Department of Transportation  
LSA Calculations

/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.

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