



HF 2273 – Vehicle Registrations and Levee & Drainage Districts (LSB 5748HV)
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Fiscal Note Version – New

Description

House File 2273 relates to vehicle registrations and levee and drainage districts. This Bill makes the following changes:

- Allows an annual vehicle registration credit to be claimed by the owner's spouse. An annual registration fee credit may be claimed for a vehicle that has been sold, traded, or junked.
- Exempts trailers purchased for the purpose of renting to users from the fee for new registration. To qualify for the exemption, the rental must be subject to Streamlined Sales and Use Tax.
- Allows county treasurers to destroy levee and drainage district assessment records and accompanying documents required by Iowa Code chapter **468** after 10 years have elapsed from the end of the fiscal year that the assessment was paid off.
- Removes a provision that requires that levee and drainage district assessments of \$20 or less be paid in cash.

Background

Currently, annual vehicle registration fee credits may only be claimed by the owner of the vehicle. The fee for new vehicle registration is 5.0% of the purchase price of the vehicle. Vehicles purchased by businesses for rent to other users are exempt from the fee for new registration. Trailers do not qualify for this exemption.

Assumptions

- The number of spouses that may claim an annual vehicle registration fee credit is unknown.
- Permitting the destruction of levee and drainage district records and allowing cash payments will not alter county operations.
- The Department of Revenue estimates that 72 business entities purchased 553 trailers in FY 2013. This fiscal note assumes that the same number of businesses will purchase the same number of trailers.
- The Department of Revenue estimates the average taxable sale price of trailers sold to rental companies in FY 2013 is \$8,137.
- The Department of Revenue estimated an increase to the taxable sales prices for exempt trailers using forecast consumer price index estimates. This fiscal note assumes these estimates in the calculations.
- This fiscal note assumes that FY 2015 will be the first year impacted by the trailer exemption.

Fiscal Impact

HF 2273 is estimated to reduce revenue to the Statutory Allocations Fund as shown in the following table.

Estimated Statutory Allocations Fund Impact

Fiscal Year	Fiscal Impact
FY 2014	\$ 0
FY 2015	-232,000
FY 2016	-245,000
FY 2017	-265,000
FY 2018	-293,000
FY 2019	-332,000

Sources

LSA Calculations
Department of Revenue

/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.
