

HOUSE FILE 2479

FEB 19 1980

BY COMMITTEE ON TRANSPORTATION

Place On Calendar

(Formerly Study Bill 669)

Passed House, Date 3-21-80 (p. 1100) Passed Senate, Date 4/2/80 (p. 1105)
Vote: Ayes 88 Nays 0 Vote: Ayes 45 Nays 0
Approved Apr 2 21, 1980

A BILL FOR

1 An Act relating to the establishment, collection and
2 disbursement of motor vehicle registration reciprocity
3 fees.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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2479

1 Section 1. Section three hundred twenty-six point twenty-
2 two (326.22), Code 1979, is amended to read as follows:
3 326.22 OPERATIONAL LAWS OF IOWA APPLICABLE. Any A
4 nonresident registered vehicle ~~shall-be~~ is subject to all
5 laws and rules governing the operation of such vehicle on
6 the highways of this state. The registration number plates,
7 ~~sticker~~ stickers, or other identification assigned and
8 furnished to any vehicle for the current registration year
9 by the state in which the vehicle is registered shall be
10 displayed on ~~such~~ the vehicle substantially as provided in
11 chapter 321 for vehicles registered pursuant to the provisions
12 of this chapter. In addition, a fee set by the department
13 to cover actual cost shall ~~charge-and-collect-an-additional~~
14 ~~fee-of-one-dollar~~ be charged for each plate, ~~and-two-dollars~~
15 ~~for-each~~ sticker, or other identification furnished for each
16 vehicle registered in accordance with the provisions of this
17 section or extended reciprocity in accordance with the
18 provisions of this section ~~except-that-no.~~ A charge shall
19 not be made for the initial registration receipt or cab card
20 issued for each vehicle registered pursuant to an apportionment
21 registration agreement. ~~The-same~~ A fee set by the department
22 to cover actual costs shall be charged for issuance of
23 duplicate plates, stickers or other identification required
24 ~~and-a-fee-of-two-dollars-shall-be-charged-for-each,~~ duplicate
25 ~~or-replacement~~ registration ~~receipt-or~~ receipts, and duplicate
26 cab card cards.

27 Sec. 2. Section three hundred twenty-six point twenty-
28 nine (326.29), Code 1979, is amended to read as follows:
29 326.29 FEES TO ROAD USE TAX FUND. ~~All-fees~~ Fees col-
30 lected by the department pursuant to ~~the-provisions-of~~ this
31 chapter shall be remitted to the treasurer of state for de-
32 posit in the road use tax fund except that fees collected
33 for other states shall be placed in a special fund known as
34 the "reciprocity fund". The department, at least monthly,
35 shall order the disbursement of such fees collected to the

1 appropriate states. Interest earned on the "reciprocity fund"
2 shall be retained by the state and shall be credited to the
3 road use tax fund.

4 Sec. 3. Section three hundred twenty-six point thirty-
5 three (326.33), Code 1979, is amended to read as follows:

6 326.33 RULES ADOPTED. The board-may department shall
7 promulgate any rules deemed pursuant to chapter seventeen
8 A (17A) of the Code as necessary to carry out the provisions
9 of this chapter. ~~Such-rule-making-authority-shall-be-sub-~~
10 ~~ject-to-the-provisions-of-chapter-17A.~~

11 EXPLANATION

12 This bill provides a mechanism for the owners of fleets
13 of commercial vehicles who register proportionally to make
14 a lump sum payment to the state department of transportation.
15 The department would then make at least monthly lump sum
16 payments to other states for their registration fees collected
17 under reciprocity agreements. The bill also allows the
18 department to set the fees for reciprocity registration plates,
19 stickers and other identification devices, duplicate
20 registration receipts, and duplicate cab cards based on the
21 actual costs of procurement, administration and mailing.
22 A technical correction is made to clarify the rule-making
23 authority of the department.

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FISCAL NOTE
House File 2479
Requested by Representative Egenes
February 6, 1980

In compliance with a written request there is hereby submitted a Fiscal Note for House File 2479 pursuant to Joint Rule 16.

LSB 3895H, An Act relating to the establishment, collection and disbursement of motor vehicle registration reciprocity fees.

There is no significant fiscal impact as a result of this bill, however, there are some minor fiscal impacts associated with it:

a) Section One provides for the Office of Operating Authority to charge fees for the special plates and documents relative to prorated registration based upon the actual cost or providing the service. Under the present Code, the specific fees are set on each item. The state currently loses money on items that cost more to buy and administratively process than the fee charged for the service.

b) The potential interest that the State may gain on the investment of money collected between the time of collection and the time of disbursement to other states could have some fiscal impact on the state. In calendar year 1979, the state collected approximately \$8 million in fees for other states. If it is assumed that the total \$8 million might be held by the State of Iowa for as much as 15 days during the calendar year, and the money is invested at six percent interest, the maximum interest accumulation would be less than \$20,000 annually. This is a very speculative assessment of the interest that might be gained, and therefore should not be used as an absolute figure.

Source: Department of Transportation

FILED FEBRUARY 26, 1980

BY GERRY D. RANKIN
Legislative Fiscal Bureau

H-5569

1 Amend House File 2479 as follows:

2 1. Page 1, by striking line 28 through page 2,
3 line 3, and inserting in lieu thereof the following:
4 "nine (326.29), Code 1979, is amended by striking
5 the section and inserting in lieu thereof the
6 following:

7 326.29 RECIPROCITY FUND--DISTRIBUTION OF FEES.

8 Fees collected for other states by the department
9 pursuant to this chapter shall be placed in a special
10 fund known as the "reciprocity fund". The department,
11 at least monthly, shall order the disbursement of
12 such fees collected to the appropriate states.
13 Interest earned on the "reciprocity fund" shall be
14 retained by the state and shall be credited to the
15 road use tax fund.

16 All other fees collected by the department pursuant
17 to this chapter shall be remitted to the treasurer
18 of state. Ninety percent of these fees shall be
19 deposited in the road use tax fund. Of the remaining
20 ten percent, one-half shall be deposited in the
21 secondary road fund of the counties and one-half in
22 the street construction fund of the cities and these
23 amounts shall be apportioned as provided in section
24 three hundred twelve point three (312.3) of the Code."

H-5569 FILED
MARCH 18, 1980
Walter 3/21/80 (p. 1100)

BY HALL of Linn
WALTER of Pottawattamie

HOUSE FILE 2479
FISCAL NOTE

REQUESTED BY SENATOR DRAKE, FEBRUARY 6, 1980

In compliance with a written request there is hereby submitted a Fiscal Note for House File 2479 pursuant to Joint Rule 16.

H.F. 2479, An Act relating to the establishment, collection and disbursement of motor vehicle registration reciprocity fees.

There is no significant fiscal impact as a result of this bill, however, there are some minor fiscal impacts associated with it:

a) Section One provides for the Office of Operating Authority to charge fees for the special plates and documents relative to prorated registration based upon the actual cost or providing the service. Under the present Code, the specific fees are set on each item. The state currently loses money on items that cost more to buy and administratively process than the fee charged for the service.

b) The potential interest that the State may gain on the investment of money collected between the time of collection and the time of disbursement to other states could have some fiscal impact on the state. In calendar year 1979, the state collected approximately \$8 million in fees for other states. If it is assumed that the total \$8 million might be held by the State of Iowa for as much as 15 days during the calendar year, and the money is invested at six percent interest, the maximum interest accumulation would be less than \$20,000 annually. This is a very speculative assessment of the interest that might be gained, and therefore should not be used as an absolute figure.

SOURCE: DEPARTMENT OF TRANSPORTATION

FILED:
MARCH 26, 1980

BY GERRY RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

FISCAL NOTE
Amendment H-5569 to H. F. 2479
Requested by Representative Hall
March 20, 1980

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment H-5569 to H. F. 2479 pursuant to Joint Rule 16.

H-5569 amendment to House File 2479

This amendment provides for an off-the-top allocation from the Road Use Tax Fund to the secondary road fund of the counties and the street construction fund of the cities. Ninety percent of the funds collected under the authority of Chapter 326 are to be deposited in the Road Use Tax Fund. Five percent are to be deposited in the secondary road fund of the counties, and five percent in the street construction fund of the cities. \$20,800,000 was collected under Chapter 326 in 1979. Under this amendment, the amount allocated to the counties and cities would be as follows:

Road Use Tax Fund	\$20.8M x 90%	=	\$18.72M
Secondary road fund-counties	\$20.8M x 5%	=	1.04M
Street construction fund- cities	\$20.8M x 5%	=	1.04M

Source: Department of Transportation

FILED MARCH 21,

BY GERRY D. RANKIN
Legislative Fiscal Bureau

HOUSE FILE 2479

AN ACT

RELATING TO THE ESTABLISHMENT, COLLECTION AND DISBURSEMENT
OF MOTOR VEHICLE REGISTRATION RECIPROCITY FEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section three hundred twenty-six point twenty-two (326.22), Code 1979, is amended to read as follows:

326.22 OPERATIONAL LAWS OF IOWA APPLICABLE. Any A nonresident registered vehicle ~~shall be~~ is subject to all laws and rules governing the operation of such vehicle on the highways of this state. The registration number plates,

~~sticker stickers~~, or other identification assigned and furnished to any vehicle for the current registration year by the state in which the vehicle is registered shall be displayed on ~~such~~ the vehicle substantially as provided in chapter 321 for vehicles registered pursuant to the provisions of this chapter. In addition, a fee set by the department to cover actual cost shall ~~charge and collect an additional fee of one dollar be charged~~ for each plate, ~~and two dollars for each sticker~~, or other identification furnished for each vehicle registered in accordance with the provisions of this section or extended reciprocity in accordance with the provisions of this section ~~except that no~~. A charge shall not be made for the initial registration receipt or cab card issued for each vehicle registered pursuant to an apportionment registration agreement. ~~The same~~ A fee set by the department to cover actual costs shall be charged for issuance of duplicate plates, stickers or other identification required ~~and a fee of two dollars shall be charged for each~~ duplicate ~~or replacement registration receipt or receipts~~, and duplicate cab ~~card~~ cards.

Sec. 2. Section three hundred twenty-six point twenty-nine (326.29), Code 1979, is amended to read as follows:

326.29 FEES TO ROAD USE TAX FUND. ~~All fees~~ Fees collected by the department pursuant to ~~the provisions of~~ this chapter shall be remitted to the treasurer of state for deposit in the road use tax fund except that fees collected for other states shall be placed in a special fund known as the "reciprocity fund". The department, at least monthly, shall order the disbursement of such fees collected to the appropriate states. Interest earned on the "reciprocity fund" shall be retained by the state and shall be credited to the road use tax fund.

Sec. 3. Section three hundred twenty-six point thirty-three (326.33), Code 1979, is amended to read as follows:

326.33 RULES ADOPTED. The ~~board-may~~ department shall promulgate any rules deemed pursuant to chapter seventeen A (17A) of the Code as necessary to carry out the provisions of this chapter. ~~Such-rule-making-authority-shall-be-subject-to-the-provisions-of-chapter-17A-~~

WILLIAM H. HARBOR
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2479, Sixty-eighth General Assembly.

BRUCE GRAHAM
Assistant Chief Clerk of the House

Approved April 21, 1980

ROBERT D. RAY
Governor