

# House File 770

## Bill Text

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HOUSE FILE 770

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AN ACT

1 5 RELATING TO THE TREATMENT OF MANUFACTURED HOUSING UNDER THE

1 6 STATE SALES AND USE TAXES AND THE REQUIREMENTS FOR THE

1 7 ISSUANCE OF A CERTIFICATE OF TITLE.

1 8

1 9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 10

1 11 Section 1. Section [321.1](#), Code 1999, is amended by adding  
1 12 the following new subsection:

1 13 NEW SUBSECTION. 36A. "Manufactured housing" is a factory-  
1 14 built structure constructed under authority of 42 U.S.C. }  
1 15 5403, which is required by federal law to display a seal from  
1 16 the United States department of housing and urban development,  
1 17 and was constructed on or after June 15, 1976.

1 18 Sec. 2. Section [321.18](#), subsection 8, Code 1999, is  
1 19 amended to read as follows:

1 20 8. Any mobile home or manufactured housing.

1 21 Sec. 3. Section [321.20](#), unnumbered paragraph 1, Code 1999,  
1 22 is amended to read as follows:

1 23 Except as provided in this chapter, an owner of a vehicle  
1 24 subject to registration shall make application to the county  
1 25 treasurer, of the county of the owner's residence, or if a  
1 26 nonresident to the county treasurer of the county where the  
1 27 primary users of the vehicle are located, or if a lessor of  
1 28 the vehicle pursuant to chapter 321F which vehicle has a gross  
1 29 vehicle weight of less than ten thousand pounds, to the county  
1 30 treasurer of the county of the lessee's residence, for the  
1 31 registration and issuance of a certificate of title for the  
1 32 vehicle upon the appropriate form furnished by the department.  
1 33 However, upon the transfer of ownership, the owner of a  
1 34 vehicle subject to the proportional registration provisions of  
1 35 chapter 326 shall make application for registration and  
2 1 issuance of a certificate of title to either the department or  
2 2 the appropriate county treasurer. The application shall be  
2 3 accompanied by a fee of ten dollars, and shall bear the  
2 4 owner's signature written with pen and ink. A nonresident  
2 5 owner of two or more vehicles subject to registration may make  
2 6 application for registration and issuance of a certificate of  
2 7 title for all vehicles subject to registration to the county  
2 8 treasurer of the county where the primary user of any of the  
2 9 vehicles is located. The owner of a mobile home or of  
2 10 manufactured housing shall make application for a certificate  
2 11 of title under this section. The application shall contain:

2 12 Sec. 4. Section [321.24](#), unnumbered paragraphs 1 and 6,  
2 13 Code 1999, are amended to read as follows:

2 14 Upon receipt of the application for title and payment of  
2 15 the required fees for a motor vehicle, trailer, or  
2 16 semitrailer, the county treasurer or the department shall,  
2 17 when satisfied as to the application's genuineness and  
2 18 regularity, and, in the case of a mobile home or manufactured  
2 19 housing, that taxes are not owing under chapter 435, issue a  
2 20 certificate of title and, except for a mobile home or  
2 21 manufactured housing, a registration receipt, and shall file

2 22 the application, the manufacturer's or importer's certificate,  
2 23 the certificate of title, or other evidence of ownership, as  
2 24 prescribed by the department. The registration receipt shall  
2 25 be delivered to the owner and shall contain upon its face the  
2 26 date issued, the name and address of the owner, the  
2 27 registration number assigned to the vehicle, the title number  
2 28 assigned to the owner of the vehicle, the amount of the fee  
2 29 paid, the amount of tax paid pursuant to section 423.7, the  
2 30 type of fuel used, and a description of the vehicle as  
2 31 determined by the department, and upon the reverse side a form  
2 32 for notice of transfer of the vehicle.

2 33 The certificate shall bear the seal of the county treasurer  
2 34 or of the department, and the signature of the county  
2 35 treasurer, the deputy county treasurer, or the department  
3 1 director or deputy designee. The certificate shall provide  
3 2 space for the signature of the owner. The owner shall sign  
3 3 the certificate of title in the space provided with pen and  
3 4 ink upon its receipt. The certificate of title shall contain  
3 5 upon the reverse side a form for assignment of title or  
3 6 interest and warranty by the owner, for reassignments by a  
3 7 dealer licensed in this state or in another state if the state  
3 8 in which the dealer is licensed permits Iowa licensed dealers  
3 9 to similarly reassign certificates of title. Attached to the  
3 10 certificate of title shall be an application for a new  
3 11 certificate of title by the transferee as provided in this  
3 12 chapter. However, titles for mobile homes or manufactured  
3 13 housing shall not be reassigned by licensed dealers. All  
3 14 certificates of title shall be typewritten or printed by other  
3 15 mechanical means. Notwithstanding section 321.1, subsection  
3 16 17, as used in this paragraph "dealer" means every person  
3 17 engaged in the business of buying, selling, or exchanging  
3 18 vehicles of a type required to be registered under this  
3 19 chapter.

3 20 Sec. 5. Section [321.30](#), subsections 10 and 11, Code 1999,  
3 21 are amended to read as follows:

3 22 10. In the case of a mobile home or manufactured housing,  
3 23 that taxes are owing under chapter 435 for a previous year.

3 24 11. In the case of a mobile home or manufactured housing  
3 25 converted from real estate, real estate taxes which are  
3 26 delinquent.

3 27 Sec. 6. Section [321.45](#), subsection 1, unnumbered paragraph  
3 28 2, Code 1999, is amended to read as follows:

3 29 For each new mobile home, manufactured housing, travel  
3 30 trailer and camping trailer said manufacturer's or importer's  
3 31 certificate shall also contain thereon the exterior length and  
3 32 exterior width of said vehicle not including any area occupied  
3 33 by any hitching device, and the manufacturer's shipping  
3 34 weight.

3 35 Sec. 7. Section [321.45](#), subsection 4, Code 1999, is  
4 1 amended to read as follows:

4 2 4. A mobile home dealer, as defined in section 322B.2,  
4 3 shall within

~~— fifteen~~

~~— thirty~~ days of acquiring a used mobile  
4 4 home or manufactured

~~— home~~

~~— housing~~, titled in Iowa, apply for  
4 5 and obtain from the county treasurer of the dealer's county of  
4 6 residence a new certificate of title for the mobile home or  
4 7 manufactured

~~— home~~

~~— housing~~.

4 8 Sec. 8. Section [321.46](#), subsection 2, Code 1999, is  
4 9 amended to read as follows:

4 10 2. Upon filing the application for a new registration and  
4 11 a new title, the applicant shall pay a title fee of ten  
4 12 dollars and a registration fee prorated for the remaining  
4 13 unexpired months of the registration year. However, no title  
4 14 fee shall be charged to a mobile home dealer applying for a  
4 15 certificate of title for a used mobile home or manufactured  
4 16 housing, titled in Iowa, as required under section 321.45,  
4 17 subsection 4. The county treasurer, if satisfied of the  
4 18 genuineness and regularity of the application, and in the case  
4 19 of a mobile home or manufactured housing, that taxes are not  
4 20 owing under chapter 435, and that applicant has complied with  
4 21 all the requirements of this chapter, shall issue a new  
4 22 certificate of title and, except for a mobile home or  
4 23 manufactured housing, a registration card to the purchaser or  
4 24 transferee, shall cancel the prior registration for the  
4 25 vehicle, and shall forward the necessary copies to the  
4 26 department on the date of issuance, as prescribed in section  
4 27 321.24. Mobile homes or manufactured housing titled under  
4 28 chapter 448 that have been subject under section 446.18 to a  
4 29 public bidder sale in a county, shall be titled in the  
4 30 county's name, with no fee and the county treasurer shall  
4 31 issue the title.

4 32 Sec. 9. Section [321.49](#), subsection 3, Code 1999, is  
4 33 amended to read as follows:

4 34 3. A mobile home dealer who acquires a used mobile home,  
4 35 or manufactured housing titled in Iowa, and who does not apply  
5 1 for and obtain a certificate of title from the county  
5 2 treasurer of the dealer's county of residence within

~~fifteen~~

5 3 thirty days of the date of acquisition, as required under  
5 4 section 321.45, subsection 4, is subject to a penalty of ten  
5 5 dollars. A certificate of title shall not be issued to the  
5 6 mobile home dealer until the penalty is paid.

5 7 Sec. 10. Section [321.50](#), subsection 1, Code 1999, is  
5 8 amended to read as follows:

5 9 1. A security interest in a vehicle subject to  
5 10 registration under the laws of this state or a mobile home or  
5 11 manufactured housing, except trailers whose empty weight is  
5 12 two thousand pounds or less, and except new or used vehicles  
5 13 held by a dealer or manufacturer as inventory for sale, is  
5 14 perfected by the delivery to the county treasurer of the  
5 15 county where the certificate of title was issued or, in the  
5 16 case of a new certificate, to the county treasurer where the  
5 17 certificate will be issued, of an application for certificate  
5 18 of title which lists the security interest, or an application  
5 19 for notation of security interest signed by the owner, or by  
5 20 one owner of a vehicle owned jointly by more than one person,  
5 21 or a certificate of title from another jurisdiction which  
5 22 shows the security interest, and a fee of five dollars for  
5 23 each security interest shown. If the owner or secured party  
5 24 is in possession of the certificate of title, it must also be  
5 25 delivered at this time in order to perfect the security  
5 26 interest. If a vehicle is subject to a security interest when  
5 27 brought into this state, the validity of the security interest  
5 28 and the date of perfection is determined by section 554.9103.  
5 29 Delivery as provided in this subsection is an indication of a  
5 30 security interest on a certificate of title for purposes of  
5 31 chapter 554.

5 32 Sec. 11. Section [321.57](#), unnumbered paragraph 5, Code  
5 33 1999, is amended to read as follows:

5 34 Mobile home dealers licensed under chapter 322B may  
5 35 transport and deliver mobile homes or manufactured housing in  
6 1 their inventory upon the highways of this state with a special  
6 2 plate displayed on the mobile home or manufactured housing as  
6 3 provided in sections 321.58 to 321.62.

6 4 Sec. 12. Section [321.101](#), subsection 8, Code 1999, is  
6 5 amended to read as follows:  
6 6 8. The department shall cancel a certificate of title that  
6 7 appears to have been improperly issued or fraudulently  
6 8 obtained or in the case of a mobile home or manufactured  
6 9 housing, if taxes were owing under chapter 435 at the time the  
6 10 certificate was issued and have not been paid. However,  
6 11 before the certificate to a mobile home or manufactured  
6 12 housing where taxes were owing can be canceled, notice and  
6 13 opportunity to pay the taxes must be given to the person to  
6 14 whom the certificate was issued. Upon cancellation of any  
6 15 certificate of title the department shall notify the county  
6 16 treasurer who issued it, who shall enter the cancellation upon  
6 17 the records. The department shall also notify the person to  
6 18 whom the certificate of title was issued, as well as any  
6 19 lienholders appearing thereon, of the cancellation and shall  
6 20 demand the surrender of the certificate of title, but the  
6 21 cancellation shall not affect the validity of any lien noted  
6 22 thereon.

6 23 Sec. 13. Section [321.104](#), subsection 6, Code 1999, is  
6 24 amended to read as follows:  
6 25 6. For a dealer to sell or transfer a mobile home or  
6 26 manufactured housing without delivering to the purchaser or  
6 27 transferee a certificate of title or a manufacturer's or  
6 28 importer's certificate properly assigned to the purchaser, or  
6 29 to transfer a mobile home or manufactured housing without  
6 30 disclosing to the purchaser the owner of the mobile home or  
6 31 manufactured housing in a manner prescribed by the department  
6 32 pursuant to rules, or to fail to certify within seven days to  
6 33 the proper county treasurer the information required under  
6 34 section 321.45, subsection 4, or to fail to apply for and  
6 35 obtain a certificate of title for a used mobile home or  
7 1 manufactured housing, titled in Iowa, acquired by the dealer  
7 2 within

~~fifteen~~

- thirty days from the date of acquisition as  
7 3 required under section 321.45, subsection 4.

7 4 Sec. 14. Section [321.123](#), unnumbered paragraph 1, Code  
7 5 1999, is amended to read as follows:

7 6 All trailers except farm trailers,

~~and~~

- mobile homes, and  
7 7 manufactured housing, unless otherwise provided in this  
7 8 section, are subject to a registration fee of ten dollars.  
7 9 Trailers for which the empty weight is two thousand pounds or  
7 10 less are exempt from the certificate of title and lien  
7 11 provisions of this chapter. Fees collected under this section  
7 12 shall not be reduced or prorated under chapter 326.

7 13 Sec. 15. Section [322B.2](#), subsection 3, Code 1999, is  
7 14 amended to read as follows:

7 15 3. "Mobile home" means a structure, transportable in one  
7 16 or more sections, which exceeds eight feet in width and  
7 17 thirty-two feet in length, and which is built on a permanent  
7 18 chassis and designed to be used as a dwelling with or without  
7 19 a permanent foundation when connected to one or more  
7 20 utilities. "Mobile home" also includes "manufactured

~~home~~

- housing" as the term is defined in section

~~435.1~~

- 321.1.

7 22 Sec. 16. Section [322B.6](#), subsection 6, Code 1999, is  
7 23 amended to read as follows:

7 24 6. Failing to apply for and obtain from a county treasurer  
7 25 a certificate of title for a used mobile home, titled in Iowa,  
7 26 acquired by the dealer within

~~—fifteen~~

- ~~thirty~~ days from the

7 27 date of acquisition, as required under section 321.45,  
7 28 subsection 4.

7 29 Sec. 17. Section [423.1](#), subsection 1, Code 1999, is  
7 30 amended to read as follows:

7 31 1. "Certificate of title" means a certificate of title  
7 32 issued for a vehicle or for manufactured housing under chapter  
7 33 321.

7 34 Sec. 18. Section [423.1](#), Code 1999, is amended by adding  
7 35 the following new subsections:

8 1 NEW SUBSECTION. 2A. "Installed purchase price" is the  
8 2 amount charged, valued in money whether paid in money or  
8 3 otherwise, by a building contractor to convert manufactured  
8 4 housing from tangible personal property into realty.  
8 5 "Installed purchase price" includes, but is not limited to,  
8 6 amounts charged for installing a foundation and electrical and  
8 7 plumbing hookups. "Installed purchase price" excludes any  
8 8 amount charged for landscaping in connection with the  
8 9 conversion.

8 10 NEW SUBSECTION. 2B. "Manufactured housing" means the same  
8 11 as defined in section 321.1.

8 12 Sec. 19. Section [423.1](#), subsection 12, Code 1999, is  
8 13 amended to read as follows:

8 14 12. "Use" means and includes the exercise by any person of  
8 15 any right or power over tangible personal property incident to  
8 16 the ownership of that property, except that it shall not  
8 17 include processing, or the sale of that property in the  
8 18 regular course of business. Property used in "processing"  
8 19 within the meaning of this subsection shall mean and include  
8 20

~~—(a)~~

- any of the following:

8 21 a. Any tangible personal property including containers  
8 22 which it is intended shall, by means of fabrication,  
8 23 compounding, manufacturing, or germination, become an integral  
8 24 part of other tangible personal property intended to be sold  
8 25 ultimately at retail, and containers used in the collection,  
8 26 recovery or return of empty beverage containers subject to  
8 27 chapter 455C

~~, or (b) fuel~~

8 28 b. Fuel which is consumed in creating power, heat, or  
8 29 steam for processing or for generating electric current

~~, or~~

8 30

~~—(c) chemicals,~~

8 31 c. Chemicals, solvents, sorbents, or reagents, which are  
8 32 directly used and are consumed, dissipated, or depleted in  
8 33 processing personal property, which is intended to be sold  
8 34 ultimately at retail, and which may not become a component or  
8 35 integral part of the finished product.

9 1 PARAGRAPH DIVIDED. The distribution to the public of free  
9 2 newspapers or shoppers guides shall be deemed a retail sale  
9 3 for purposes of the processing exemption. A retailer's or  
9 4 building contractor's sale of manufactured housing for use in  
9 5 this state, whether in the form of tangible personal property

9 6 or of realty, is a use of that property for the purposes of  
9 7 this chapter.

9 8 Sec. 20. Section [423.2](#), Code 1999, is amended to read as  
9 9 follows:

9 10 423.2 IMPOSITION OF TAX.

9 11 An excise tax is imposed on the use in this state of  
9 12 tangible personal property purchased for use in this state, at  
9 13 the rate of five percent of the purchase price of the  
9 14 property. An excise tax is imposed on the use of manufactured  
9 15 housing in this state at the rate of five percent of the  
9 16 purchase price if the manufactured housing is sold in the form  
9 17 of tangible personal property and at the rate of five percent  
9 18 of the installed purchase price if the manufactured housing is  
9 19 sold in the form of realty. An excise tax is imposed on the  
9 20 use of leased vehicles at the rate of five percent of the  
9 21 amount otherwise subject to tax as calculated pursuant to  
9 22 section 423.7A. The excise tax is imposed upon every person  
9 23 using the property within this state until the tax has been  
9 24 paid directly to the county treasurer or the state department  
9 25 of transportation, to a retailer, or to the department. An  
9 26 excise tax is imposed on the use in this state of services  
9 27 enumerated in section 422.43 at the rate of five percent.  
9 28 This tax is applicable where services are rendered, furnished,  
9 29 or performed in this state or where the product or result of  
9 30 the service is used in this state. This tax is imposed on  
9 31 every person using the services or the product of the services  
9 32 in this state until the user has paid the tax either to an  
9 33 Iowa use tax permit holder or to the department.

9 34 Sec. 21. Section [423.4](#), subsections 11 and 12, Code 1999,  
9 35 are amended to read as follows:

10 1 11. Mobile homes and manufactured housing the use of which  
10 2 has previously been subject to the tax imposed under this  
10 3 chapter and for which that tax has been paid.

10 4 12. Mobile homes to the extent of the portion of the  
10 5 purchase price of the mobile home which is not attributable to  
10 6 the cost of the tangible personal property used in the  
10 7 processing of the mobile home and manufactured housing to the  
10 8 extent of the purchase price or the installed purchase price  
10 9 of the manufactured housing which is not attributable to the  
10 10 cost of the tangible personal property used in the processing  
10 11 of the manufactured housing. For purposes of this exemption,  
10 12 the portion of the purchase price which is not attributable to  
10 13 the cost of the tangible personal property used in the  
10 14 processing of the mobile home is forty percent and the portion  
10 15 of the purchase price or installed purchase price which is not  
10 16 attributable to the cost of the tangible personal property  
10 17 used in the processing of the manufactured housing is forty  
10 18 percent.

10 19 Sec. 22. Section [423.6](#), subsection 1, Code 1999, is  
10 20 amended to read as follows:

10 21 1. The tax upon the use of all vehicles subject to  
10 22 registration or subject only to the issuance of a certificate  
10 23 of title or the tax upon the use of manufactured housing shall  
10 24 be collected by the county treasurer or the state department  
10 25 of transportation pursuant to sections 423.7 and 423.7A. The  
10 26 county treasurer shall retain one dollar from each tax payment  
10 27 collected, to be credited to the county general fund.

10 28 Sec. 23. Section [423.7](#), Code 1999, is amended to read as  
10 29 follows:

10 30 423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE  
10 31 ISSUANCE OF TITLE.

10 32 The tax imposed upon the use of vehicles subject to  
10 33 registration or subject only to the issuance of a certificate  
10 34 of title or imposed upon the use of manufactured housing shall  
10 35 be paid by the owner of the vehicle or of the manufactured  
11 1 housing to the county treasurer or the state department of  
11 2 transportation from whom the registration receipt or

11 3 certificate of title is obtained. A registration receipt for  
11 4 a vehicle subject to registration or certificate of title  
11 5 shall not be issued until the tax has been paid. The county  
11 6 treasurer or the state department of transportation shall  
11 7 require every applicant for a registration receipt for a  
11 8 vehicle subject to registration or certificate of title to  
11 9 supply information as the county treasurer or the director  
11 10 deems necessary as to the time of purchase, the purchase  
11 11 price, installed purchase price, and other information  
11 12 relative to the purchase of the vehicle or manufactured  
11 13 housing. On or before the tenth day of each month the county  
11 14 treasurer or the state department of transportation shall  
11 15 remit to the department the amount of the taxes collected  
11 16 during the preceding month.

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11 18  
11 19

\_\_\_\_\_  
BRENT SIEGRIST  
Speaker of the House

11 22  
11 23  
11 24

\_\_\_\_\_  
MARY E. KRAMER  
President of the Senate

11 28 I hereby certify that this bill originated in the House and  
11 29 is known as House File 770, Seventy-eighth General Assembly.

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11 31  
11 32

\_\_\_\_\_  
ELIZABETH ISAACSON  
Chief Clerk of the House

11 35 Approved \_\_\_\_\_, 1999

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\_\_\_\_\_  
THOMAS J. VILSACK  
Governor