

FEB 27 2003
TRANSPORTATION

HOUSE FILE 333
BY HOGG, ELGIN, and
RAECKER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for a reduction in annual registration fees for
2 motor vehicles based on federal fuel economy ratings.

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

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HF 333

1 Section 1. Section 321.109, subsection 1, Code 2003, is
2 amended to read as follows:

3 1. a. The Subject to the reductions required in paragraph
4 "b", the annual fee for all motor vehicles including vehicles
5 designated by manufacturers as station wagons, and 1993 and
6 subsequent model years for multipurpose vehicles, except motor
7 trucks, motor homes, ambulances, hearses, motorcycles, motor
8 bicycles, and 1992 and older model years for multipurpose
9 vehicles, shall be equal to one percent of the value as fixed
10 by the department plus forty cents for each one hundred pounds
11 or fraction thereof of weight of vehicle, as fixed by the
12 department. The weight of a motor vehicle, fixed by the
13 department for registration purposes, shall include the weight
14 of a battery, heater, bumpers, spare tire, and wheel.

15 b. The fee calculated under paragraph "a" shall be reduced
16 by five percent for each mile per gallon by which a vehicle's
17 fuel economy rating for highway driving exceeds twenty-seven
18 and five-tenths miles per gallon as determined under the
19 federal fuel economy rating requirements for motor vehicle
20 manufacturers contained in 49 U.S.C. § 32908. The provisions
21 of this paragraph apply to annual fees for 2004 and subsequent
22 model year vehicles registered for a registration period
23 beginning on or after January 1, 2004.

24 c. ~~Provided, however, that~~ However, for any new vehicle
25 purchased in this state by a nonresident for removal to the
26 nonresident's state of residence, the purchaser may make
27 application to the county treasurer in the county of purchase
28 for a transit plate for which a fee of ten dollars shall be
29 paid. ~~And provided, however, that for~~ For any used vehicle
30 held by a registered dealer and not currently registered in
31 this state, or for any vehicle held by an individual and
32 currently registered in this state, when purchased in this
33 state by a nonresident for removal to the nonresident's state
34 of residence, the purchaser may make application to the county
35 treasurer in the county of purchase for a transit plate for

1 which a fee of three dollars shall be paid. The county
2 treasurer shall issue a nontransferable certificate of
3 registration for which no refund shall be allowed, and the
4 transit plates shall be void thirty days after issuance. Such
5 purchaser may apply for a certificate of title by surrendering
6 the manufacturer's or importer's certificate or certificate of
7 title, duly assigned as provided in this chapter. In this
8 event, the treasurer in the county of purchase shall, when
9 satisfied with the genuineness and regularity of the
10 application, and upon payment of a fee of ten dollars, issue a
11 certificate of title in the name and address of the
12 nonresident purchaser delivering the same to the person
13 entitled to the title as provided in this chapter.

14 d. The provisions of this subsection relating to
15 multipurpose vehicles are effective January 1, 1993, for all
16 1993 and subsequent model years. The annual registration fee
17 for multipurpose vehicles that are 1992 model years and older
18 shall be in accordance with section 321.124.

19 e. The annual registration fee for a multipurpose vehicle
20 with permanently installed equipment manufactured for and
21 necessary to assist a person with a disability who is either
22 the owner or a member of the owner's household in entry and
23 exit of the vehicle or for a multipurpose vehicle if the
24 vehicle's owner or a member of the vehicle owner's household
25 uses a wheelchair as the only means of mobility shall be sixty
26 dollars. For purposes of this unnumbered paragraph, "uses a
27 wheelchair" does not include use of a wheelchair due to a
28 temporary injury or medical condition.

29 Sec. 2. Section 321.113, subsection 1, Code 2003, is
30 amended to read as follows:

31 1. The registration fee for a motor vehicle shall not be
32 automatically reduced under this section unless the
33 registration fee is based on the value and weight of the motor
34 vehicle, modified by a fuel economy reduction, if applicable,
35 as provided in section 321.109, subsection 1, paragraphs "a"

1 and "b".

2 EXPLANATION

3 Current law provides that annual registration fees for most
4 motor vehicles are based on the vehicle's value and weight, as
5 fixed by the state department of transportation. This bill
6 requires the department to reduce the annual registration fee
7 for a motor vehicle by 5 percent for each mile per gallon by
8 which the vehicle's fuel economy rating for highway driving
9 exceeds 27.5 miles per gallon as determined under federal fuel
10 economy law. The bill applies to all motor vehicles except
11 motor trucks, motor homes, ambulances, hearses, motorcycles,
12 motor bicycles, and certain multipurpose vehicles used by
13 persons with a disability. The provision applies to annual
14 fees for 2004 and subsequent model year vehicles registered
15 for a registration period beginning on or after January 1,
16 2004.

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HF 333 – Fuel Efficient Vehicles Act (LSB 1855 HH)
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Fiscal Note Version – New
Requestor – Representative Robert Hogg

Description

House File 333 requires the Department of Transportation (DOT) to reduce annual registration fees for motor vehicles by 5.0% for each mile per gallon by which the vehicle's fuel economy rating for highway driving exceeds 27.5 miles per gallon as determined under federal fuel economy ratings. The Bill applies to 2004 and subsequent model year vehicles registered on or after January 1, 2004.

Assumptions

- Vehicle fuel economy is measured annually by the Environmental Protection Agency (EPA) and is based on vehicle make, model, engine, and transmission.
- A vehicle's fuel economy varies among vehicles of the same make and model and varies over time depending on where, when, and how the vehicle is driven.
- The DOT's vehicle registration system currently tracks vehicle make and model, but does not track engine or transmission data. Therefore, it is currently not possible for the Department to track fuel economy for Iowa's vehicle fleet.
- The number of vehicles sold with a fuel economy rating exceeding 27.5 miles per gallon is unknown.
- Under the proposed law, approximately 360 hours of reprogramming time would be needed for the DOT to implement the necessary changes to correspond with the EPA's fuel economy data.

Fiscal Impact

The estimated fiscal impact of HF 333 would result in decreased revenues to the Road Use Tax Fund. The necessary information is not readily available from the DOT information system, therefore, the fiscal impact of HF 333 cannot be determined.

The estimated cost for the DOT to implement the necessary computer programming changes would be \$23,000 in FY 2004.

Source

Department of Transportation

/s/ Dennis C Prouty

March 13, 2003
