

SENATE FILE 2180
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO SF 2067)

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

A BILL FOR

1 An Act relating to various duties of the county treasurer and to
2 certain fees collected by the county treasurer.

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

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SF 2180 LOCAL GOVERNMENT

1 Section 1. NEW SECTION. 321.23A AFFIDAVIT OF CORRECTION.

2 When information is printed incorrectly on a certificate of
3 title, application for certificate of title, damage disclosure
4 statement, or other document required for a title transfer or
5 when these documents contain an alteration or erasure, the
6 county treasurer may accept a notarized affidavit of
7 correction. This subsection does not apply to an odometer
8 certification statement. The department shall consult with a
9 representative of the Iowa state county treasurer's
10 association and shall promulgate rules and adopt a standard
11 affidavit form or forms to administer this section.

12 Sec. 2. Section 321.50, subsection 1, Code Supplement
13 2003, is amended to read as follows:

14 1. A security interest in a vehicle subject to
15 registration under the laws of this state or a mobile home or
16 manufactured home, except trailers whose empty weight is two
17 thousand pounds or less, and except new or used vehicles held
18 by a dealer or manufacturer as inventory for sale, is
19 perfected by the delivery to the county treasurer of the
20 county where the certificate of title was issued or, in the
21 case of a new certificate, to the county treasurer where the
22 certificate will be issued, of an application for certificate
23 of title which lists the security interest, or an application
24 for notation of security interest signed by the owner, or by
25 one owner of a vehicle owned jointly by more than one person,
26 or a certificate of title from another jurisdiction which
27 shows the security interest, and a fee of ~~five~~ ten dollars for
28 each security interest shown. Up to three security interests
29 may be perfected against a vehicle and shown on an Iowa
30 certificate of title. If the owner or secured party is in
31 possession of the certificate of title, it must also be
32 delivered at this time in order to perfect the security
33 interest. If a vehicle is subject to a security interest when
34 brought into this state, the validity of the security interest
35 and the date of perfection is determined by section 554.9303.

1 Delivery as provided in this subsection is an indication of a
2 security interest on a certificate of title for purposes of
3 chapter 554.

4 Sec. 3. Section 321.134, subsection 1, Code 2003, is
5 amended to read as follows:

6 1. On the first day of the second month following the
7 beginning of each registration year a penalty of five percent
8 of the annual registration fee shall be added to the
9 registration fees not paid by that date and an additional
10 penalty of five percent shall be added the first day of each
11 succeeding month, until the fee is paid. A penalty shall not
12 be less than five dollars. If the owner of a vehicle
13 surrenders the registration plates for a vehicle prior to the
14 plates becoming delinquent, to the county treasurer of the
15 county where the vehicle is registered, or to the department
16 if the vehicle is registered under chapter 326, the owner may
17 register the vehicle any time thereafter upon payment of the
18 registration fee for the registration year without penalty.
19 The penalty on vehicles registered under chapter 326 shall
20 accrue February 1 of each year. To avoid a penalty or an
21 additional penalty in the case of a delinquent registration,
22 if the last calendar day of a month falls on Saturday, Sunday,
23 or a holiday, the payment deadline is extended to include the
24 first business day of the following month. For payments made
25 through a county treasurer's authorized website only, if the
26 last day of the month falls on a Saturday, Sunday, or a
27 holiday, the electronic payment must be initiated by midnight
28 on the first business day of the next month. However,--an All
29 other electronic payment payments must be initiated by
30 midnight on the last day of the month preceding the delinquent
31 date.

32 Sec. 4. Section 331.552, Code Supplement 2003, is amended
33 by adding the following new subsection:

34 NEW SUBSECTION. 35. Destroy special assessment records
35 required by section 445.11 within the county system after ten

1 years have elapsed from the end of the fiscal year in which
2 the special assessment was paid in full. The county treasurer
3 shall also destroy the resolution of necessity, plat, and
4 schedule of assessments required by section 384.51 after ten
5 years have elapsed from the end of the fiscal year in which
6 the entire schedule was paid in full.

7 Sec. 5. Section 331.553, subsection 4, Code Supplement
8 2003, is amended to read as follows:

9 4. Charge five dollars, as an administrative expense, for
10 every rate, charge, rental, ~~or~~ special assessment, or drainage
11 assessment certified as a lien to the treasurer for
12 collection. This amount shall be added to the amount of the
13 lien, collected at the time of payment from the payor, and
14 credited to the county general fund. If the amount of the
15 lien is paid in annual installments, an administrative expense
16 charge shall be added to each annual installment.

17 Sec. 6. Section 445.37, unnumbered paragraph 4, Code 2003,
18 is amended to read as follows:

19 To avoid interest on current or delinquent taxes, an for
20 payments made through a county treasurer's authorized website
21 only, if the last day of the month falls on a Saturday,
22 Sunday, or a holiday, the electronic payment must be initiated
23 by midnight on the first business day of the next month. All
24 other electronic payment payments must be initiated by
25 midnight on the last day of the month preceding the delinquent
26 date.

27 Sec. 7. Section 446.16, subsection 2, Code 2003, is
28 amended to read as follows:

29 2. The treasurer may establish and collect a reasonable
30 registration fee from each purchaser registered bidder at the
31 tax sale. The fee shall not be assessed against a county or
32 municipality ~~as-a-purchaser~~. The total of the fees collected
33 shall not exceed the total costs of the tax sale.
34 Registration fees collected shall be deposited in the general
35 fund of the county.

1 EXPLANATION

2 This bill makes various changes relating to the duties of
3 county treasurers.

4 The bill enacts new Code section 321.23A to allow persons
5 to file a notarized affidavit of correction with the county
6 treasurer to correct information printed incorrectly on a
7 certificate of title, application for certificate of title,
8 damage disclosure statement, or other document required for a
9 motor vehicle title transfer.

10 Code section 321.50 is amended to increase from \$5 to \$10
11 the fee required for an application for a new certificate of
12 title listing a security interest or an application for
13 notation of security interest on a certificate of title that
14 has already been issued on certain motor vehicles and mobile
15 or manufactured homes.

16 Code section 321.134, relating to annual vehicle
17 registration fees, is amended to provide that if payment of a
18 registration fee is made by electronic means through the
19 county treasurer's authorized website only, the payment must
20 be initiated by midnight on the first business day of the next
21 month if the last day of the month in which it is due falls on
22 a Saturday, Sunday, or a holiday.

23 Code section 331.552 is amended to add a new subsection
24 which requires the county treasurer to destroy special
25 assessment records within the county system after 10 years
26 have elapsed from the end of the fiscal year in which the
27 special assessments were paid in full.

28 Code section 331.553, relating to rates, charges, rentals,
29 or special assessments, certified as a lien to the county
30 treasurer for collection, is amended to provide that the
31 current administrative expense charge of \$5 is applicable to
32 drainage assessments certified as a lien. The bill also
33 provides that the administrative expense charge on a lien will
34 be applied each year to the annual installment amount if the
35 amount of the lien is paid in annual installments.

1 Code section 445.37, relating to payment of the semiannual
2 installment of property taxes, is amended to provide that if
3 payment of taxes is made by electronic means through the
4 county treasurer's authorized website only, the payment must
5 be initiated by midnight on the first business day of the next
6 month if the last day of the month in which it is due falls on
7 a Saturday, Sunday, or a holiday.

8 Code section 446.16, relating to the sale of delinquent
9 property taxes, is amended to provide that the county
10 treasurer may collect a registration fee from each registered
11 bidder at the tax sale. Currently, the county treasurer is
12 allowed to collect a registration fee from each purchaser at
13 tax sale.

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**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

SF 2180 - Treasurer Clean-Up (LSB 5529 SV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.state.ia.us)
Fiscal Note Version — New

Description

Senate File 2180 makes various changes relating to the duties of county treasurers. The fee for application for a new or an update to a certificate of title listing a security interest on certain motor vehicles or mobile homes is increased from \$5 to \$10. The Bill also addresses timing of annual vehicle registration payments and property tax payments via the Internet, how long special assessment records are stored, drainage assessments as liens, fees for various annual installment lien payments, and fees from registered bidders for the sale of delinquent property taxes.

Assumptions

1. There are 384,000 security interest filings annually.
2. The county retains 60.0% of the fees paid, and 40.0% is deposited into the Road Use Tax Fund.
3. There is insufficient information to estimate the changes regarding the rate, charge, rental, special assessment, and drainage assessments certified as liens by the county treasurers or for the fees charged to bidders on a tax sale.

Fiscal Impact

The fee increase in SF 2180 for security interest filings would generate additional annual revenues of approximately \$1.2 million for counties and \$768,000 for the Road Use Tax Fund.

Sources

Iowa State Association of Counties
Department of Transportation

Dennis C Prouty

March 1, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

SENATE FILE 2180

S-5055

1 Amend Senate File 2180 as follows:

2 1. Page 1, by inserting after line 11, the
3 following:

4 "Sec. ____ . Section 321.47, unnumbered paragraph 1,
5 Code 2003, is amended to read as follows:

6 If ownership of a vehicle is transferred by
7 operation of law upon inheritance, devise or bequest,
8 dissolution decree, order in bankruptcy, insolvency,
9 replevin, foreclosure or execution sale, abandoned
10 vehicle sale, or when the engine of a motor vehicle is
11 replaced by another engine, or a vehicle is sold or
12 transferred to satisfy an artisan's lien as provided
13 in chapter 577, a landlord's lien as provided in
14 chapter 570, a storage lien as provided in chapter
15 579, a judgment in an action for abandonment of a
16 manufactured or mobile home as provided in chapter
17 555B, upon presentation of an affidavit relating to
18 the disposition of a valueless mobile, modular, or
19 manufactured home as provided in chapter 555C, or
20 repossession is had upon default in performance of the
21 terms of a security agreement, the county treasurer in
22 the transferee's county of residence, upon the
23 surrender of the prior certificate of title or the
24 manufacturer's or importer's certificate, or when that
25 is not possible, upon presentation of satisfactory
26 proof to the county treasurer of ownership and right
27 of possession to the vehicle and upon payment of a fee
28 of ten dollars and the presentation of an application
29 for registration and certificate of title, may issue
30 to the applicant a registration card for the vehicle
31 and a certificate of title to the vehicle. A person
32 entitled to ownership of a vehicle under a decree of
33 dissolution shall surrender a reproduction of a
34 certified copy of the dissolution and upon fulfilling
35 the other requirements of this chapter is entitled to
36 a certificate of title and registration receipt issued
37 in the person's name."

38 2. Page 4, by inserting before line 1, the
39 following:

40 "Sec. ____ . Section 555C.3, Code 2003, is amended
41 to read as follows:

42 555C.3 NEW TITLE -- THIRD PARTY.

43 If a new title to a valueless home is to be issued
44 to a third party, the county treasurer shall issue a
45 new title, upon receipt of the affidavit required in
46 section 555C.2, a new title upon and payment of a fee
47 equal to the fee specified in section 321.42 for
48 replacement certificates of title for vehicles
49 pursuant to section 321.47. Any tax lien levied
50 pursuant to chapter 435 is canceled and the ownership

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1 interest of the previous owner or occupant of the
2 valueless home is terminated as of the date of
3 issuance of the new title. The new title owner shall
4 take the title free of all rights and interests even
5 though the manufactured home community or mobile home
6 park owner fails to comply with the requirements of
7 this chapter or any judicial proceedings, if the new
8 title owner acts in good faith."

9 3. By renumbering as necessary.

By DAVID MILLER

S-5055 FILED MARCH 9, 2004