

FILED FEB 08 2006

SENATE FILE 2182
BY COMMITTEE ON
TRANSPORTATION

(SUCCESSOR TO SSB 3025)

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

A BILL FOR

1 An Act relating to registration fees for certain motor trucks and
2 providing effective and applicability dates.

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

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SF 2182

1 Section 1. Section 321.109, subsection 1, unnumbered
2 paragraph 1, Code Supplement 2005, is amended to read as
3 follows:

4 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, and 2008 and
7 subsequent model year motor trucks with an unladen weight of
8 seven thousand five hundred pounds or less, except motor
9 trucks registered under section 321.122, special trucks, motor
10 homes, ambulances, hearses, motorcycles, motor bicycles, and
11 1992 and older model years for multipurpose vehicles, shall be
12 equal to one percent of the value as fixed by the department
13 plus forty cents for each one hundred pounds or fraction
14 thereof of weight of vehicle, as fixed by the department. The
15 weight of a motor vehicle, fixed by the department for
16 registration purposes, shall include the weight of a battery,
17 heater, bumpers, spare tire, and wheel. Provided, however,
18 that for any new vehicle purchased in this state by a
19 nonresident for removal to the nonresident's state of
20 residence the purchaser may make application to the county
21 treasurer in the county of purchase for a transit plate for
22 which a fee of ten dollars shall be paid. And provided,
23 however, that for any used vehicle held by a registered dealer
24 and not currently registered in this state, or for any vehicle
25 held by an individual and currently registered in this state,
26 when purchased in this state by a nonresident for removal to
27 the nonresident's state of residence, the purchaser may make
28 application to the county treasurer in the county of purchase
29 for a transit plate for which a fee of three dollars shall be
30 paid. The county treasurer shall issue a nontransferable
31 certificate of registration for which no refund shall be
32 allowed; and the transit plates shall be void thirty days
33 after issuance. Such purchaser may apply for a certificate of
34 title by surrendering the manufacturer's or importer's
35 certificate or certificate of title, duly assigned as provided

1 in this chapter. In this event, the treasurer in the county
2 of purchase shall, when satisfied with the genuineness and
3 regularity of the application, and upon payment of a fee of
4 ten dollars, issue a certificate of title in the name and
5 address of the nonresident purchaser delivering the same to
6 the person entitled to the title as provided in this chapter.
7 The application requirements of section 321.20 apply to a
8 title issued as provided in this subsection, except that a
9 natural person who applies for a certificate of title shall
10 provide either the person's social security number, passport
11 number, or driver's license number, whether the license was
12 issued by this state, another state, or another country. The
13 provisions of this subsection relating to multipurpose
14 vehicles are effective January 1, 1993, for all 1993 and
15 subsequent model years. The annual registration fee for
16 multipurpose vehicles that are 1992 model years and older
17 shall be in accordance with section 321.124.

18 Sec. 2. Section 321.122, subsection 1, unnumbered
19 paragraph 1, Code 2005, is amended to read as follows:

20 The annual registration fee for truck tractors, road
21 tractors, and motor trucks, except 2008 and subsequent model
22 year motor trucks with an unladen weight of seven thousand
23 five hundred pounds or less and motor trucks registered as
24 special trucks, shall be based on the combined gross weight of
25 the vehicle or combination of vehicles. All such trucks,
26 truck tractors, or road tractors registered under this section
27 shall be registered for a gross weight equal to or in excess
28 of the unladen weight of the vehicle or combination of
29 vehicles. The annual registration fee fees for such vehicles
30 or combination of vehicles, except special trucks, ~~shall be~~
31 are as follows:

32 Sec. 3. Section 321.123, subsection 2, Code 2005, is
33 amended by adding the following new paragraph:

34 NEW PARAGRAPH. c. This subsection does not apply to motor
35 trucks registered under section 321.109.

**EIGHTY FIRST GENERAL ASSEMBLY
2006 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

FEBRUARY 23, 2006

SENATE FILE 2182

S-5007

- 1 Amend Senate File 2182 as follows:
2 1. Page 1, by inserting before line 1, the
3 following:
4 "Section 1. Section 321.1, Code Supplement 2005,
5 is amended by adding the following new subsection:
6 NEW SUBSECTION. 95. "Work truck" means a motor
7 truck not used for hire, with an unladen weight of
8 seven thousand five hundred pounds or less, owned by a
9 person engaged in farming, as evidenced by the owner's
10 registration with the United States department of
11 agriculture's farm service agency."
12 2. Page 1, line 7, by inserting after the word
13 "trucks" the following: ", other than work trucks,".
14 3. Page 2, line 22, by inserting after the word
15 "trucks" the following: ", other than work trucks,".
16 4. By renumbering as necessary.

By EUGENE S. FRAISE

S-5007 FILED FEBRUARY 22, 2006

SENATE FILE 2182

S-5011

- 1 Amend Senate File 2182 as follows:
2 1. Page 1, by inserting before line 1, the
3 following:
4 "Section 1. Section 321.1, Code Supplement 2005,
5 is amended by adding the following new subsection:
6 NEW SUBSECTION. 24AA. "Farm truck" means a motor
7 truck not used for hire, with an unladen weight of
8 seven thousand five hundred pounds or less, owned by a
9 person engaged in farming, as evidenced by the owner's
10 registration with the United States department of
11 agriculture's farm service agency."
12 2. Page 1, line 7, by inserting after the word
13 "trucks" the following: ", other than farm trucks,".
14 3. Page 2, line 22, by inserting after the word
15 "trucks" the following: ", other than farm trucks,".
16 4. By renumbering as necessary.

By EUGENE S. FRAISE

S-5011 FILED FEBRUARY 22, 2006

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 2182 – Pickup Truck Registration Fees (LSB 5648 SV)

Analyst: Mary Beth Mellick (Phone: (515) 281-8223) (marybeth.mellick@legis.state.ia.us)

Fiscal Note Version – New

Requested by Transportation (Senate)

Description

Senate File 2182 eliminates the flat fees currently charged for the annual registration of model year 2008 and subsequent model year trucks with an unladen weight of 7,500 pounds or less. The Bill provides that such trucks will be registered in the same manner as most other vehicles, based on the value and weight of the vehicle. The flat fee schedule will continue for 2007 and older model-year trucks. The Bill takes effect January 1, 2007.

Assumptions

1. Owners of 2007 and previous model-year trucks with an unladen weight of 7,500 pounds or less will continue to pay a flat-fee registration, based on the combined gross weight of the vehicle or combination of vehicles.
2. The combined gross weight of a truck, or combination of a truck and another vehicle, with an unladen weight of 7,500 pounds or less, is three tons (6,000 pounds), four tons (8,000 pounds), or five tons (10,000 pounds).
3. In calendar year 2005, approximately 43,500 new trucks with an unladen weight of 7,500 pounds or less were purchased, of which 34,200 (78.6%) weighed three tons, 8,000 (18.4%) weighed four tons, and 1,300 (3.0%) weighed five tons.
4. The total number of model year 2008 and subsequent-year trucks with an unladen weight of 7,500 pounds or less that will be registered is unknown. Based on the number of new trucks purchased in 2005, this analysis assumes approximately 43,500 trucks will be model-year 2008 trucks, of which 34,200 (78.6%) will weigh three tons, 8,000 (18.4%) will weigh four tons, and 1,300 (3.0%) will weigh five tons.
5. Current registration fees for trucks with a combined gross weight of three tons, four tons, and five tons are \$65 (for trucks that are new to 10 years old and weigh three tons or less), \$80 (for trucks weighing more than three tons but not exceeding four tons), and \$90 (for trucks weighing more than four tons but not exceeding five tons).
6. The annual registration fee for model year 2008 trucks with an unladen weight of 7,500 pounds or less will be 1.0% of the vehicle's value, plus 40 cents per 100 pounds of the vehicle's weight.
7. The weight and value of multipurpose vehicles is equivalent to the weight and value of trucks with an unladen weight of 7,500 pounds or less. The current average annual registration fee for a multipurpose vehicle is approximately \$328. A total of 43,500 trucks registered at \$328 will generate an estimated \$14.3 million in the first year.
8. The total amount of motor vehicle registration revenues attributable to the change in truck registration fees will be approximately \$11.3 million in the first year (revenues under current law are approximately \$3.0 million).

9. The Treasurer of State will calculate monthly the excess revenues derived from registering 2008 and subsequent model year trucks with an unladen weight of 7,500 pounds or less, under the fee rate based on weight and value rather than the current flat fee rate.
10. The last three months of CY 2007 (October, November, and December) will be affected by the proposed legislation since model year 2008 trucks will be available in the second half of CY 2007. The number of model year 2008 trucks that will be registered in CY 2007 and the amount that will be collected is unknown.
11. Costs associated with calculating monthly the excess revenues derived from registering model year 2008 and subsequent-year trucks with an unladen weight of 7,500 pounds or less, under the fee rate based on weight and value rather than the current flat fee rate, are anticipated to be minimal.

Fiscal Impact

The estimated fiscal impact of SF 2182 is an increase of \$36.7 million to the Road Use Tax Fund from CY 2007 through CY 2010. The fiscal impact does not take into account the increase and decrease in vehicle value in subsequent years. The estimated fiscal impact is as follows:

- CY 2007: \$2.8 million
- CY 2008: \$14.1 million
- CY 2009: \$25.4 million
- CY 2010: \$36.7 million

Source

Department of Transportation

/s/ Holly M. Lyons

February 13, 2006

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.

Putney co-chair
McCoy co-chair
Committee of the whole

Succeeded By
(SF) HF 2182

SSB#3025
Transportation

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CO-CHAIRPERSON PUTNEY)

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

A BILL FOR

1 An Act relating to registration fees for certain motor trucks,
2 creating an E-85 trust fund, making an appropriation, and
3 providing effective and applicability dates.

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

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TLSB 5648SK 81
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1 Section 1. Section 321.109, subsection 1, unnumbered
2 paragraph 1, Code Supplement 2005, is amended to read as
3 follows:

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5 designated by manufacturers as station wagons, and 1993 and
6 subsequent model years for multipurpose vehicles, and 2008 and
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8 seven thousand five hundred pounds or less, except motor
9 trucks registered under section 321.122, special trucks, motor
10 homes, ambulances, hearses, motorcycles, motor bicycles, and
11 1992 and older model years for multipurpose vehicles, shall be
12 equal to one percent of the value as fixed by the department
13 plus forty cents for each one hundred pounds or fraction
14 thereof of weight of vehicle, as fixed by the department. The
15 weight of a motor vehicle, fixed by the department for
16 registration purposes, shall include the weight of a battery,
17 heater, bumpers, spare tire, and wheel. Provided, however,
18 that for any new vehicle purchased in this state by a
19 nonresident for removal to the nonresident's state of
20 residence the purchaser may make application to the county
21 treasurer in the county of purchase for a transit plate for
22 which a fee of ten dollars shall be paid. And provided,
23 however, that for any used vehicle held by a registered dealer
24 and not currently registered in this state, or for any vehicle
25 held by an individual and currently registered in this state,
26 when purchased in this state by a nonresident for removal to
27 the nonresident's state of residence, the purchaser may make
28 application to the county treasurer in the county of purchase
29 for a transit plate for which a fee of three dollars shall be
30 paid. The county treasurer shall issue a nontransferable
31 certificate of registration for which no refund shall be
32 allowed; and the transit plates shall be void thirty days
33 after issuance. Such purchaser may apply for a certificate of
34 title by surrendering the manufacturer's or importer's
35 certificate or certificate of title, duly assigned as provided

1 in this chapter. In this event, the treasurer in the county
 2 of purchase shall, when satisfied with the genuineness and
 3 regularity of the application, and upon payment of a fee of
 4 ten dollars, issue a certificate of title in the name and
 5 address of the nonresident purchaser delivering the same to
 6 the person entitled to the title as provided in this chapter.
 7 The application requirements of section 321.20 apply to a
 8 title issued as provided in this subsection, except that a
 9 natural person who applies for a certificate of title shall
 10 provide either the person's social security number, passport
 11 number, or driver's license number, whether the license was
 12 issued by this state, another state, or another country. The
 13 provisions of this subsection relating to multipurpose
 14 vehicles are effective January 1, 1993, for all 1993 and
 15 subsequent model years. The annual registration fee for
 16 multipurpose vehicles that are 1992 model years and older
 17 shall be in accordance with section 321.124.

18 Sec. 2. Section 321.109, Code Supplement 2005, is amended
 19 by adding the following new subsection:

20 NEW SUBSECTION. 4. Notwithstanding section 423.43, and
 21 prior to the crediting of revenues to the road use tax fund
 22 under section 423.43, subsection 1, paragraph "b", the
 23 treasurer of state shall transfer monthly to the E-85 trust
 24 fund created under section 421.71 fifty percent of the amount
 25 of fees collected during the previous month from the
 26 registration of 2008 and newer model year motor trucks under
 27 this section in excess of the amount that would have been
 28 collected for the registration of those vehicles under section
 29 321.122, Code 2005. However, the total amount transferred
 30 shall not exceed fifty million dollars. This subsection is
 31 repealed December 31, 2010.

32 Sec. 3. Section 321.122, subsection 1, unnumbered
 33 paragraph 1, Code 2005, is amended to read as follows:

34 The annual registration fee for truck tractors, road
 35 tractors, and motor trucks, except 2008 and subsequent model

1 year motor trucks with an unladen weight of seven thousand
2 five hundred pounds or less and motor trucks registered as
3 special trucks, shall be based on the combined gross weight of
4 the vehicle or combination of vehicles. All such trucks,
5 truck tractors, or road tractors registered under this section
6 shall be registered for a gross weight equal to or in excess
7 of the unladen weight of the vehicle or combination of
8 vehicles. The annual registration fee fees for such vehicles
9 or combination of vehicles, except special trucks, shall be
10 are as follows:

11 Sec. 4. NEW SECTION. 421.71 E-85 TRUST FUND.

12 1. An E-85 trust fund is created within the state treasury
13 under the control of the department. The fund shall consist
14 of moneys transferred from the registration of motor trucks
15 under section 321.109, subsection 4, any moneys appropriated
16 by the general assembly, and any other moneys available to and
17 obtained or accepted by the department from government or
18 private sources for placement in the fund. The assets of the
19 fund are appropriated to the department to be used to
20 establish E-85 retail facilities throughout the state by
21 providing reimbursement to new and existing motor fuel
22 retailers for costs associated with the installation or
23 conversion of infrastructure used to sell and dispense E-85
24 blended gasoline. The total amount that may be awarded to an
25 applicant for reimbursement under this section is limited to
26 twenty-five thousand dollars per retail location. Up to one
27 hundred thousand dollars of the moneys in the fund may be
28 allocated to the department annually for administrative costs
29 incurred by the department for purposes of administering the
30 fund.

31 2. Moneys in the E-85 trust fund shall be drawn upon the
32 written requisition of the director or an authorized
33 representative of the director. Notwithstanding section
34 12C.7, subsection 2, interest or earnings on moneys deposited
35 in the fund shall be credited to the fund. Notwithstanding

1 section 8.33, moneys in the fund that remain unencumbered or
2 unobligated at the close of the fiscal year shall not revert
3 but shall remain available for expenditure for the purposes
4 designated through December 31, 2012. The department shall
5 adopt rules for the administration of this section.

6 Sec. 5. EFFECTIVE AND APPLICABILITY DATES. This Act takes
7 effect January 1, 2007, and applies to registrations of 2008
8 and subsequent model year motor trucks with an unladen weight
9 of seven thousand five hundred pounds or less.

10 EXPLANATION

11 This bill revises the method for calculating annual
12 registration fees for motor trucks with an unladen weight of
13 7,500 pounds or less. Currently, most such trucks are
14 registered based on combined gross weight for an annual fee of
15 \$65, which is reduced to \$55 when the vehicle is more than 10
16 model years old, \$45 when the vehicle is more than 13 model
17 years old, and \$35 when the vehicle is more than 15 model
18 years old.

19 The bill requires that 2008 and subsequent model year motor
20 trucks with an unladen weight of 7,500 pounds or less be
21 registered under the weight and value system that applies to
22 most other motor vehicles. Currently under that system,
23 registration fees are equal to 1 percent of the value of the
24 vehicle plus 40 cents for each 100 pounds of weight of the
25 vehicle. Registration fees based on weight and value are
26 automatically reduced according to the age of the vehicle
27 beginning when the vehicle is more than five model years old.

28 The bill establishes an E-85 trust fund under the control
29 of the department of revenue, to be used to fuel the
30 establishment of E-85 retail facilities. Through December 31,
31 2010, 50 percent of the amount of fees collected from the
32 registration of 2008 and newer model year motor trucks under
33 the weight and value system in excess of the amount that would
34 have been collected for the registration of those vehicles for
35 a flat fee shall be deposited monthly in the E-85 trust fund.

1 However, the total amount deposited shall not exceed \$50
2 million. A maximum amount of \$25,000 shall be awarded to an
3 applicant to reimburse costs incurred for E-85 infrastructure
4 projects at any one retail location. Moneys remaining in the
5 fund after December 31, 2012, shall revert to the road use tax
6 fund.

7 The bill takes effect January 1, 2007, and applies to
8 registrations of 2008 and subsequent model year motor trucks.
9 The bill does not alter the current flat fee schedule, which
10 will continue to apply to 2007 and previous model year trucks.

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