

House Study Bill 239 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act providing an exemption from the fee for new vehicle
2 registration for motor vehicles transferred between certain
3 dealerships upon termination of the vehicle brand, and
4 including effective date and applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.105A, subsection 2, paragraph c,
2 Code 2011, is amended by adding the following new subparagraph:
3 NEW SUBPARAGRAPH. (31) Vehicles subject to registration
4 which are held for sale by a motor vehicle dealership in
5 this state under a franchise agreement with a motor vehicle
6 manufacturer and are transferred to another motor vehicle
7 dealership owned by the same person, persons, or entity, or by
8 a different entity that shares substantially the same ownership
9 interest, when the original dealership closes due to the
10 manufacturer's discontinuance of the motor vehicle brand and
11 disposition of motor vehicles remaining in the dealership's
12 inventory is the responsibility of the franchisee.

13 Sec. 2. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
14 APPLICABILITY. This Act, being deemed of immediate importance,
15 takes effect upon enactment and applies retroactively to
16 December 1, 2010, for vehicles transferred on or after that
17 date.

18 EXPLANATION

19 Under current law, a fee for new registration in the amount
20 of 5 percent of the purchase price of a vehicle is required
21 each time ownership of a vehicle is transferred. This bill
22 provides an exemption from payment of that fee by the owner of
23 a motor vehicle dealership that, upon the close of business,
24 transfers the dealership's remaining vehicles to another
25 dealership owned by the same person, persons, or entity, or by
26 a different entity that shares substantially the same ownership
27 interest. The exemption applies only when the closing of the
28 original dealership is due to the manufacturer's discontinuance
29 of the vehicle brand and the franchisee is responsible
30 for disposition of vehicles remaining in the dealership's
31 inventory.

32 The bill is effective upon enactment and applies
33 retroactively to December 1, 2010, for vehicles transferred on
34 or after that date.