

Senate File 101 - Introduced

SENATE FILE 101
BY SHIPLEY

A BILL FOR

- 1 An Act establishing an annual vehicle registration surcharge
- 2 and appropriating the resulting revenue for certain expenses
- 3 of the state patrol.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 312.2, subsection 17, paragraph a, Code
2 2021, is amended to read as follows:

3 a. The treasurer of state, before making the allotments
4 provided for in [this section](#), shall credit annually to the
5 TIME-21 fund created in [section 312A.2](#), the revenue accruing to
6 the road use tax fund from annual motor vehicle registration
7 fees for passenger cars, multipurpose vehicles, and motor
8 trucks in excess of three hundred ninety-two million dollars
9 annually. For purposes of this paragraph, "annual motor vehicle
10 registration fees" does not include the annual registration
11 surcharge imposed under section 321.105B.

12 Sec. 2. Section 312.2, Code 2021, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 18. Notwithstanding section 312.9 or
15 any other provision of law to the contrary, the treasurer
16 of state, before making the allotments provided for in this
17 section, shall credit monthly to the department of public
18 safety the revenue accruing to the road use tax fund from the
19 collection of the annual registration surcharge pursuant to
20 section 321.105B. Moneys credited under this subsection are
21 appropriated to the department of public safety to be used for
22 vehicles, equipment, and training expenses of the division of
23 state patrol related to the supervision of the highways of this
24 state.

25 Sec. 3. Section 321.1, subsection 59A, Code 2021, is amended
26 to read as follows:

27 59A. "Registration fees", unless otherwise specified,
28 means ~~both~~ the annual vehicle registration fee, the annual
29 registration surcharge, and the fee for new registration,
30 to the extent applicable, for purposes of administering the
31 provisions of [this chapter](#) concerning vehicle registration
32 fees.

33 Sec. 4. Section 321.20A, subsection 2, Code 2021, is amended
34 to read as follows:

35 2. An owner of more than fifty commercial vehicles subject

1 to the apportioned registration provisions of [chapter 326](#) who
2 is issued a certificate of title under [this section](#) shall not
3 be subject to annual registration fees until the commercial
4 vehicle is driven or moved upon the highways. The annual
5 registration fee due shall be prorated for the remaining
6 unexpired months of the registration year. Ownership of the
7 commercial vehicle shall not be transferred until annual
8 registration fees and the annual registration surcharge have
9 been paid to the department.

10 Sec. 5. Section 321.23, subsection 3, Code 2021, is amended
11 to read as follows:

12 3. In the event an applicant for registration of a foreign
13 vehicle for which a certificate of title has been issued is
14 able to furnish evidence of being the registered owner of the
15 vehicle to the county treasurer of the owner's residence,
16 although unable to surrender such certificate of title, the
17 county treasurer may issue a registration receipt and plates
18 upon receipt of the required annual registration fee, the
19 annual registration surcharge, and the fee for new registration
20 but shall not issue a certificate of title thereto. Upon
21 surrender of the certificate of title from the foreign state,
22 the county treasurer shall issue a certificate of title to the
23 owner, or person entitled thereto, of such vehicle as provided
24 in [this chapter](#). The owner of a vehicle registered under this
25 subsection shall not be required to obtain a certificate of
26 title in this state and may transfer ownership of the vehicle
27 to a motor vehicle dealer licensed under [chapter 322](#) if, at the
28 time of the transfer, the certificate of title is held by a
29 secured party and the dealer has forwarded to the secured party
30 the sum necessary to discharge the security interest pursuant
31 to [section 321.48, subsection 1](#).

32 Sec. 6. Section 321.24, subsection 10, Code 2021, is amended
33 to read as follows:

34 10. A vehicle shall be registered for the registration
35 year. A vehicle registered for the first time in this state

1 shall be registered for the remaining unexpired months of the
2 registration year and pay an annual registration fee prorated
3 for the remaining unexpired months of the registration year
4 plus the annual registration surcharge pursuant to section
5 321.105B and a fee for new registration, if applicable,
6 pursuant to [section 321.105A](#). Except for a vehicle registered
7 under [chapter 326](#), a vehicle registered for the first time
8 during the eleventh month of the owner's registration year
9 may be registered for the remaining unexpired months of the
10 registration year as provided in [this subsection](#) or for the
11 remaining unexpired months of the registration year and for
12 the next registration year, upon payment of the applicable
13 registration fees.

14 Sec. 7. Section 321.30, subsection 3, Code 2021, is amended
15 to read as follows:

16 3. The department or the county treasurer shall refuse
17 registration of a vehicle if the applicant for registration of
18 the vehicle has failed to pay the required annual registration
19 fee, the annual registration surcharge, or the fee for new
20 registration of any vehicle owned or previously owned when the
21 fee was required to be paid by the applicant, and for which
22 vehicle the registration was suspended or revoked under section
23 321.101, subsection 1, paragraph "d", or [section 321.101A](#),
24 until the fee is paid together with any accrued penalties.

25 Sec. 8. Section 321.40, subsection 1, Code 2021, is amended
26 to read as follows:

27 1. Application for renewal for a vehicle registered under
28 this chapter shall be made on or after the first day of the
29 month prior to the month of expiration of registration and
30 up to and including the last day of the month following the
31 month of expiration of registration. The registration shall
32 be renewed upon payment of the appropriate annual registration
33 fee and the annual registration surcharge. Application for
34 renewal for a vehicle registered under [chapter 326](#) shall be
35 made on or after the first day of the month prior to the month

1 of expiration of registration and up to and including the last
2 day of the month of expiration of registration.

3 Sec. 9. Section 321.40, subsection 6, paragraph b, Code
4 2021, is amended to read as follows:

5 *b.* The county treasurer of the county of the person's
6 residence and in which the person's vehicle is registered,
7 in cooperation with the department of revenue, may collect
8 delinquent taxes including penalties and interest owed to
9 the state from a person applying for renewal of a vehicle
10 registration. The applicant may remit full payment of the
11 taxes including applicable penalties and interest, along with
12 a processing fee of five dollars, to the county treasurer at
13 the time of registration renewal. Upon full payment of the
14 required taxes including applicable penalties and interest,
15 the processing fee, ~~and the vehicle registration fee, and the~~
16 annual registration surcharge, the county treasurer shall issue
17 the registration to the person. A county treasurer collecting
18 on behalf of the department of revenue shall update the vehicle
19 registration records through the distributed teleprocessing
20 network on a daily basis for all persons who have paid taxes
21 pursuant to [this subsection](#). A county treasurer shall forward
22 all funds collected for the department of revenue to the
23 department of revenue.

24 Sec. 10. Section 321.40, subsection 7, paragraph b, Code
25 2021, is amended to read as follows:

26 *b.* The county treasurer of the county of an applicant's
27 residence and in which the applicant's vehicle is registered,
28 in cooperation with the department, may collect a civil
29 penalty imposed on the applicant pursuant to section 321N.3,
30 subsection 3, when the applicant applies for renewal of a
31 vehicle registration. The applicant may remit full payment of
32 the civil penalty, along with a processing fee of five dollars,
33 to the county treasurer at the time of registration renewal.
34 Upon full payment of the civil penalty, the processing fee,
35 ~~and the vehicle registration fee, and the annual registration~~

1 surcharge, the county treasurer shall issue the registration to
2 the applicant. A county treasurer collecting a civil penalty
3 on behalf of the department pursuant to [this subsection](#) shall
4 update the vehicle registration records through the distributed
5 teleprocessing network on a daily basis for all applicants
6 who have paid civil penalties pursuant to [this subsection](#). A
7 county treasurer shall forward all funds collected on behalf of
8 the department to the department.

9 Sec. 11. Section 321.46, subsection 2, Code 2021, is amended
10 to read as follows:

11 2. Upon filing the application for a new registration
12 and a new title, the applicant shall pay a title fee of
13 twenty dollars, an annual registration fee prorated for the
14 remaining unexpired months of the registration year, an annual
15 registration surcharge, and a fee for new registration if
16 applicable. A manufacturer applying for a certificate of
17 title pursuant to [section 322G.12](#) shall pay a title fee of
18 ten dollars. However, a title fee shall not be charged to a
19 manufactured or mobile home retailer applying for a certificate
20 of title for a used mobile home or manufactured home, titled
21 in Iowa, as required under [section 321.45, subsection 4](#).
22 The county treasurer, if satisfied of the genuineness and
23 regularity of the application, and in the case of a mobile
24 home or manufactured home, that taxes are not owing under
25 chapter 435, and that applicant has complied with all the
26 requirements of [this chapter](#), shall issue a new certificate
27 of title and, except for a mobile home, manufactured home,
28 or a vehicle returned to and accepted by a manufacturer as
29 described in [section 322G.12](#), a registration card to the
30 purchaser or transferee, shall cancel the prior registration
31 for the vehicle, and shall forward the necessary copies to the
32 department on the date of issuance, as prescribed in section
33 321.24. Mobile homes or manufactured homes titled under
34 chapter 448 that have been subject under [section 446.18](#) to a
35 public bidder sale in a county shall be titled in the county's

1 name, with no fee, and the county treasurer shall issue the
2 title.

3 Sec. 12. Section 321.70, Code 2021, is amended to read as
4 follows:

5 **321.70 Dealer vehicles.**

6 A dealer registered under this chapter shall not be required
7 to register any vehicle owned by the dealer which is being held
8 for sale or trade, provided the annual registration fee ~~was~~ and
9 the annual registration surcharge were not delinquent at the
10 time the vehicle was acquired by the dealer. When a dealer
11 ceases to hold any vehicle for sale or trade or the vehicle
12 otherwise becomes subject to registration under this chapter
13 the annual registration fee, the annual registration surcharge,
14 and delinquent annual registration fee or surcharge, if any,
15 shall be due for the registration year.

16 Sec. 13. Section 321.101, subsection 1, paragraph d, Code
17 2021, is amended to read as follows:

18 *d.* When the department determines that the required annual
19 registration fee or the annual registration surcharge has not
20 been paid and the fee or surcharge is not paid upon reasonable
21 notice and demand.

22 Sec. 14. Section 321.101A, Code 2021, is amended to read as
23 follows:

24 **321.101A Revocation of registration by county treasurer.**

25 The county treasurer may revoke the registration and
26 registration plates of a vehicle if the annual registration
27 fee, the annual registration surcharge, or the fee for new
28 registration is paid by check, electronic payment, or credit
29 card and the check, electronic payment, or credit card is
30 not honored by the payer's financial institution or credit
31 card company, upon reasonable notice and demand. The owner
32 of the vehicle or person in possession of the registration
33 and registration plates for the vehicle shall immediately
34 return the revoked registration and registration plates to the
35 appropriate county treasurer's office.

1 Sec. 15. Section 321.105A, subsection 3, paragraph b,
2 subparagraph (2), Code 2021, is amended to read as follows:

3 (2) Annual registration fees and annual registration
4 surcharges.

5 Sec. 16. NEW SECTION. **321.105B Annual registration**
6 **surcharge.**

7 1. In addition to the annual registration fee required
8 under section 321.105, an annual registration surcharge is
9 imposed in the amount of two dollars for each vehicle subject
10 to registration. The annual registration surcharge shall
11 be paid by the owner of the vehicle to the county treasurer
12 or the department at the time application is made for a new
13 registration and certificate of title for a vehicle and each
14 time application is made for renewal of registration for
15 a vehicle. If a vehicle's registration fee is payable in
16 semiannual installments, the annual registration surcharge
17 shall be paid with the first installment.

18 2. The surcharge imposed under this section shall not
19 be considered in the calculation of the annual registration
20 fee for a vehicle, is not subject to proration, and is not
21 refundable except as provided in section 321.129.

22 3. This section does not apply to vehicles that are exempt
23 from annual registration fees.

24 Sec. 17. Section 321.151, Code 2021, is amended to read as
25 follows:

26 **321.151 Duty and liability of treasurer.**

27 The county treasurer shall collect the annual registration
28 fee, the annual registration surcharge, the fee for new
29 registration, and penalties on each vehicle registered by
30 the county treasurer and shall be responsible on the county
31 treasurer's bond for such amount. The county treasurer shall
32 remit such amount to the treasurer of state as provided in this
33 chapter. Fees collected pursuant to participation in county
34 issuance of driver's licenses under **chapter 321M** shall be
35 governed by the provisions of that chapter.

1 Sec. 18. Section 321.152, subsection 1, paragraph a, Code
2 2021, is amended to read as follows:

3 a. Four percent of the total collection, excluding the
4 amount of any fee for new registration and annual registration
5 surchage, for each annual or semiannual vehicle registration
6 and each duplicate registration card or plate issued.

7 Sec. 19. Section 326.2, subsection 5, Code 2021, is amended
8 to read as follows:

9 5. "*Registration fee*" means the annual motor vehicle
10 registration fee imposed pursuant to [section 321.105](#), unless
11 otherwise specified. "*Registration fee*" includes the annual
12 registration surcharge imposed pursuant to section 321.105B, in
13 accordance with the terms of that section.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill imposes an annual registration surcharge in
18 the amount of \$2 for each vehicle subject to registration,
19 including both motor vehicles and trailers. The surcharge
20 is payable to the county treasurer or the department of
21 transportation the first time application is made for
22 registration and certificate of title for a vehicle and each
23 time registration is renewed. Revenues collected from the
24 annual registration surcharge accrue to the road use tax fund
25 and are appropriated to the department of public safety to be
26 used for vehicles, equipment, and training expenses of the
27 division of state patrol related to the supervision of the
28 highways of this state.

29 The bill amends the definition of "registration fees" for
30 purposes of Code chapter 321 to provide for administration
31 of the annual registration surcharge in conjunction with
32 administration of annual vehicle registration fees, and the
33 bill amends the definition of "registration fee" in Code
34 chapter 326 to provide for administration of the annual
35 registration surcharge in conjunction with administration of

1 apportioned fees for commercial motor vehicles. In addition,
2 the bill makes conforming amendments to various Code sections
3 relating to vehicle registration fees and the distribution of
4 revenue from the road use tax fund.

5 It is a simple misdemeanor punishable by a scheduled fine of
6 \$70 for a person to drive, move, or permit to be driven or moved
7 upon the highway a vehicle required to be registered that is
8 not registered or for which the appropriate fees have not been
9 paid, notwithstanding certain exceptions.