HOUSE FILE 55 BY BLOOMINGDALE

## A BILL FOR

An Act regarding the registration and titling of motor
 vehicles, including by providing for initial registration
 and titling by any county treasurer and by modifying related
 fees and the amount of fees retained by county treasurers.
 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.20, subsection 1, unnumbered 2 paragraph 1, Code 2023, is amended to read as follows: Except as provided in this chapter, an owner of a vehicle, 3 4 or a lessor of a vehicle pursuant to chapter 321F which has a 5 gross vehicle weight of less than ten thousand pounds, which 6 is subject to registration, shall make application to the any 7 county treasurer of the county of the owner's residence, or 8 if a nonresident, to the county treasurer of the county where 9 the primary users of the vehicle are located, or if a lessor 10 of the vehicle pursuant to chapter 321F which vehicle has a 11 gross vehicle weight of less than ten thousand pounds, to the 12 county treasurer of the county of the lessee's residence, 13 or if a firm, association, or corporation with vehicles in 14 multiple counties, the owner may make application to the county 15 treasurer of the county where the primary user of the vehicle 16 is located, for the initial registration and issuance of a 17 certificate of title for the vehicle upon the appropriate form 18 furnished by the department. However, upon the transfer of 19 ownership, the owner of a vehicle subject to the apportioned 20 registration provisions of chapter 326 shall make application 21 for issuance of a certificate of title to either the department 22 or the appropriate any county treasurer. The owner of a 23 vehicle purchased pursuant to section 578A.7 shall present 24 documentation that such sale was completed in compliance 25 with that section. The application shall be accompanied by 26 a fee of twenty thirty dollars, and shall bear the owner's 27 signature. A nonresident owner of two or more vehicles subject 28 to registration may make application for initial registration 29 and issuance of a certificate of title for all vehicles subject 30 to registration to the any county treasurer of the county where 31 the primary user of any of the vehicles is located. The owner 32 of a mobile home or manufactured home shall make application 33 for a certificate of title under this section from the county 34 treasurer of the county where the mobile home or manufactured 35 home is located. The application shall contain:

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1 Sec. 2. Section 321.20, subsections 2, 3, and 4, Code 2023, 2 are amended to read as follows:

2. Notwithstanding contrary provisions of this chapter 4 or chapter 326 regarding titling and registration by means 5 other than electronic means, the department shall, by July 1, 6 <del>2019,</del> develop and implement a program to allow for electronic 7 applications, titling, registering <u>initial registrations</u>, and 8 funds transfers for vehicles subject to registration in order 9 to improve the efficiency and timeliness of the processes and 10 to reduce costs for all parties involved. The program shall 11 also provide for the electronic submission of any statement 12 required by this section, except where prohibited by federal 13 law.

3. The department shall adopt rules on <u>pursuant to chapter</u> <u>17A to administer this section, including rules relating to</u> the method for providing signatures for applications and statements required by this section that are made by electronic means. <u>4. Notwithstanding this section or any other provision of</u> <u>19 law to the contrary, if the program required by subsection</u> <u>2 is not implemented by July 1, 2019, an owner of a vehicle</u> <u>2 subject to registration may apply to the county treasurer of a</u> <u>2 county contiguous to the county designated for the owner under</u> <u>3 subsection 1 for registration and issuance of a certificate of</u> <u>24 title.</u>

25 Sec. 3. Section 321.20A, subsection 1, Code 2023, is amended 26 to read as follows:

1. Notwithstanding other provisions of this chapter,
the owner of a commercial vehicle subject to the apportioned
registration provisions of chapter 326 may make application
to the department or the appropriate any county treasurer
for a certificate of title. The owner of a commercial
vehicle purchased pursuant to section 578A.7 shall present
documentation that such sale was completed in compliance with
that section. The application for certificate of title shall
be made within thirty days of purchase or transfer and shall be

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1 accompanied by a twenty dollar thirty-dollar title fee and the 2 appropriate fee for new registration. The department or the 3 county treasurer shall deliver the certificate of title to the 4 owner if there is no security interest. If there is a security 5 interest, the title, when issued, shall be delivered to the 6 first secured party. Delivery may be made using electronic 7 means.

8 Sec. 4. Section 321.23, subsections 3 and 4, Code 2023, are 9 amended to read as follows:

In the event an applicant for initial registration of 10 3. ll a foreign vehicle for which a certificate of title has been 12 issued is able to furnish evidence of being the registered 13 owner of the vehicle to the any county treasurer of the owner's 14 residence, although unable to surrender such certificate 15 of title, the county treasurer may issue a registration 16 receipt and plates upon receipt of the required annual 17 registration fee and the fee for new registration but shall 18 not issue a certificate of title thereto. Upon surrender of 19 the certificate of title from the foreign state, the county 20 treasurer shall issue a certificate of title to the owner, 21 or person entitled thereto, of such vehicle as provided in 22 this chapter. The owner of a vehicle registered under this 23 subsection shall not be required to obtain a certificate of 24 title in this state and may transfer ownership of the vehicle 25 to a motor vehicle dealer licensed under chapter 322 or an 26 insurance carrier authorized to do business in this state 27 if, at the time of the transfer, the certificate of title is 28 held by a secured party and the dealer or insurance carrier, 29 as applicable, has forwarded to the secured party the sum 30 necessary to discharge the security interest pursuant to 31 section 321.48, subsection 1.

32 4. A vehicle which does not meet the equipment requirements 33 of this chapter due to the particular use for which it is 34 designed or intended, may be registered by the department 35 upon payment of appropriate fees and after inspection and

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1 certification by the department that the vehicle is not 2 in an unsafe condition. A person is not required to have 3 a certificate of title to register a vehicle under this 4 subsection. If the owner elects to have a certificate of title 5 issued for the vehicle, a fee of twenty thirty dollars shall be 6 paid by the person making the application upon issuance of a 7 certificate of title. If the department's inspection reveals 8 that the vehicle may be safely operated only under certain 9 conditions or on certain types of roadways, the department may 10 restrict the registration to limit operation of the vehicle to 11 the appropriate conditions or roadways. This subsection does 12 not apply to snowmobiles as defined in section 321G.1. Section 13 321.382 does not apply to a vehicle registered under this 14 subsection which is operated exclusively by a person with a 15 disability who has obtained a persons with disabilities parking 16 permit as provided in section 321L.2, if the persons with 17 disabilities parking permit is carried in or on the vehicle and 18 shown to a peace officer on request.

19 Sec. 5. Section 321.25, subsection 1, Code 2023, is amended 20 to read as follows:

1. A vehicle may be operated upon the highways of this 21 22 state without registration plates for a period of forty-five 23 days after the date of delivery of the vehicle to the purchaser 24 from a dealer if a card bearing the words "registration applied 25 for" is attached on the rear of the vehicle. The card shall 26 have plainly stamped or stenciled the registration number of 27 the dealer from whom the vehicle was purchased and the date 28 of delivery of the vehicle. In addition, a dealer licensed 29 to sell new motor vehicles may attach the card to a new motor 30 vehicle delivered by the dealer to the purchaser even if the 31 vehicle was purchased from an out-of-state dealer and the card 32 shall bear the registration number of the dealer that delivered 33 the vehicle. A dealer shall not issue a card to a person known 34 to the dealer to be in possession of registration plates which 35 may be attached to the vehicle. A dealer shall not issue a card

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1 unless an application for <u>initial</u> registration and certificate 2 of title has been made by the purchaser and a receipt issued to 3 the purchaser of the vehicle showing the fee paid by the person 4 making the application. Dealers' records shall indicate the 5 agency to which the fee is sent and the date the fee is sent. 6 The dealer shall forward the application by the purchaser to 7 the county treasurer or state office within thirty calendar 8 days from the date of delivery of the vehicle. However, if the 9 vehicle is subject to a security interest and has been offered 10 for sale pursuant to section 321.48, subsection 1, the dealer 11 shall forward the application by the purchaser to the county 12 treasurer or state office within thirty calendar days from the 13 date of the delivery of the vehicle to the purchaser.

14 Sec. 6. Section 321.26, subsection 2, Code 2023, is amended 15 to read as follows:

16 The county treasurer may adjust the registration renewal 2. 17 or expiration date of vehicles registered in the county for 18 which the county treasurer is responsible for renewal under 19 section 321.40 when deemed necessary to equalize the number 20 of vehicles registered in each twelve-month period or for the 21 administrative efficiency of the county treasurer's office. 22 The adjustment shall be accomplished by delivery of a written 23 notice to the vehicle owner of the adjustment and allowance of 24 a credit for the remaining months of the unused portion of the 25 annual registration fee, rounded to the nearest whole dollar, 26 which amount shall be deducted from the annual registration 27 fee due at the time of registration. Upon receipt of the 28 notification the owner shall, within thirty days, surrender 29 the registration card and registration plates to a any county 30 treasurer, except that the registration plates shall not be 31 surrendered if validation stickers or other emblems are used 32 to designate the month and year of expiration of registration. 33 Upon payment of the annual registration fee, less the credit 34 allowed for the remaining months of the unused portion of the 35 annual registration fee, the county treasurer of the county

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1 where the vehicle is registered that adjusted the registration

2 <u>renewal or expiration date of the vehicle</u> shall issue a new 3 registration card and registration plates, validation stickers, 4 or emblems which indicate the month and year of expiration of 5 registration.

6 Sec. 7. Section 321.29, Code 2023, is amended to read as 7 follows:

8 321.29 Renewal not permitted.

9 Any vehicle once registered in the state and by removal no 10 longer subject to registration in this state, shall upon being 11 returned to this state and subject to registration be again 12 initially registered in accordance with section 321.20.

13 Sec. 8. Section 321.34, subsection 1, Code 2023, is amended 14 to read as follows:

15 1. Plates issued. The county treasurer upon receiving 16 application, accompanied by proper fee, for registration of a 17 vehicle shall issue to the owner one registration plate for 18 a motorcycle, motorized bicycle, autocycle, truck tractor, 19 trailer, or semitrailer and two registration plates for every 20 other motor vehicle. The registration plates, including 21 special registration plates, shall be assigned to the owner of 22 a vehicle. When the owner of a registered vehicle transfers or 23 assigns ownership of the vehicle to another person, the owner 24 shall remove the registration plates from the vehicle. The 25 owner shall forward the plates to a any county treasurer or the 26 owner may have the plates assigned to another vehicle within 27 thirty days after transfer, upon payment of the fees required 28 by law. The owner shall immediately affix registration plates 29 retained by the owner to another vehicle owned or acquired by 30 the owner, providing the owner complies with section 321.46. 31 The department shall adopt rules providing for the assignment 32 of registration plates to the transferee of a vehicle for which 33 a credit is allowed under section 321.46, subsection 6. 34 Sec. 9. Section 321.40, subsection 1, Code 2023, is amended 35 to read as follows:

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1 1. Application for renewal for a vehicle registered under 2 this chapter shall be made on or after the first day of the 3 month prior to the month of expiration of registration and up 4 to and including the last day of the month following the month 5 of expiration of registration. The application for renewal 6 shall be submitted to the county treasurer of the county of 7 the owner's residence; or if a nonresident, to the county 8 treasurer of the county where the primary users of the vehicle 9 are located; or if a lessor of the vehicle pursuant to chapter 10 321F which has a gross vehicle weight of less than ten thousand 11 pounds, to the county treasurer of the county of the lessee's 12 residence; or if a firm, association, or corporation with 13 vehicles in multiple counties, to the county treasurer of the 14 county where the primary user of the vehicle is located. The 15 registration shall be renewed upon payment of the appropriate 16 annual registration fee. Application for renewal for a vehicle 17 registered under chapter 326 shall be made on or after the 18 first day of the month prior to the month of expiration of 19 registration and up to and including the last day of the month 20 of expiration of registration.

21 Sec. 10. Section 321.42, subsection 2, paragraphs a, c, and 22 d, Code 2023, are amended to read as follows:

a. If a certificate of title is lost or destroyed, the
owner or lienholder shall apply for a replacement copy of the
original certificate of title. The owner or lienholder of a
motor vehicle may also apply for a replacement copy of the
original certificate of title upon surrender of the original
certificate of title with the application. The application
shall be made to the department or <u>any</u> county treasurer who
issued the original certificate of title. The application
shall be signed by the owner or lienholder and accompanied by a
fee of twenty thirty dollars.

33 c. If a security interest noted on the face of an original 34 certificate of title was released by the lienholder on a 35 separate form pursuant to section 321.50, subsection 5, and

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1 the signature of the lienholder, or the person executing the 2 release on behalf of the lienholder, is notarized, but the 3 lienholder has not delivered the original certificate to the 4 appropriate party as provided in section 321.50, subsection 5, 5 the owner may apply for and receive a replacement certificate 6 of title without the released security interest noted thereon. 7 The lienholder shall return the original certificate of title 8 to the department or to the any county treasurer of the county 9 where the title was issued.

10 d. A new purchaser or transferee is entitled to receive 11 an original title upon presenting the assigned replacement 12 copy to the <u>any county</u> treasurer of the county where the new 13 purchaser or transferee resides. At the time of purchase, a 14 purchaser may require the seller to indemnify the purchaser and 15 all future purchasers of the vehicle against any loss which 16 may be suffered due to claims on the original certificate. A 17 person recovering an original certificate of title for which 18 a replacement has been issued shall surrender the original 19 certificate to the county treasurer or the department.

20 Sec. 11. Section 321.46, subsections 1, 2, and 5, Code 2023, 21 are amended to read as follows:

22 The transferee shall, within thirty calendar days after 1. 23 purchase or transfer, apply for and obtain from the any county 24 treasurer of the person's residence, or if a nonresident, the 25 county treasurer of the county where the primary users of the 26 vehicle are located or the county where all other vehicles 27 owned by the nonresident are registered, or in the case of a 28 mobile home or manufactured home, the county treasurer of the 29 county where the mobile home or manufactured home is located, 30 or if a firm, association, or corporation with vehicles in 31 multiple counties, the transferee may apply for and obtain from 32 the county treasurer of the county where the primary user of 33 the vehicle is located, a new initial registration and a new 34 certificate of title for the vehicle, except as provided in 35 section 321.25, 321.48, or 322G.12, or when the transferee

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1 obtains the vehicle pursuant to section 321.52, subsection 2, 2 paragraph ``b''. In the case of a mobile home or manufactured 3 home, the transferee shall, within thirty calendar days after 4 purchase or transfer, apply for and obtain from the county 5 treasurer of the county where the mobile home or manufactured 6 home is located a new certificate of title. The transferee 7 shall present with the application the certificate of title 8 endorsed and assigned by the previous owner and shall indicate 9 the name of the county in which the vehicle was last registered 10 and the registration expiration date.

11 Upon filing the application for a new initial 12 registration and a new title, the applicant shall pay a title 13 fee of twenty thirty dollars, an annual registration fee 14 prorated for the remaining unexpired months of the registration 15 year, and a fee for new registration if applicable. Α 16 manufacturer applying for a certificate of title pursuant 17 to section 322G.12 shall pay a title fee of ten twenty 18 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

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

5. The seller or transferor may file an affidavit on 3 4 forms prescribed and provided by the department with the any 5 county treasurer of the county where the vehicle is registered 6 certifying the sale or transfer of ownership of the vehicle 7 and the assignment and delivery of the certificate of title 8 for the vehicle. Upon receipt of the affidavit, the county 9 treasurer shall file the affidavit with the copy of the 10 registration receipt for the vehicle on file in the treasurer's 11 office and on that day the treasurer shall note receipt of the 12 affidavit in the vehicle registration and titling system. Upon 13 filing the affidavit, it shall be presumed that the seller or 14 transferor has assigned and delivered the certificate of title 15 for the vehicle. For a leased vehicle, the lessor licensed 16 pursuant to chapter 321F or the lessee may file an affidavit 17 as provided in this subsection certifying that the lease has 18 expired or been terminated and the date that the leased vehicle 19 was surrendered to the lessor.

20 Sec. 12. Section 321.47, subsections 1 and 3, Code 2023, are 21 amended to read as follows:

If ownership of a vehicle is transferred by operation of 22 1. 23 law upon inheritance, devise or bequest, dissolution decree, 24 order in bankruptcy, insolvency, replevin, foreclosure or 25 execution sale, abandoned vehicle sale, or when the engine of a 26 motor vehicle is replaced by another engine, or a vehicle is 27 sold or transferred to satisfy an artisan's lien as provided 28 in chapter 577, a landlord's lien as provided in chapter 570, 29 a self-service storage facility lien as provided in section 30 578A.7, a storage lien as provided in chapter 579, a judgment 31 in an action for abandonment of a manufactured or mobile home 32 as provided in chapter 555B, upon presentation of an affidavit 33 relating to the disposition of a valueless mobile, modular, or 34 manufactured home as provided in chapter 555C, or repossession 35 is had upon default in performance of the terms of a security

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1 agreement, the any county treasurer in the transferee's county 2 of residence or, in the case of a mobile home or manufactured 3 home, the county treasurer of the county where the mobile home 4 or manufactured home is located, upon the surrender of the 5 prior certificate of title or the manufacturer's or importer's 6 certificate, or when that is not possible, upon presentation 7 of satisfactory proof to the county treasurer of ownership and 8 right of possession to the vehicle and upon payment of a fee of 9 twenty thirty dollars and the presentation of an application 10 for initial registration and certificate of title, may issue ll to the applicant a registration card for the vehicle and a 12 certificate of title to the vehicle. A person entitled to 13 ownership of a vehicle under a decree of dissolution shall 14 surrender a reproduction of a certified copy of the dissolution 15 and upon fulfilling the other requirements of this chapter is 16 entitled to a certificate of title and registration receipt 17 issued in the person's name.

18 3. Whenever ownership of a vehicle is transferred under 19 the provisions of this section, the registration plates shall 20 be removed and forwarded to <u>a any</u> county treasurer, or to the 21 department if the vehicle is owned by a nonresident. Upon 22 transfer the vehicle shall not be operated upon the highways 23 of this state until the person entitled to possession of the 24 vehicle applies for and obtains <u>initial</u> registration for the 25 vehicle.

26 Sec. 13. Section 321.48, subsection 2, Code 2023, is amended 27 to read as follows:

28 2. A foreign registered vehicle purchased or otherwise 29 acquired by a dealer for the purpose of resale shall be issued 30 a certificate of title for the vehicle by the any county 31 treasurer of the dealer's residence upon proper application 32 as provided in this chapter and upon payment of a fee of five 33 <u>fifteen</u> dollars and the dealer is exempt from the payment of 34 any and all registration fees for the vehicle. The application 35 for certificate of title shall be made within thirty days

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1 after the vehicle comes within the border of the state. 2 However, a dealer acquiring a vehicle registered in another 3 state which permits Iowa dealers to reassign that state's 4 certificates of title shall not be required to obtain a new 5 <u>initial</u> registration or a new certificate of title and upon 6 transferring title or interest to another person shall execute 7 an assignment upon the certificate of title for the vehicle 8 to the person to whom the transfer is made and deliver the 9 assigned certificate of title to the person.

10 Sec. 14. Section 321.49, subsection 1, Code 2023, is amended 11 to read as follows:

12 1. Except as provided in section 321.52, if an application 13 for transfer of registration and certificate of title is not 14 submitted to the any county treasurer of the residence of 15 the transferee within thirty days of the date of assignment 16 or transfer of title, or within thirty days of the date of 17 delivery to the purchaser if the vehicle is subject to a 18 security interest and was offered for sale pursuant to section 19 321.48, subsection 1, a penalty of ten dollars shall accrue 20 against the applicant, and no registration card or certificate 21 of title shall be issued to the applicant for the vehicle until 22 the penalty is paid.

23 Sec. 15. Section 321.50, subsection 1, Code 2023, is amended 24 to read as follows:

1. A security interest in a vehicle subject to registration under the laws of this state or a mobile home or manufactured home, except trailers whose empty weight is two thousand pounds or less, and except new or used vehicles held by a dealer or manufacturer as inventory for sale, is perfected by the delivery to the any county treasurer of the county where the certificate of title was issued or, in the case of a new certificate, to the county treasurer where the certificate will be issued, of an application for certificate of title which lists the security interest, or an application for notation of security interest signed by the owner or by one owner of

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1 a vehicle owned jointly by more than one person, or signed 2 through electronic means as determined by the department, or a 3 certificate of title from another jurisdiction which shows the 4 security interest, and payment of a fee of ten twenty dollars 5 for each security interest shown. The security interest in a 6 mobile home or manufactured home is perfected by the delivery 7 to the county treasurer of the county where the certificate 8 of title was issued or, in the case of a new certificate, to 9 the county treasurer where the certificate will be issued, 10 of an application for certificate of title which lists the 11 security interest, or an application for notation of security 12 interest signed by the owner or by one owner when owned jointly 13 by more than one person, or signed through electronic means 14 as determined by the department, or a certificate of title 15 from another jurisdiction which shows the security interest, 16 and payment of a fee of twenty dollars for each security 17 interest shown. The department shall require the federal 18 employer identification number of a secured party who is a 19 firm, association, or corporation or, if a natural person, 20 the social security number. Upon delivery of the application 21 and payment of the fee, the county treasurer shall note the 22 date of delivery on the application. If the delivery is by 23 electronic means and the time is electronically recorded on the 24 application along with the date, the time shall be included 25 with the date on all subsequent documents and records where the 26 date of perfection is required under this chapter. The date 27 of delivery shall be the date of perfection of the security 28 interest in the vehicle, regardless of the date the security 29 interest is noted on the certificate of title. Up to three 30 security interests may be perfected against a vehicle and shown 31 on an Iowa certificate of title. If the owner or secured party 32 is in possession of the certificate of title, it must also be 33 delivered at this time. If a vehicle is subject to a security 34 interest when brought into this state, the validity of the 35 security interest and the date of perfection is determined by

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section 554.9303. Delivery as provided in this subsection
 constitutes perfection of a security interest on a certificate
 of title for purposes of this chapter and chapter 554.

4 Sec. 16. Section 321.50, subsection 5, paragraphs a and c,5 Code 2023, are amended to read as follows:

6 When a security interest is discharged, the holder a. 7 shall note a cancellation of the security interest on the 8 face of the certificate of title over the holder's signature 9 or may note the cancellation of the security interest on a 10 separate, notarized release form or letter. The holder shall 11 deliver the certificate of title and the form or letter, if 12 applicable, to the any county treasurer where the title was 13 issued. In the case of a security interest that has been 14 delivered by electronic means, the holder shall notify the 15 department or the county treasurer, in a manner prescribed 16 by the department, of the release of the security interest. 17 The county treasurer shall immediately note the cancellation 18 of the security interest on the face of the certificate of 19 title, if applicable, and in the county records system. The 20 county treasurer shall on the same day deliver the certificate 21 of title, if applicable, and the separate, notarized release 22 form or letter, if applicable, to the then first secured party 23 or, if there is no such person, to the person as directed by 24 the owner, in writing, on a form prescribed by the department 25 or, if there is no person designated, then to the owner. The 26 cancellation of the security interest shall be noted on the 27 certificate of title by the county treasurer without charge. 28 The holder of a security interest discharged by payment who 29 fails to release the security interest within fifteen days 30 after being requested in writing to do so shall forfeit to the 31 person making the payment the sum of twenty-five dollars. 32 When a security interest is discharged, the lienholder C. 33 shall note the cancellation of the security interest on the 34 face of the title and, if applicable, may note the cancellation 35 of the security interest on a form prescribed by the department

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1 and deliver a copy of the form in lieu of the title to the 2 department or to the any county treasurer of the county in 3 which the title was issued. The form may be delivered by 4 electronic means. The department or county treasurer shall 5 note the release of the security interest upon the statewide 6 computer system and the county's records. A copy of the form, 7 if used, shall be attached to the title by the lienholder, if 8 the title is held by the lienholder, and shall be evidence of 9 the release of the security interest. If the title is held 10 by the lienholder, the lienholder shall deliver the title to 11 the first lienholder, or if there is no such person, to the 12 person as designated by the owner, or if there is no such 13 person designated, to the owner. If a certificate of title 14 has not been issued, upon release of a security interest, the 15 lienholder shall notify the department or the county treasurer, 16 in a manner prescribed by the department, of the release of the 17 security interest.

18 Sec. 17. Section 321.52, subsection 2, paragraph a, Code 19 2023, is amended to read as follows:

20 The purchaser or transferee of a motor vehicle subject to a. 21 registration for which a certificate of title is issued which 22 is sold for scrap or junk shall surrender the certificate of 23 title, properly endorsed and signed by the previous owner, to 24 the any county treasurer of the county of residence of the 25 transferee, and shall apply for a junking certificate from the 26 county treasurer, within thirty days after assignment of the 27 certificate of title, except when the vehicle is disposed of 28 pursuant to paragraph "b''. The county treasurer shall issue 29 to such person without fee a junking certificate. A junking 30 certificate shall authorize the holder to possess, transport, 31 or transfer by endorsement the ownership of the junked vehicle. 32 A certificate of title shall not again be issued for the 33 vehicle subsequent to the issuance of a junking certificate 34 except as provided in subsection 3. The county treasurer shall 35 cancel the record of the vehicle. The junking certificate

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shall be printed on the registration receipt form and shall be
 imprinted with the words "junking certificate", as prescribed
 by the department. A space for transfer by endorsement
 shall be on the junking certificate. A separate form for the
 notation of the transfer of component parts shall be attached
 to the junking certificate when the certificate is issued.

7 Sec. 18. Section 321.52, subsection 4, paragraphs a and b,8 Code 2023, are amended to read as follows:

9 a. Notwithstanding any other provision of law to the 10 contrary, an insurer may apply for and be issued a salvage 11 certificate of title for a motor vehicle without surrendering 12 the certificate of title or manufacturer's or importer's 13 statement of origin properly assigned if ownership of the 14 vehicle was transferred, or will transfer, to the insurer 15 pursuant to a settlement with the previous owner of the vehicle 16 arising from circumstances involving damage to the vehicle, 17 and at least thirty days have expired since the effective 18 date of such settlement. To obtain a salvage certificate 19 of title pursuant to this paragraph "a'', the insurer shall 20 submit an application for a salvage certificate of title to 21 the any county treasurer of the county in which the vehicle 22 is stored by or on behalf of the insurer. The application 23 shall be accompanied by an affidavit from the insurer in 24 which the insurer certifies it has made at least two written 25 attempts to obtain a properly assigned certificate of title 26 or manufacturer's or importer's statement of origin for the 27 vehicle by contacting the previous owner of the vehicle and all 28 lienholders of record by certified mail or a similar service 29 that provides proof of service using a return receipt, and 30 has been unable to obtain the title or statement of origin. 31 The failure of a previous owner or lienholder to provide a 32 properly assigned certificate of title or manufacturer's or 33 importer's statement of origin shall be deemed to be a waiver 34 by the previous owner or lienholder of all rights, title, 35 claim, and interest in the vehicle. The application shall also

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1 be accompanied by the application fee required under paragraph 2 "b", and proof of payment of the total amount of the settlement 3 by the insurer to the previous owner of the vehicle. Upon

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4 receiving an application that complies with this paragraph "a", 5 the county treasurer shall issue a salvage certificate of title 6 to the insurer which shall be free and clear of all liens and 7 claims of ownership and shall bear the word "SALVAGE" stamped 8 or printed on the face of the title in a manner prescribed by 9 the department.

A vehicle rebuilder or a person engaged in the business 10 b. ll of buying, selling, or exchanging vehicles of a type required 12 to be registered in this state, upon acquisition of a wrecked 13 or salvage vehicle, shall surrender the certificate of 14 title or manufacturer's or importer's statement of origin 15 properly assigned, together with an application for a salvage 16 certificate of title, to the any county treasurer of the county 17 of residence of the purchaser or transferee within thirty 18 days after the date of assignment of the certificate of title 19 for the wrecked or salvage motor vehicle. This subsection 20 applies only to vehicles with a fair market value of five 21 hundred dollars or more, based on the value before the vehicle 22 became wrecked or salvage. Upon payment of a fee of ten twenty 23 dollars, the county treasurer shall issue a salvage certificate 24 of title which shall bear the word "SALVAGE" stamped or 25 printed on the face of the title in a manner prescribed by the 26 department. A salvage certificate of title may be assigned 27 to an educational institution, a new motor vehicle dealer 28 licensed under chapter 322, a person engaged in the business 29 of purchasing bodies, parts of bodies, frames or component 30 parts of vehicles for sale as scrap metal, a salvage pool, or 31 an authorized vehicle recycler licensed under chapter 321H. An 32 authorized vehicle recycler licensed under chapter 321H or a 33 new motor vehicle dealer licensed under chapter 322 may assign 34 or reassign an Iowa salvage certificate of title or a salvage 35 certificate of title from another state to any person, and the

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1 provisions of section 321.24, subsection 5, requiring issuance 2 of an Iowa salvage certificate of title shall not apply. А 3 vehicle on which ownership has transferred to an insurer of 4 the vehicle as a result of a settlement with the owner of the 5 vehicle arising out of damage to, or unrecovered theft of, the 6 vehicle shall be deemed to be a wrecked or salvage vehicle 7 and the insurer shall comply with this subsection to obtain a 8 salvage certificate of title within thirty days after the date 9 of assignment of the certificate of title of the vehicle. 10 Section 321.105A, subsection 2, unnumbered Sec. 19. 11 paragraph 1, Code 2023, is amended to read as follows: 12 In addition to the annual registration fee required under 13 section 321.105, a "fee for new registration" is imposed in 14 the amount of ten dollars plus five percent of the purchase 15 price for each vehicle subject to registration. The fee for 16 new registration shall be paid by the owner of the vehicle to 17 the county treasurer at the time application is made for a new 18 initial registration and certificate of title, if applicable. 19 A new registration receipt shall not be issued until the 20 fee has been paid. The county treasurer or the department 21 of transportation shall require every applicant for a new 22 registration receipt for a vehicle subject to registration to 23 supply information as the county treasurer or the director 24 deems necessary as to the time of purchase, the purchase 25 price, and other information relative to the purchase of the 26 vehicle. On or before the tenth day of each month, the county 27 treasurer or the department of transportation shall remit 28 to the department of revenue the amount of the fees for new 29 registration collected during the preceding month.

30 Sec. 20. Section 321.105A, subsection 3, paragraph a, Code 31 2023, is amended to read as follows:

32 *a.* A fee for new registration is imposed in an amount equal 33 to <u>ten dollars plus</u> five percent of the leased price for each 34 vehicle subject to registration which is leased by a lessor 35 licensed pursuant to <u>chapter 321F</u> for a period of six months

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1 or more. The fee for new registration shall be paid by the 2 owner of the vehicle to the county treasurer from whom the 3 registration receipt or certificate of title is obtained. A 4 registration receipt for a vehicle subject to registration or 5 issuance of a certificate of title shall not be issued until 6 the fee for new registration is paid in the initial instance. 7 Sec. 21. Section 321.109, subsection 1, paragraph a, Code 8 2023, is amended to read as follows:

9 а. The annual fee for all motor vehicles including vehicles 10 designated by manufacturers as station wagons, 1993 and 11 subsequent model year multipurpose vehicles, and 2010 and 12 subsequent model year motor trucks with an unladen weight of 13 ten thousand pounds or less, except motor trucks registered 14 under section 321.122, business-trade trucks, special trucks, 15 motor homes, motorsports recreational vehicles, ambulances, 16 hearses, autocycles, motorcycles, motorized bicycles, and 1992 17 and older model year multipurpose vehicles, shall be equal 18 to one percent of the value as fixed by the department plus 19 forty cents for each one hundred pounds or fraction thereof 20 of weight of vehicle, as fixed by the department. The weight 21 of a motor vehicle, fixed by the department for registration 22 purposes, shall include the weight of a battery, heater, 23 bumpers, spare tire, and wheel. Provided, however, that for 24 any new vehicle purchased in this state by a nonresident 25 for removal to the nonresident's state of residence the 26 purchaser may make application to the any county treasurer 27 in the county of purchase for a transit plate for which a 28 fee of ten dollars shall be paid. And provided, however, 29 that for any used vehicle held by a registered dealer and 30 not currently registered in this state, or for any vehicle 31 held by an individual and currently registered in this state, 32 when purchased in this state by a nonresident for removal 33 to the nonresident's state of residence, the purchaser may 34 make application to the any county treasurer in the county 35 of purchase for a transit plate for which a fee of three

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1 dollars shall be paid. The county treasurer shall issue a 2 nontransferable certificate of registration for which no 3 refund shall be allowed; and the transit plates shall be void 4 thirty days after issuance. Such purchaser may apply for a 5 certificate of title by surrendering the manufacturer's or 6 importer's certificate or certificate of title, duly assigned 7 as provided in this chapter. In this event, the county 8 treasurer in the county of purchase shall, when satisfied with 9 the genuineness and regularity of the application, and upon 10 payment of a fee of twenty thirty dollars, issue a certificate 11 of title in the name and address of the nonresident purchaser 12 delivering the title to the owner. If there is a security 13 interest noted on the title, the county treasurer shall mail 14 to the secured party an acknowledgment of the notation of the 15 security interest. The county treasurer shall not release a 16 security interest that has been noted on a title issued to 17 a nonresident purchaser as provided in this paragraph. The 18 application requirements of section 321.20 apply to a title 19 issued as provided in this subsection, except that a natural 20 person who applies for a certificate of title shall provide 21 either the person's social security number, passport number, 22 or driver's license number, whether the license was issued by 23 this state, another state, or another country. The provisions 24 of this subsection relating to multipurpose vehicles are 25 effective for all 1993 and subsequent model years. The annual 26 registration fee for multipurpose vehicles that are 1992 model 27 years and older shall be in accordance with section 321.124. Sec. 22. Section 321.109, subsection 3, Code 2023, is 28 29 amended to read as follows:

30 3. The owner of an unregistered motor vehicle or motor 31 vehicle for which the registration is delinquent may make 32 application to the <u>any</u> county treasurer of the county of 33 residence or, if the unregistered or delinquent motor vehicle 34 is purchased by a nonresident of the state, to the county 35 treasurer in the county of purchase, for a temporary thirty-day

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1 permit for a fee of twenty-five dollars. The permit shall 2 authorize the motor vehicle to be driven or towed upon the 3 highway, but shall not authorize a motor truck or truck tractor 4 to haul or tow a load. The permit fee shall not be considered a 5 registration fee or exempt the owner from payment of all other 6 fees, registration fees, and penalties due. If the annual 7 registration fee for the motor vehicle is delinguent, the 8 annual registration fee and penalty shall continue to accrue 9 until paid. The permit fee shall not be prorated, refunded, or 10 used as credit as provided under section 321.46. The permit ll shall be displayed in the upper left-hand corner of the rear 12 window of all motor vehicles, except motorcycles. Permits 13 issued for a motorcycle shall be attached to the rear of the 14 motorcycle. 15 Sec. 23. Section 321.126, subsection 1, paragraph g, Code 16 2023, is amended to read as follows: If the vehicle was leased and an affidavit was filed 17 g.

18 by the lessor or the lessee as provided in section 321.46, 19 the lessor or the lessee, as applicable, may make a claim for 20 a refund with the county treasurer of the county where the 21 vehicle was registered within six months of the vehicle's 22 surrender to the lessor. The refund shall be paid to either 23 the lessor or the lessee, as specified on the application for 24 title and <u>initial</u> registration pursuant to section 321.20.

25 Sec. 24. Section 321.152, subsection 1, paragraphs b, d, and 26 f, Code 2023, are amended to read as follows:

27 b. Two Twelve dollars and fifty cents from each fee 28 collected for certificates of title.

29 d. Sixty percent Sixteen dollars of all fees each fee
30 collected for perfection of security interests.

31 f. One dollar <u>Eleven dollars</u> from each fee for new 32 registration collected pursuant to <u>section 321.105A</u>. 33 EXPLANATION

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

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1 Under current law, only certain county treasurers are 2 allowed to do certain actions relating to motor vehicle 3 registration and titling. This bill provides that any county 4 treasurer can do any of the following: accept applications 5 for initial registration and issue initial registrations 6 and certificates of title to owners of vehicles, owners of 7 commercial vehicles, owners of certain foreign vehicles, owners 8 of transferred vehicles, owners of vehicles with a lost or 9 damaged certificate of title, owners of vehicles transferred by 10 law, and nonresident purchasers of vehicles; accept the return ll of an original certificate of title from a lienholder; issue an 12 original certificate of title to a new purchaser or transferee 13 who presents an assigned replacement copy; receive affidavits 14 certifying the sale or transfer of ownership of a vehicle; 15 issue certificates of title to dealers in possession of foreign 16 registered vehicles; receive applications for the transfer 17 of registration and certificates of title; perfect security 18 interests; accept certificates of title, or other forms, 19 noting that a security interest has been discharged; receive 20 certificates of title of vehicles that have been sold for scrap 21 or junk; accept applications for salvage certificates of title; 22 receive certificates of title of a wrecked or salvage vehicle; 23 and accept applications and issue temporary permits for 24 vehicles that are unregistered or have delinquent registration. 25 The bill increases the following fees from \$20 to \$30: 26 applications for initial registration and issuance of a 27 certificate of title for a vehicle, applications for initial 28 registration and issuance of a certificate of title for a 29 commercial vehicle, applications for initial registration 30 of a vehicle failing to meet the equipment requirements of 31 Code chapter 321, applications for a replacement copy of an 32 original certificate of title, applications for a new initial 33 registration and a new title upon transfer, applications for 34 initial registration and issuance of a certificate of title for 35 a vehicle transferred by operation of law, and applications for

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1 certificate of title to a nonresident purchaser.

2 The bill increases the following fees from \$10 to \$20: 3 applications by a manufacturer for a certificate of title 4 pursuant to Code section 322G.12, applications to perfect 5 a security interest in a vehicle by delivery to a county 6 treasurer, and applications for the issuance of a salvage 7 certificate of title.

8 The bill increases the fee for applications for certificates 9 of title by a dealer for a foreign registered vehicle from \$5 10 to \$15.

Pursuant to current law, the bill requires an application for renewal of registration for a vehicle to be submitted to the county treasurer of the county of the owner's residence, and or if a nonresident or a firm, association, or corporation with vehicles in multiple counties, to the county treasurer of the county where the primary users of the vehicle are located, or if a lessor of the vehicle, to the county treasurer of the county of the lessee's residence. However, the bill does not change the requirement under Code section 321.166 that every registration plate issued by a county treasurer must display the name of the county where the plate is issued. Under the bill, a person may register a vehicle other than by renewal in any county.

The bill amends Code section 321.20(2) by striking the current date by which the department of transportation (DOT) is required to develop and implement a program to allow for electronic applications, titling, initial registrations, and funds transfers for vehicles subject to registration.

29 Current law provides that, in addition to the annual 30 registration fee, a fee for new registration is imposed 31 in the amount of 5 percent of the purchase price for each 32 vehicle subject to registration. The bill increases the fee 33 by providing that the fee for new registration is \$10 plus 34 5 percent of the purchase price of each vehicle subject to 35 registration. Furthermore, the bill increases the fee for

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1 new registration of leased vehicles by imposing a \$10 fee in 2 addition to 5 percent of the leased price.

3 Lastly, the bill changes the amounts of certain fees a county 4 treasurer may retain for deposit in the county general fund. 5 The bill provides the treasurer may retain \$12.50 from each 6 fee collected for certificates of title, \$16 from each fee 7 collected for perfection of security interests, and \$11 from 8 each fee for new registration. Article VII, section 8, of the 9 Iowa Constitution requires a county to use the amount retained 10 from fees for new registration for purposes of administering 11 motor vehicle registration fees.

12 The bill makes conforming changes to Code sections 321.25, 13 321.26, 321.29, and 321.126.

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