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### **Regulatory Analysis**

Notice of Intended Action to be published: 761—Chapter 500 "Interstate Registration and Operation of Vehicles"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 326.33

State or federal law(s) implemented by the rulemaking: Iowa Code sections 17A.9A, 321.20A, 321.126, 321.127, 321.129 and 321.134 and chapter 326

## Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

April 25, 2025 9 to 9:30 a.m. Microsoft Teams Link Or dial: 515.817.6093 Conference ID: 597 383 8

#### Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Transportation no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Debbie Freeman 6310 SE Convenience Boulevard Ankeny, Iowa 50021

Email: deborah.freeman@iowadot.us

### Purpose and Summary

The purpose of the proposed chapter is to comply with Iowa Code chapter 326 by outlining the process and procedures to obtain International Registration Plan (IRP) credentials and all recordkeeping requirements. Iowa is a member jurisdiction of the IRP, and the apportionable registration is required for motor carriers that operate in interstate commerce.

### Analysis of Impact

- 1. Persons affected by the proposed rulemaking:
- Classes of persons that will bear the costs of the proposed rulemaking:

There are no costs or fees associated with this chapter beyond what is required by the underlying statute. Rather, the purpose of the rules is to establish the eligibility requirements, application process and guidelines for apportionable registration.

### • Classes of persons that will benefit from the proposed rulemaking:

Persons seeking to obtain IRP credentials will benefit from this chapter by knowing the eligibility criteria, application process and guidelines for apportionable registration.

- 2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
  - Quantitative description of impact:

There are no additional quantitative impacts that were not already anticipated as a result of the underlying statute, which requires the Department to have a process in place to issue apportionable registration to qualified applicants.

• Qualitative description of impact:

The result of reorganizing, streamlining and reducing redundancy in the proposed chapter will create a positive impact by producing a more user-friendly version of the rules that the public relies on for understanding how to obtain apportionable registration.

### 3. Costs to the State:

### Implementation and enforcement costs borne by the agency or any other agency:

There are no additional implementation or enforcement costs in the proposed rules that were not already required as a result of the underlying statute. The statute requires the Department to have a process in place to issue apportionable registration to qualified applicants.

## • Anticipated effect on state revenues:

There are no anticipated effects on state revenues beyond those of the underlying statute.

## 4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The benefit of the proposed chapter is consistency and transparency regarding the processes and requirements for obtaining apportionable registration in Iowa.

The cost of inaction is the inability for qualified applicants to understand quickly and efficiently what is required to obtain and maintain apportionable registration in Iowa.

There is no benefit of inaction.

# 5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

There are no less costly or less intrusive methods to achieve the purpose of the proposed rules.

- 6. Alternative methods considered by the agency:
- Description of any alternative methods that were seriously considered by the agency:

The Department did not consider alternatives for the proposed rules. The Department is required by the Iowa Code to have a process in place to issue apportionable registration to qualified applicants.

• Reasons why alternative methods were rejected in favor of the proposed rulemaking: Not applicable.

### Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
  - Exempt small business from any or all requirements of the rulemaking.

# If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no small business impact beyond what was already anticipated under the statute. The proposed rules apply equally to all persons seeking apportionable registration under the Iowa Code.

### Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 500 and adopt the following <u>new</u> chapter in lieu thereof:

#### MOTOR CARRIERS

## CHAPTER 500 INTERSTATE REGISTRATION AND OPERATION OF VEHICLES

**761—500.1(326) Definitions.** The definitions in Iowa Code sections 326.2 and 326.3 apply to this chapter. In addition:

"Distance schedule" means the department form used to report fleet distance.

"IRP" means the International Registration Plan as defined in Iowa Code section 326.2.

"Qualified registrant" means a motor carrier who has received written approval by the department to self-certify IRP credential destruction.

"Self-certification of IRP credential destruction" means a signed statement that is completed by a qualified registrant certifying the date the IRP credentials have been destroyed.

"Temporary evidence of apportioned registration" means a document issued by the department that describes the vehicle and lists the weight for each jurisdiction in which the vehicle is registered for operation and allows the vehicle to be operated.

"Vehicle schedule" means the department form used to report vehicle registration information.

This rule is intended to implement Iowa Code sections 326.2, 326.3, 326.15 and 326.33.

### **761—500.2(326)** General information.

- **500.2(1)** *Information and location.* Applications, forms and information on interstate registration and operation of vehicles are available on the department's website at <a href="www.iowadot.gov/mvd/motorcarriers/IRP/File-IRP">www.iowadot.gov/mvd/motorcarriers/IRP/File-IRP</a>; by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; in person at 6310 SE Convenience Boulevard, Ankeny, Iowa; by telephone at 515.237.3268; by facsimile at 515.236.3225; or by email at omes@iowadot.us.
- **500.2(2)** *Method of operation.* The operations of the department's motor vehicle division relating to reciprocity and apportioned registration are conducted in accordance with the IRP and Iowa Code chapters 321 and 326.
- **500.2(3)** Organizational data. The motor vehicle division is authorized pursuant to Iowa Code chapter 326 to enter into reciprocity apportioned registration agreements with other jurisdictions. The department is a member of the IRP. The IRP, effective January 2024, is hereby incorporated into this chapter. Under this agreement, the motor vehicle division will do all of the following:
- a. Compute and collect apportionable fees due to this state under apportioned registration agreements.
- b. Issue registration plates, validation stickers, cab cards, temporary evidence of apportioned registration and trip permits to qualified registrants.
- c. Enter into reciprocity agreements with other jurisdictions. These agreements exempt nonresidents from the registration and registration fee requirements of Iowa Code chapter 321.

This rule is intended to implement Iowa Code sections 326.5, 326.6 and 326.33.

- 761—500.3(17A,326) Waiver of rules. In accordance with 761—Chapter 11, the director of transportation or the director's designee (director) may, in response to a petition, waive provisions of this chapter. A waiver will not be granted unless the director finds that special or emergency circumstances exist. "Special or emergency circumstances" means one or more of the following:
- **500.3(1)** Circumstances where the movement is necessary to cooperate with cities, counties, other state agencies or other states in response to a national or other disaster.
- **500.3(2)** Circumstances where the movement is necessary to cooperate with national defense officials.
- **500.3(3)** Circumstances where the movement is necessary to cooperate with public or private utilities in order to maintain their public services.

- **500.3(4)** Circumstances where the movement is essential to ensure safety and protection of any person or property due to events such as but not limited to pollution of natural resources, a potential fire or explosion.
- **500.3(5)** Circumstances where weather or transportation problems create an undue hardship for citizens of the state of Iowa.
  - **500.3(6)** Circumstances where movement involves emergency-type vehicles.
- **500.3(7)** Uncommon or extraordinary circumstances where the movement is essential to the existence of an Iowa business and the move may be accomplished without causing undue hazard to the safety of the traveling public or undue damage to private or public property.

This rule is intended to implement Iowa Code sections 17A.9A and 326.33.

761—500.4(326) Renewal for IRP registration. Renewal reminder notices are sent electronically or by mail at least 60 days prior to the registration expiration date to all registrants who maintained an active IRP fleet with Iowa during that year. The renewal is made available online at least 60 days prior to the registration expiration date and can be accessed on the department's website.

**500.4(1)** The renewal must include:

- a. A completed and signed distance schedule and vehicle schedule(s). The schedules can be filed and signed either electronically or on paper.
  - b. Title documentation, if necessary.
  - c. One of the following:
- (1) Receipted federal heavy vehicle use tax (Form 2290 Schedule 1) for vehicles with a taxable gross weight of 55,000 pounds or more.
- (2) A copy of Form 2290 Schedule 1 and sufficient documentation of payment of the tax due at the time Form 2290 was filed. The documentation can include but is not limited to a photocopy of both sides of a canceled check, a bank statement indicating the amount of tax paid and electronic acknowledgment indicating a payment of tax and an Internal Revenue Service printout of the taxpayer's account showing the amount of tax paid.

**500.4(2)** Additional renewal procedures.

- a. Vehicles may be deleted from the fleet at the time of renewal. Operating a vehicle with credentials marked as deleted will result in the registrant being responsible for any fees assessed, including any applicable penalty. Operating a vehicle with credentials that were self-certified as destroyed will result in suspension of the self-certification privilege.
- b. Units being stored must be marked "stored" on the renewal vehicle schedule and the plates, cab cards and validation stickers must be returned in accordance with rule 761—500.5(321).
- c. Vehicles may be added at the time of renewal. Upon payment of required fees, an applicant must apply for a temporary evidence of apportioned registration to be issued to operate a vehicle in accordance with the IRP. The department may extend the temporary evidence of apportioned registration if there are extenuating circumstances beyond the applicant's control.
- d. When the registrant is seeking a refund in accordance with Iowa Code section 326.15 for vehicles deleted from a fleet, the annual and permanent registration plates and validation stickers must be returned to the motor vehicle division. No refund will be paid for a vehicle deleted at the time of renewal.

This rule is intended to implement Iowa Code sections 326.6, 326.11, 326.12, 326.14, 326.15 and 326.33.

761—500.5(321,326) Deadline for placing a vehicle in storage. The registrant of a currently registered vehicle may at any time request that a vehicle be put into storage. The registrant must complete a vehicle schedule and return it with the plate, cab card and validation sticker to the motor vehicle division. The vehicle schedule, plate, cab card and sticker must be received or postmarked on or before the registration expiration date to stop the registration fee from being assessed for the renewal year. The motor vehicle division will destroy the plate and return the cab card to the registrant

with the word "stored" stamped on it. Placing the vehicle in storage stops penalties on registration fees. When the vehicle is taken out of storage, the vehicle is assessed for the current annual registration fee.

This rule is intended to implement Iowa Code sections 321.126, 321.134 and 326.33.

### 761—500.6(326) Payment, delinquency and suspension.

- **500.6(1)** Acceptable methods to make payment to the Iowa Department of Transportation include cash, check, credit card or any other means offered by the department. Payment is due 30 calendar days from the invoice date. However, renewal invoices are due 30 calendar days from the invoice date or by the last day of the registration expiration month, whichever is later.
- **500.6(2)** Invoices not paid by the due date are assessed a late payment penalty as provided in Iowa Code sections 326.14 and 326.16. The same penalty amount will be assessed the first of each month thereafter until the total invoice and all penalties are paid in full.
- **500.6(3)** A delinquency notice will be sent on invoices 30 calendar days overdue. The department will send a delinquency notice stating the IRP registration will be suspended unless payment is received within 30 calendar days from the date of the delinquency notice. If payment is not received in a timely manner, a notice of suspension will be sent to the registrant. When a registrant is under suspension, all of the registrant's Iowa-based IRP vehicles and the registrant's Iowa-based International Fuel Tax Agreement (IFTA) account, if applicable, are suspended.

This rule is intended to implement Iowa Code sections 326.10A, 326.14, 326.16 and 326.33.

### 761—500.7(326) Self-certification of IRP registration plate and validation sticker destruction.

- **500.7(1)** In order to request a refund for unused registration fees, unless the registrant qualifies to self-certify destruction under this rule, plates and validation stickers must be returned to the department when a vehicle is deleted from the fleet. A registrant will meet all of the following requirements to qualify for department approval to self-certify destruction of IRP credentials:
  - a. A minimum of five years' experience with IRP registration.
- b. A satisfactory IRP payment history. A satisfactory payment history includes but is not limited to no suspension of IRP registration in the last five years due to late payment or returned check because of insufficient funds.
  - c. A satisfactory rating from the U.S. Department of Transportation in the previous five years.
- **500.7(2)** A motor carrier subject to a federal out-of-service order in the current year or any of the four prior years is not eligible to self-certify IRP credential destruction.

This rule is intended to implement Iowa Code sections 326.15 and 326.33.

761—500.8(326) IRP credentials. Upon payment of appropriate fees and submission of all required documentation, the motor vehicle division will issue one IRP plate for each power unit to be mounted on the front of the power unit, one trailer plate to be mounted on the rear of the trailer and one cab card for each power unit. The cab card may be in either a physical or electronic format.

This rule is intended to implement Iowa Code sections 326.14 and 326.33.

761—500.9(326) Nonrenewal vehicle additions. A registrant may add a vehicle to the fleet at any time after the commencement of the registration year. Upon payment of required fees, temporary evidence of apportioned registration may be issued to operate the vehicle(s). The temporary evidence of apportioned registration will not exceed 45 days. However, the department may extend the temporary evidence of apportioned registration if there are extenuating circumstances. Once temporary evidence of apportioned registration is issued and used, fees will be due and the invoice may only be canceled if an error was made by the department or there were extenuating circumstances for which nonuse can be proven.

This rule is intended to implement Iowa Code sections 326.11 and 326.33.

761—500.10(326) Nonrenewal vehicle deletions. A registrant may delete vehicles from the fleet at any time after the commencement of the registration year. The plates and validation stickers must be returned to the motor vehicle division at the time of deletion. In lieu of returning the plates and validation stickers, a qualified registrant may submit a self-certification of IRP credential destruction on or before the vehicle's or vehicles' deletion date to the motor vehicle division. Operating a vehicle with credentials that were self-certified as destroyed will result in suspension of the self-certification privilege, and the registrant is responsible for any additional fees that would have been due beyond the stated destruction date.

This rule is intended to implement Iowa Code sections 326.12, 326.15 and 326.33.

761—500.11(326) Voluntary cancellation of registration. A registrant may cancel a transaction for IRP registration if the registrant notifies the motor vehicle division within 48 hours of the invoice date. The notice shall state the reason for cancellation, the licensing status and ownership and be signed by the registrant or its representative. If notice is not received within 48 hours or if a temporary evidence of apportioned registration was issued in accordance with rule 761—500.9(326), all registration fees must be paid in full.

This rule is intended to implement Iowa Code sections 326.6, 326.11 and 326.33.

### 761—500.12(326) Registration credit.

- **500.12(1)** If a vehicle is deleted from the IRP fleet and replaced with another vehicle, registration credit may be applied to IRP fees due on the replacement vehicle if the registrant does all of the following:
- a. Submits the vehicle schedule identifying the added and deleted vehicles to the motor vehicle division.
  - b. Deletes the vehicle on or before the effective date of the replacement vehicle's registration.
- **500.12(2)** Allowance for credit of deleted vehicles is subject to the conditions set forth in Iowa Code section 326.12.

This rule is intended to implement Iowa Code sections 326.12 and 326.33.

### 761—500.13(321,326) Penalty for late filing of vehicle registration.

- **500.13(1)** As provided in Iowa Code sections 326.14 and 326.16, a late filing penalty of 5 percent is assessed to the vehicle if a vehicle registration is not filed within 30 days of one of the following:
  - a. The purchase of a new or used vehicle.
  - b. The date a vehicle is brought across state borders into Iowa to be registered.
  - c. A vehicle being first operated with the exemption allowed under Iowa Code section 321.20A.
- **500.13(2)** An additional penalty will be assessed on the first of each month thereafter until the vehicle schedule is filed.
- **500.13(3)** The department may collect intrastate registration fees and penalties when registering a delinquent vehicle to bring the vehicle fees current before allowing the IRP registration of the vehicle.

This rule is intended to implement Iowa Code sections 321.20A, 326.11, 326.14, 326.16 and 326.33.

### 761—500.14(326) Duplicate credentials. The fees for duplicate credentials are as follows:

- **500.14(1)** A replacement cab card is \$3.
- **500.14(2)** A replacement plate, including the cab card, is \$8.
- **500.14(3)** If applicable, a mailing fee will also be assessed based on the number of plates or cab cards being issued.

This rule is intended to implement Iowa Code sections 326.22 and 326.33.

761—500.15(321,326) Making claim for refund. A refund of Iowa fees previously paid for the registration of vehicles may be made in accordance with Iowa Code sections 321.126, 321.127, 321.129 and 326.15. A claim for refund form may be obtained from the motor vehicle division. In lieu of returning the plates, a qualified registrant may submit a self-certification of IRP credential destruction on or before the vehicle's or vehicles' deletion date to the motor vehicle division.

This rule is intended to implement Iowa Code sections 321.126, 321.127, 321.129, 326.15 and 326.33.

761—500.16(326) Registration of vehicles with non-Iowa titles. Registrants applying for registration for non-Iowa titled vehicles shall submit to the motor vehicle division with the application or payment as specified in rule 761—500.6(326) one of the following:

**500.16(1)** A copy of the non-Iowa title or a copy of the title application if the title has not been issued.

**500.16(2)** If a jurisdiction does not issue titles, a copy of the bill of sale or a copy of the Canadian registration.

This rule is intended to implement Iowa Code sections 326.11 and 326.33.

### 761—500.17(326) Record retention.

**500.17(1)** Record retention requirement and penalty. Iowa IRP registrants shall preserve the records upon which their registration is based as required by the IRP for the current registration year and the three preceding registration years and, upon request, make such records available for audit. The department may assess a penalty upon registrants who have failed to maintain proper records.

**500.17(2)** Adequacy of records. Records maintained by a registrant are adequate only if the records enable the department to verify the distances reported in the registrant's application for apportioned registration and to evaluate the accuracy of the registrant's distance accounting system. The records may be produced through any means and retained in any format or medium available to the registrant and accessible by the department.

- a. Records produced by a means other than a vehicle-tracking system will be considered adequate if the records include:
  - (1) The beginning and ending dates of the trip to which the records pertain.
  - (2) The origin and destination of the trip.
  - (3) The route of travel.
- (4) The beginning and ending reading from the odometer, hubodometer, engine control module (ECM), or any similar device for the trip.
  - (5) The total distance of the trip.
  - (6) The distance traveled in each jurisdiction.
  - (7) The vehicle identification number or vehicle unit number.
- b. Records produced by a vehicle-tracking system that utilizes latitudes and longitudes must be created and maintained at a minimum of every 15 minutes when the vehicle's engine is on and contain the following data elements:
  - (1) The vehicle identification number or vehicle unit number.
  - (2) The date and time of each system reading.
- (3) The latitude and longitude to include a minimum of four decimal places (0.0001) of each system reading.
- (4) The odometer reading from the ECM of each system reading. If no ECM odometer is available, a beginning and ending dashboard odometer or hubometer for the trip will be acceptable.
  - (5) The calculated distance between each system reading.
  - (6) The route of the vehicle's travel.
  - (7) The total distance traveled by the vehicle.
  - (8) The distance traveled in each jurisdiction.
  - **500.17(3)** *Summaries.* The following summaries shall be maintained:

- a. A summary of the fleet's operations of each month, which includes both the full distance traveled by each apportioned vehicle in the fleet during the calendar month and the distance traveled in the month by each apportioned vehicle in each jurisdiction.
- b. A summary of the fleet's operations for each calendar quarter, which includes both the full distance traveled by vehicles in the fleet during the calendar quarter and the distance traveled in each jurisdiction by the vehicles in the fleet during the calendar quarter.

This rule is intended to implement Iowa Code sections 326.19A and 326.33.

- 761—500.18(326) Trip permits. A registrant may meet the registration requirements of Iowa Code chapter 326 by operating under a trip permit. However, trips that are intrastate or exceed legal dimensions or weight and operate under permit as specified in Iowa Code chapter 321E are not allowed.
- **500.18(1)** Trip permits may be obtained through the department's website or in person from the motor vehicle division upon payment of the appropriate permit fee.
- **500.18(2)** Registrants purchasing trip permits in advance of use cannot return unused permits for a refund.

This rule is intended to implement Iowa Code sections 326.23, 326.33 and 326.46.

- 761—500.19(326) Electronic information. To the greatest extent possible, the motor vehicle division will maintain in electronic form all records required under this chapter. The retention period for electronic records must follow the guidelines of the IRP.
- **500.19(1)** *IRP vehicle transaction.* The motor vehicle division will destroy paper copies of IRP vehicle transaction requests 90 days after the IRP invoice is generated.
- **500.19(2)** Federal heavy use tax (Form 2290 Schedule 1). The motor vehicle division will maintain Form 2290 Schedule 1 in accordance with 23 CFR Section 669.9 effective April 1, 2024.

This rule is intended to implement Iowa Code section 326.33.