

### Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 430  
“Motor Vehicle Leasing License”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 321F.11  
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 321F

#### *Public Hearing*

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

February 14, 2025  
10 to 10:30 a.m.

[Microsoft Teams](#)  
Or dial: 515.817.6093  
Conference ID: 653 706 297

#### *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:

Sara Siedsma  
6310 SE Convenience Boulevard  
Ankeny, Iowa 50021  
Email: [sara.siedsma@iowadot.us](mailto:sara.siedsma@iowadot.us)

#### *Purpose and Summary*

The purpose of the proposed chapter is to implement Iowa Code chapter 321F, which requires individuals engaged in the business of leasing motor vehicles to obtain a leasing license from the Department. Iowa Code chapter 321F requires the Department to adopt rules administering leasing licenses. The purpose of this chapter is to provide clarity and consistency on the requirements for leasing licenses and encourage compliance with the statutory requirements.

#### *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 additional costs associated with this chapter beyond those attributable to the underlying statute. Persons or entities seeking a motor vehicle leasing license incur costs to apply for the license.

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

Persons or entities seeking a motor vehicle leasing license who will have a clear and consistent process to follow to apply for the license will benefit.

**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 is no quantitative impact beyond that which is required by the underlying statute. Under the statute, the Department collects approximately \$15,660 every other year due to the issuance of 522 two-year leasing licenses at the statutory cost of \$30 each.

• **Qualitative description of impact:**

The result of reorganizing, streamlining and reducing redundancy in the proposed chapter will create a positive impact by providing clarity on the process to obtain a motor vehicle leasing license.

**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 statutes. The statute requires the Department to adopt rules regarding applications for motor vehicle leasing licenses.

• **Anticipated effect on state revenues:**

There is no revenue impact beyond that which is required by 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 on the process to obtain a motor vehicle leasing license. The cost of the proposed rules is the same as the costs required by the underlying statute.

There is no benefit of inaction because the Department is required by Iowa Code section 321F.11 to adopt this chapter.

**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, which is to implement the statutory requirements for motor vehicle leasing licenses.

**6. Alternative methods considered by the agency:**

• **Description of any alternative methods that were seriously considered by the agency:**

No alternatives were considered because the Department is required by Iowa Code section 321F.11 to adopt this chapter.

• **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. The proposed rules apply equally to all individuals, entities or businesses that seek a motor vehicle leasing license, and the underlying statute does not permit an exemption from these requirements for small businesses.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 761—Chapter 430 and adopt the following **new** chapter in lieu thereof:

CHAPTER 430  
MOTOR VEHICLE LEASING LICENSES

**761—430.1(321F) General.**

**430.1(1) Information.** Information and forms relating to this chapter may be obtained from the Motor Vehicle Division, Iowa Department of Transportation, by mail at P.O. Box 9278, Des Moines, Iowa 50306-9278; by telephone at 515.237.3156; by email at [dealer.programs@iowadot.us](mailto:dealer.programs@iowadot.us); or from the department's website at [www.iowadot.gov/mvd/buyingselling](http://www.iowadot.gov/mvd/buyingselling).

**430.1(2) Definition.**

"Engage in the business" means leasing two or more motor vehicles that are subject to registration in a 12-month period if the lessee is a resident of this state and first takes possession of the vehicle in this state, or if the lessor's business address is located in this state. A person is not considered to be engaged in the business if the business address is located outside of this state and the lessee first takes possession of the motor vehicle outside of this state.

**761—430.2(321F) Application.**

**430.2(1) Form and submission.** Application for a motor vehicle leasing license shall be made on Form 417034 and submitted to the address provided in subrule 430.1(1).

**430.2(2) Required information.** Each application is to include the following information:

*a.* The applicant's business name, bona fide address and telephone number under which the applicant will engage in the business and where an individual, partner or corporate officer can be reached during normal business hours.

*b.* The legal name, bona fide address and phone number of the owner when the owner of the business is an individual, or the name, bona fide address and phone number of at least two partners or officers if the business is a partnership or corporation.

*c.* The federal employer identification number of the business, or, if the business is owned by an individual who is not required to have a federal employer identification number, the individual's social security number, Iowa nonoperator's identification number or Iowa driver's license number.

**430.2(3) Supplemental statements.** The licensee shall notify the department, in writing, within ten days, at the address shown in subrule 430.1(1), of any change in the information required on the original application.

**761—430.3(321F) Separate licenses required.** A separate license is required for:

**430.3(1)** Each address under which a single business entity will conduct business under Iowa Code chapter 321F and these rules.

**430.3(2)** Each address that will be used for titling or registering vehicles subject to registration in Iowa.

These rules are intended to implement Iowa Code chapter 321F.