

Motor Vehicle Division Informational Memo # 18-02

Regulatory Update – Iowa Administrative Code, Chapter 400 (Vehicle Registration and Certificate of Title)

DATE: January 16, 2018

FROM: Andrew Lewis, Assistant Director, Office of Vehicle & Motor Services

TO: All Office of Vehicle & Motor Carrier staff, all Driver and Identification staff, Iowa County Treasurers

SUBJECT

This informational memo explains the new Electronic Registration & Titling (ERT) program and the administrative rule changes that were made to incorporate the electronic applications for vehicle titles and registrations.

SUMMARY

The ERT program sets up the framework to allow a user of the system to file an application for registration via an electronic medium, as opposed to carrying a tall stack of paper applications and deal jackets to the county treasurer's office.



EXPLANATION

In 2016, the Iowa legislature amended Iowa Code section 321.20 to provide for the development and implementation of a program to allow for electronic application of vehicle titling and registration and the related funds transfer to improve the efficiency and timeliness of the processes, and to reduce costs for all parties involved. We were required to adopt administrative rules (specifically within chapter 400 – Vehicle Registration and Certificate of Title) to implement this program and to define the roles and responsibilities for ERT service providers, ERT end users (individuals and vehicle dealers), the DOT, and county treasurers.

The program (referred to as ERT – electronic registration and titling) sets up the framework for us to accept the electronic submission of any required statement, such as a damage disclosure statement or odometer disclosure statement. Vehicle Services has been steadfastly working to develop and implement an operationally secure solution that will effectively implement the ERT program and the administrative rules to define the roles and responsibilities within this program that became effective December 13th, 2017.

Key considerations for the program and the accompanying administrative rules included the development of an architecture that allows a smooth adoption of the program by motor vehicle dealers and other end users (which also integrates with the many dealer management systems currently used by motor vehicle dealers); the method(s) by which funds will be collected and distributed; the manner by which persons using the program will gain system access, verify and authenticate the system user's identity, and initiate and approve transactions and required disclosures; and implementation of an electronic signature that will meet federal requirements for the odometer disclosure statement.

In addition to the considerations mentioned above, we also considered the relationship between the involved entities and the role an ERT service provider plays in bringing about a successful title and registration application. The administrative rules set the boundaries within which the ERT provider must operate. In addition to obtaining the consent of the department to operate (via an agreement between an ERT service provider and the department), an ERT service provider is also subject to bond requirements, document retention requirements, disclosure requirements, and liability provisions, all of which are defined within this rulemaking.

LINK TO IOWA CODE, IOWA ADMINISTRATIVE RULES, AND OUR WEBSITE!

[Iowa Code section 321.20](#)

[Iowa Administrative Rules 761 – 400](#)

HELPFUL QUESTIONS AND ANSWERS

The following questions and answers provide additional information that will be helpful to you.

DO COUNTY TREASURERS HAVE THE SAME ABILITY TO REVIEW AND POTENTIALLY REJECT AN ELECTRONIC APPLICATION AS OPPOSED TO A PAPER BASED APPLICATION?

Yes, pursuant to Iowa Code 321.20 & 761 IAC 400, the Department (and the County Treasurers) has the ability to determine the *"genuineness, regularity, and legality of every application made,"* therefore, if an electronic application makes you pause and gives you a cause for concern, then it may be rejected and subject to additional information, investigation, etc.

HOW WILL ERT PROVIDERS BE APPROVED BY THE DEPARTMENT?

Each ERT service provider must apply to us for approval. ERT providers will be required to meet the department's standards for security and integration, must furnish a surety bond in the amount of \$150,000, and sign a (non-negotiable) agreement with us that meets the terms, conditions, and requirements outlined in the recently updated administrative rule. Any ERT provider may be approved provided they meet the state requirements and are able to execute the required agreement with us.

HOW MANY ERT SERVICE PROVIDERS ARE THERE AND WHEN WILL THE FIRST ERT TRANSACTION TAKE PLACE?

We have only signed an agreement with one ERT service provider to date (a company called eDS). The first ERT transactions will be piloted at Willis Auto Campus in Clive (Polk County) later this month. After we complete the pilot we plan to gradually expand ERT across the state and allow other ERT providers to apply for approval. We will be sure to share regular updates with county staff as we progress with the expansion of the program.