



Motor Vehicle Division Informational Memo # 20-05

Updates to Administrative Rule Chapters 400 and 425 (certifications of trust, special farm trucks and towable recreational vehicles)

DATE: April 13, 2020

FROM: Sara Siedsma, Compliance Officer, MVD

TO: All Vehicle and Motor Carrier Services staff, Iowa County Treasurers and County Treasurer's staff

SUBJECT

This informational memo explains updates to administrative rule chapters 761—400, Vehicle Registration and Certificate of Title and 761—425, Motor Vehicle and Towable Recreational Vehicle Dealers, Manufacturers, Distributors and Wholesalers.

SUMMARY

The update to these rule chapters align with changes to Iowa Code sections 321.466 and 633A.4604, and chapter 322C made during the 2019 legislative session related to certification of trust documents accepted for vehicle transactions, special farm truck weights, towable recreational vehicle dealers and surety bond amounts for towable recreational vehicle dealers. The following paragraphs further explain the amendments:

Certifications of trust. The rule amendments change provisions in chapter 400 relating to vehicle transaction applications by a trust and vehicle ownership by a trust to incorporate provisions related to certification of trust documents under Iowa Code section 633A.4604 as amended by the 2019 legislation. The legislation provided that a certification of trust must be signed by a currently acting trustee or the attorney of an acting trustee. Prior to the 2019 legislation, the certification of trust was required to be signed by all the currently acting trustees.

Special farm truck weights. The rules related to special farm truck weights were changed to incorporate the requirements in Iowa Code section 321.466(4) providing that the gross weight of a special farm truck operating on a public highway shall not exceed the maximum gross weight allowed under Iowa Code section 321.463(6).

Towable recreational vehicles. The rule amendments update chapter 425 to change the reference to a “travel trailer dealer” to instead reference a “towable recreational vehicle dealer” throughout the chapter and to raise the required surety bond amount for a towable recreational vehicle dealer from \$25,000 to \$75,000 at the time of license application or application for renewal. The rule amendments also align with Iowa Code by providing that for purposes of registration and titling, a towable recreational vehicle as shall be considered a travel trailer or fifth-wheel travel trailer, as those terms are defined in Iowa Code section 321.1, as applicable.

The administrative rule amendments are effective April 15, 2020.

LINK TO ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/aco/arc/4960C.pdf>

CURRENT

Administrative rule chapters 761—400 and 761—425 as currently written did not address the 2019 legislative changes related to certification of trust documents accepted for vehicle transactions, special farm truck weights, towable recreational vehicle dealers and surety bond amounts for towable recreational vehicle dealers. However, based on the 2019 legislative changes, we have already changed our processes to adopt these requirements into our current processes and procedures.

You may wish to review previous informational memos (IM 19-18, IM 19-21 and IM 19-22) we issued when the 2019 legislation became effective for more information about the background of the legislation for special farm trucks, towable recreational vehicles and the surety bond amount for towable recreational vehicle dealers.

For internal DOT employees, you may find IM 19-18, IM 19-21 and IM 19-22 in the W drive at the address below:

W:\MotorVehicle\Policy & Communications\Memorandums\Memos\Informational Memos

For County Treasurers and staff, you may find IM 19-18, IM 19-21 and IM 19-22 at the links to the county treasurer's manual below:

<https://iowadot.gov/mvd/ctmanual/memos/IM19-18.pdf>

<https://iowadot.gov/mvd/ctmanual/memos/IM19-21.pdf>

<https://iowadot.gov/mvd/ctmanual/memos/IM19-22.pdf>

Regarding certifications of trust, we had previously issued informational memo (IM 19-23) explaining those requirements, but we made some additional changes to the policy regarding certifications of trust in this new administrative rulemaking based on comments we received from the Iowa State Bar Association. ***Therefore, we are rescinding IM 19-23 and are instead issuing new policy memo (PM 20-04) that explains the certification of trust process, including the changes we made to the process under this new rulemaking.*** Please refer to PM 20-04 for a full explanation of the changes and revised policy related to certification of trust documents accepted for vehicle transactions.

NEW

As of April 15, 2020, the rules will align with Iowa Code and our current processes for certification of trust documents accepted for vehicle transactions, special farm truck weights, towable recreational vehicle dealers and surety bond amounts for towable recreational vehicle dealers.

BUSINESS IMPACT

This directive does not impact the way that VMCS operates as we have already updated our processes to implement the legislation related to special farm truck weights, towable recreational vehicle dealers

and surety bond amounts for towable recreational vehicle dealers. Rather this directive is just informing you that the administrative rules have now been updated.

However, as mentioned above, please review PM 20-04 for the additional policy changes related to certification of trust documents accepted for vehicle transactions.