



## **Motor Vehicle Division Informational Memo # 20-11**

### ***Termination of COVID-19 Proclamation of Disaster Emergency-Effect on Motor Carrier IFTA/IRP Transactions***

**DATE:** December 11, 2020  
**FROM:** Angel Robinson, Director, VMCS  
**TO:** All Vehicle & Motor Carrier Services staff

#### **SUBJECT**

This informational memo explains the new deadlines and application of penalties for IFTA/IRP motor carrier customers based on the termination of the Governor's proclamation at 11:59 p.m. on December 10, 2020 and the DOT Director's extension of the deadline for IFTA first quarter reports. The Governor's proclamation suspended late filing penalties for renewals under the International Registration Plan and an enforcement deadline for failure to display a registration plate and registration under Iowa Code 326.14. The Director of the DOT issued an extension of the deadline to file the IFTA first quarter report and when penalties and interest will begin to accrue.

**The suspension of IRP late-filing penalties expired at 11:59 p.m. on December 10, 2020.**

#### **SUMMARY**

On March 13, Governor Reynolds issued a Proclamation of Disaster Emergency throughout the entire State of Iowa for Novel Coronavirus 2019 (COVID-19). A subsequent proclamation was issued on March 17. This Proclamation was extended on April 20, April 27, May 26, June 25, July 24, August 21, September 18, October 16, and November 10 and will terminate at 11:59 p.m. on December 10, 2020, unless further extended.

Separately, the Director of the DOT extended the IFTA first quarter report deadline to June 1, 2020. In response to questions we have received from both staff and customers, we are issuing this informational memo detailing how the proclamation and subsequent extensions as well as the Director's extension of the IFTA first quarter report will affect certain transactions.

This memo was originally issued June 2. This memo was revised on June 25, July 24, August 26, September 29, October 23, November 10, and December 10.

**The guidance in this memo is effective July 24, 2020.**

#### **HELPFUL QUESTIONS AND ANSWERS**

The following questions and answers will provide additional clarification for staff and customers.

##### **HOW DID THE GOVERNOR'S PROCLAMATION AFFECT LATE FILING PENALTIES FOR RENEWALS UNDER IRP AND THE ENFORCEMENT DEADLINES FOR FAILURE TO DISPLAY A REGISTRATION PLATE AND REGISTRATION?**

The Governor's March 26 Proclamation and subsequent extensions suspended part of Iowa Code § 326.14, which states "An application for renewal of registration shall be postmarked or received in the office of motor carrier services of the department no later than the last day of the registration expiration month" and identifies penalties. It also states that "The enforcement deadline for failure

to display a registration plate and registration is 12:01 a.m. of the first day following the last day of the registration expiration month.”

The Governor’s Proclamation paused the registration expiration and renewal period for certain customers for the duration of the Proclamation and subsequent extensions. This means that certain customers had an extended period of time to renew their registration before penalties are imposed. It also means that certain customers had an extended period of time before Iowa Code § 326.14 can be enforced against them. Included in Appendix A is a chart that addresses each of these customers.

### **WHICH CUSTOMERS ARE AFFECTED BY THE REGISTRATION RENEWAL SUSPENSION AND HOW ARE THEY AFFECTED?**

Customers with registration expiration dates of March 31, April 30, May 31, June 30, July 31, August 31, September 30, October 31, and November 30 are affected by this suspension. These customers will have an expiration date for late-filing penalty relief of December 31. Although the Proclamation provision expires on December 10, customers will have until December 31 to renew. This is because the late filing penalty is assessed on or after the first day following the last day of the registration expiration month.

If a customer does not pay by or on December 31, the customer will pay the January late-filing penalty. The legal effect of the Governor’s Proclamation is that these customers will never have to pay past late-filing penalties for March, April, May, June, July, August, September, October, November, or December. Please refer to Appendix A for these customers.

Customers should be aware that vehicles added at renewal may not qualify for waiver of all penalties. For example:

a customer with an August renewal date who purchased a vehicle in September could not have “renewed” that vehicle at the time of renewal. That vehicle is not a “renewal” vehicle and therefore does not qualify for the penalty waiver of renewal registration fees.

A customer with an August renewal date who purchased a vehicle in July but did not title or register that vehicle within 30 days will accrue penalties until the August renewal date. That vehicle is a renewed vehicle at time of renewal, and therefore will qualify for penalty waiver from August forward, but will not qualify for penalty waiver between July and August.

This is not an exhaustive list of examples. Instead, this is notice to these customers that not all vehicles added at time of renewal may qualify for waiver of all penalties.

### **HOW DID THE GOVERNOR’S PROCLAMATION AFFECT LATE-PAYMENT PENALTIES?**

Iowa Code distinguishes between late-filing penalties and late-payment penalties. Customers with IRP registration renewal expiration dates March 2020 through November 2020 have until December 31 to file their registration renewals without late-filing penalties.

We are aware some of these customers filed their registration renewals but did not pay their invoices within the 30 days required by Iowa Code 326.16. Under the Proclamation, these customers could have waited until December 31 to file their invoices and avoided any late-payment penalties.

For the customers with IRP registration renewal expirations dates of March 2020 through November 2020, these customers could wait until December 31, 2020 to file registration renewal without late-filing penalty. These customers would then have until January 30, 2021 to pay the invoice without late-payment penalty. Therefore, we will waive all late-payment penalties for these customers as long as we receive the invoice payment prior to or on January 30, 2021.

#### **WHICH CUSTOMERS ARE NOT AFFECTED BY THE SUSPENSION OF REGISTRATION RENEWALS?**

Customers with a renewal date of December 31, 2020, January 31, 2020, or February 29, 2020 are not entitled to a registration penalty waiver under the Governor's Proclamation because the registration expired prior to the Governor's Proclamation or any extension. These customers will accrue penalties as normal.

Customers with a renewal date of December 31, 2020 or later will not be entitled to a registration penalty waiver under the Governor's Proclamation. This is because the Governor's Proclamation expired on December 10, 2020 and Iowa Code § 326.14 will operate as normal on and after December 11, 2020.

#### **HOW WILL THE SUSPENSION IMPACT STAFF?**

Staff should continue to encourage customers to pay registration as soon as they are able. Staff should also continue to educate customers on their deadlines to pay without penalties or if customers are not entitled to the registration penalty waiver. Please refer to Appendix A to determine the applicable penalties for IRP registrations on and after December 10, 2020.

#### **HOW DID THE DIRECTOR'S EXTENSION ISSUED APRIL 6 AFFECT THE FILING DEADLINE FOR FIRST QUARTER IFTA REPORTS?**

Customers who were required to file first quarter IFTA reports had their deadline extended to May 31, 2020. Because May 31 is a Sunday, the actual deadline under Iowa law will be June 1, 2020. While these customers could file their first quarter IFTA reports prior to June 1, no customers would accrue penalties or interest for the first quarter IFTA report filing until June 2.

#### **WHICH TRANSACTIONS ARE AFFECTED BY THE DIRECTOR'S IFTA EXTENSION AND HOW ARE THEY AFFECTED?**

First quarter IFTA reports are affected by the extension. These reports will be accepted until June 1, 2020 without accruing penalty or interest.

Reports submitted on and after June 2 will begin accruing penalty and interest as of June 2.

#### **WHICH TRANSACTIONS ARE NOT AFFECTED BY THE DIRECTOR'S IFTA EXTENSION?**

Second quarter IFTA reports and subsequent reports remain due as specified previously by the Iowa DOT.

#### **HOW WILL THIS EXTENSION IMPACT STAFF?**

Staff should continue to encourage customers to pay the first quarter IFTA reports as soon as they are able. Staff should also continue to educate customers on their deadlines to pay without

penalties or interest, and that the second quarter IFTA reports and subsequent reports remain due as specified previously by the Iowa DOT.

**WHAT IS THE BEST WAY TO CONTACT DOT REGARDING QUESTIONS?**

[omcs@iowadot.us](mailto:omcs@iowadot.us)

515-237-3268

**APPENDIX A: IRP Registration Renewal Deadline Based on the Governor’s Proclamation of March 16**

**Registration Renewal: Late-Filing and Late-Payment Penalties**

	LATE-FILING PENALTIES			LATE-PAYMENT PENALTIES		
Registration Expiration Date	Date customer files registration renewal: prior to or on December 31, 2020	Date customer files registration renewal: January 1-31, 2021	Date customer files registration renewal: February 1-28, 2021	Date customer pays invoice: prior to or on December 31, 2020	Date customer pays invoice: January 1-30, 2021	Date customer pays invoice: January 31, 2021 and after
Prior to and including February 29, 2020	<b>Proclamation does not apply. Proceed as normal.</b>					
March 31, 2020 through November 30, 2020	All late-filing penalties should be waived for qualifying vehicles.	January 2021 late-filing penalty should not be waived.	January 2021 and February 2021 late-filing penalties should not be waived.	Late-payment penalty should be waived for qualifying vehicles.	Late-payment penalty should be waived for qualifying vehicles.	Customer had until January 30, 2021 to pay so some late-payment penalties should be waived for qualifying vehicles but late-payment penalties are correctly applied on January 31, 2021 and after.
December 31, 2020 and after	<b>Proclamation does not apply. Proceed as normal.</b>					