

Motor Vehicle Division Informational Memo # 20-13

Expiration of COVID-19 Proclamation of Disaster Emergency-Effect on Vehicle Transactions On and After July 26, 2020 for Certain Commercial Vehicle Titles, Salvage Titles, Special Registration Plates, and Vehicle Dealer Business Hours

DATE: April 5, 2021

FROM: Angel Robinson, Director, VMCS

TO: Iowa County Treasurers
All Vehicle & Motor Carrier Services staff

SUBJECT

This informational memo explains the new deadlines and application of penalties for customers based on the expiration of Governor Kim Reynolds's Proclamation related to certain provisions. The Governor's proclamations implemented the following provisions relevant to this memo:

- Extended the 30-day deadline to apply for a certificate of title under Iowa Code 321.20A.
- Extended the 30-day deadline to apply for salvage title under Iowa Code 321.52(4)(b).

The Director of the DOT issued temporary waivers of several Iowa administrative rules based on the Governor's proclamation. The temporary waivers relevant here are the following:

- Waived the rule that a customer must surrender a previously issued registration plate prior to the issuance of a special registration plate, that the special registration plate is void if the plate remains unassigned 90 days after being ordered, and that a new application and issuance fee are required if the plates are reordered after the 90-day period. The waiver applies to personalized and non-personalized special registration plates.
- Waived the rule that motor vehicle dealers must conduct regular business hours that include a minimum of 32 posted hours between 7 a.m. and 9 p.m., Monday through Friday, that the principal place of business must be staffed during regular business hours, and that the dealer must notify the department in writing 10 days in advance of any change in business hours.

This memo was originally issued June 5, 2020. This memo was revised on June 25, 2020 to update information to implement the Governor's June 25 Proclamation and to clarify that the waiver related to the issuance process for special registration plates applies to personalized and non-personalized special registration plates. **The Governor's June 25 Proclamation states for each of these statutory suspensions that "Iowans should not expect this suspension to be extended beyond July 25, 2020" and these statutory suspensions expired July 25, 2020.**

This memo was revised on December 16, 2020 to address that the Director's waiver for special registration plates was extended to March 1, 2021. This memo was revised again on April 5, 2021 to address the extension of the Director's waiver for special registration plates, and to make minor edits.

SUMMARY

On March 17, 2020, Governor Reynolds issued a Proclamation of Disaster Emergency throughout the entire State of Iowa for Novel Coronavirus 2019 (COVID-19). This Proclamation was extended on April 20, April 27, May 26, and June 25 and some provisions terminated at 11:59 p.m. on July 25, 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 will affect certain

transactions that occur on and after the end date of the proclamation, namely, title applications for IRP-registered commercial vehicles, salvage title applications, special registration plate applications, and motor vehicle dealer hours.

The guidance in this memo is effective June 5, 2020.

HELPFUL QUESTIONS AND ANSWERS

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

HOW DID THE GOVERNOR'S MARCH 26, 2020 PROCLAMATION AFFECT NEW TITLE TRANSACTIONS FOR CERTAIN COMMERCIAL VEHICLES?

The Governor's Proclamation and subsequent extensions suspended part of Iowa Code § 321.20A, which states "the owner of a commercial vehicle subject to the apportioned registration provisions of chapter 326 may make application to the department or the appropriate county treasurer for certificate of title....The application for certificate of title shall be made within thirty days of purchase or transfer and shall be accompanied by" the appropriate fee. Therefore, the Governor's Proclamation paused the 30-day deadline for certain customers for the duration of the Proclamation and subsequent extensions. This means that ARTS will show that certain customers have exceeded the 30-day period. ARTS will calculate title and registration penalties for those customers where the penalties should be waived. Appendix A below provides more detail on these customers.

WHICH CUSTOMERS ARE AFFECTED BY THE SUSPENSION OF NEW TITLE AND REGISTRATION TRANSACTIONS AND HOW ARE THEY AFFECTED?

This provision only affects owners of commercial vehicles subject to apportioned registration provisions of chapter 326 who purchased vehicles between February 26, 2020 and July 25, 2020. Customers who purchased vehicles between those dates will have the title and registration penalties waived depending on the purchase date of the vehicle and the transaction date to pay title and registration. Included in Appendix A is a chart that addresses each of these customers.

The following is an example using Appendix A for a customer who purchased a vehicle on March 1, 2020:

- Column 1 shows the purchase date of March 1.
- Column 2 shows how many days the customer already had to title and register the vehicle prior to the Governor's suspension of Iowa Code § 321.20A. This customer had 25 days.
- Column 3 shows the last date after the suspension lifts that the customer may title the vehicle before penalty. This customer has until July 30
- Column 4 shows the first date that the penalty can no longer be waived for a customer. This customer can no longer have the penalty waived as of July 31.

Please note that these vehicles will register through the International Registration Plan (IRP) under chapter 326 by applying to the department and not to the counties. For further information on IRP waivers, please refer to Informational Memo 20-11 Termination of COVID-19 Proclamation of Disaster Emergency-Effect on Motor Carrier IFTA/IRP Transactions at <https://iowadot.gov/mvd/ctmanual/memos/IM-20-11.pdf>

For vehicles seeking to be titled and registered at the county, please refer to Informational Memo 20-07 Termination of COVID-19 Proclamation of Disaster Emergency- Effect on Vehicle Transactions at <https://iowadot.gov/mvd/ctmanual/memos/IM-20-07.pdf>.

WHICH CUSTOMERS ARE NOT AFFECTED BY THE SUSPENSION FOR NEW TITLE AND REGISTRATION TRANSACTIONS?

A customer who purchased a commercial vehicle on or before February 26, 2020 or on or after July 26, 2020 will not have the title penalties waived. Appendix A includes these customers and identifies that they will not receive the penalty waiver.

A customer who purchased a vehicle on or before February 26, 2020 does not qualify for the penalty waiver because the 30-day deadline for this customer expired prior to the Governor's Proclamation or any extension. This customer will pay the title penalty. Because this customer will pay registration fees through the International Registration Plan (IRP), the customer will not pay registration penalties at the county.

A customer who purchased a vehicle on or after July 26, 2020 will not qualify for the penalty waiver because the Governor's Proclamation expires at 11:59 p.m. on July 25, 2020. Iowa Code § 321.20A will operate as normal for transactions after that date. If a customer does not acquire new title and registration within the normal 30-day period, the customer will pay the title penalty to the county (if the customer chooses to apply to the county) and the registration penalty to the DOT.

HOW WILL THIS SUSPENSION IMPACT COUNTIES?

Although many customers who purchase a commercial vehicle subject to apportioned registration provisions of chapter 326 will choose to apply for title with the DOT, Iowa law allows these customers to apply for title at the counties. Therefore, counties may see customers seeking to complete a new title transaction for whom ARTS has calculated a title penalty. For qualifying customers, the counties should waive the penalty. Counties should use Appendix A to determine if a customer qualifies for the penalty waiver.

HOW WILL THIS SUSPENSION IMPACT VEHICLE DEALERS?

Dealers will be responsible for submitting the title transaction within the deadlines identified in Appendix A or will be assessed the title and registration penalties on the transaction.

HOW DID THE GOVERNOR'S PROCLAMATION AFFECT THE 30-DAY DEADLINE TO ACQUIRE SALVAGE TITLE AFTER ASSIGNMENT?

The Governor's proclamation and subsequent extensions suspended part of Iowa Code 321.52(4)(b) which states in relevant part that "a vehicle rebuilder or a person engaged in the business of buying, seller, or exchanging vehicles of a type required to be registered in this state, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title, to the county treasurer of the county of residence of the purchaser or transferee within thirty days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle." Insurers also must obtain a salvage certificate of title within thirty days after the date of assignment.

Therefore, the Governor's proclamation paused the 30-day deadline for these customers for the duration of the Proclamation and subsequent extensions. These customers have additional time to acquire a salvage certificate of title without enforcement action.

WHICH CUSTOMERS ARE AFFECTED BY THESE SUSPENSIONS AND HOW ARE THEY AFFECTED?

This suspension only applies to vehicle rebuilders, insurers, or persons engaged in the business of buying, selling, or exchanging vehicles required to be registered by the state. This is because the Governor only suspended Iowa law related to these customers. All other customers do not benefit from this suspension.

These types of customers who purchased a vehicle between February 26, 2020 and July 25, 2020 will have additional time to acquire a salvage title without enforcement action depending on date of the vehicle and the transaction date.

WHICH CUSTOMERS ARE NOT AFFECTED BY THIS SUSPENSION?

This suspension does not apply to customers that are not vehicle rebuilders or persons engaged in the business of buying, selling, or exchanging vehicles required to be registered by the state. All other customers are not eligible for this suspension. However, certain customers, such as licensed vehicle recycles, are not subject to a 30-day time period and therefore do not require this relief.

A customer who was assigned a salvage vehicle prior to or on February 26, 2020 is not eligible for this suspension. This customer does not qualify for the suspension because the 30-day deadline for the customer expired prior to the Governor's Proclamation or any extension. This customer will need to acquire an Iowa salvage title.

A customer who was assigned a salvage vehicle on or after July 26, 2020 will not qualify for this suspension because the Governor's Proclamation expires at 11:59 p.m. on July 25, 2020. Iowa Code § 321.52(4)(b) will operate as normal for transactions after that date. If a customer does not acquire the salvage title within the normal 30-day period, the customer may be subject to enforcement action.

DO CUSTOMERS HAVE ADDITIONAL TIME UNDER THIS SUSPENSION TO ACQUIRE A REGULAR TITLE WITHOUT NEEDING TO ACQUIRE AN IOWA SALVAGE TITLE AS AN INTERMEDIARY STEP?

No, customers will not have additional time to acquire a regular title under this suspension. This question references Iowa Code 321.24(5), which states that if an owner:

- (1) acquires a vehicle from another state with a salvage designation or is otherwise identified as a salvage vehicle and,
- (2) executes a salvage theft examination within thirty days of the date the owner was assigned the prior certificate of title,

then the owner does not need to acquire an Iowa salvage certificate of title with a "SALVAGE" designation. Instead, the owner may acquire a regular title with a "PRIOR SALVAGE" designation.

The Governor's proclamation did not suspend Iowa Code 321.24(5). Therefore, owners who acquire a salvage vehicle from another state who did not execute a salvage theft examination within thirty days of assignment must obtain an Iowa salvage certificate of title.

HOW WILL THIS SUSPENSION IMPACT COUNTIES?

Counties will see customers seeking to complete salvage vehicle transactions who ask for additional time to complete the process under Iowa Code 321.24(5). These customers do not qualify for additional time because Iowa Code 321.24(5) was not suspended. Counties should educate customers that they must obtain an Iowa salvage title if they have exceeded the thirty days to execute a salvage theft examination under Iowa Code 321.24(5).

Counties may also see customers seeking to complete salvage vehicle transactions for whom ARTS indicates that more than 30 days have lapsed since acquiring the vehicle. As there is not a title penalty for these transactions, counties should not need to address any erroneous penalties. However, counties should continue to educate customers that they may be subject to enforcement action if a salvage title is not acquired.

HOW WILL THIS SUSPENSION IMPACT ARTS?

No programming is anticipated in ARTS to address this suspension. Because of other ARTS priorities, any design or testing to ARTS to change programming would exceed the latest date a customer would qualify for this suspension.

WILL CUSTOMERS BE ABLE TO OBTAIN A VEHICLE THEFT EXAMINATION AS NORMAL WHEN THE GOVERNOR'S PROCLAMATION EXPIRES?

The DOT is aware that vehicle theft examinations (VTE) may be unavailable in certain locations as there is continued response around the state to COVID-19. It is the customer's responsibility to find a law enforcement agency that is completing vehicle theft inspections. Customers seeking a VTE should refer to <https://iowadot.gov/mvd/vehicleregistration/salvage> to find available locations.

HOW DID THE DIRECTOR'S APRIL 28, 2020 WAIVER AFFECT REQUIREMENTS REGARDING THE SPECIAL REGISTRATION ISSUANCE PROCESS?

DOT Director Marler issued a temporary waiver of requirements regarding the special registration plate issuance process in Iowa Administrative Code 761-401.2(2)(b). This rule states "Special registration plates shall not be issued unless... the registration plates previously issued are surrendered to the county treasurer. Special registration plates are void if they are not assigned to a vehicle within 90 days after the date the department orders them. A new application and a new issuance fee are required if the plates are reordered after the 90-day period."

By waiving this rule temporarily, county treasurers have the flexibility to address individual circumstances in each county and determine the best way for that particular county to provide the special registration plate to the customer and to allow the customer to surrender the previously issued registration plate.

This waiver was extended and will now expire on July 1, 2021.

WHICH CUSTOMERS ARE AFFECTED BY THE SPECIAL REGISTRATION PLATE WAIVER AND HOW ARE THEY AFFECTED?

This waiver applies to any customer who ordered or orders a special registration plate between January 29, 2020 and July 1, 2021. For these customers, the counties may issue the special registration plates before the customer is required to surrender the previously issued registration plates. These special

registration plates are not void during the duration of the proclamation or any subsequent extension, and these customers are not required to submit a new application and issuance fee during the duration of the proclamation or any subsequent extension.

WHICH CUSTOMERS ARE NOT AFFECTED BY THE SPECIAL REGISTRATION PLATE WAIVER?

Customers who ordered plates prior to January 29, 2020 are not affected by the special registration plate waiver. These customers are required to pay the re-issuance fee. This is because these customers have already exceeded the 90-day window.

Customers who order plates that are received by the county on or after July 2, 2021 are not affected by the special registration plate waiver. This is because the Director Marler has extended this waiver to expire on July 1, 2021. These customers will have the 90 days provided under law to surrender their plates and have new special registration plates assigned to their vehicles.

However, counties may choose to extend the special registration plate waiver to any license plate received by the counties prior to July 1, 2021 but not yet mailed to the customer. This is because Director Marler's February 5, 2021 extension states that "Any exchange of license plates under this waiver may occur by the same terms listed under this waiver after July 1, 2021 if the new license plate is received by a treasurer prior to July 1, 2021 but not yet mailed to a customer." Counties are not required to offer additional time. Counties may choose to implement the 90-day requirement to issue these plates or to provide additional time as works best for each individual county.

HOW WILL THIS WAIVER IMPACT COUNTIES?

Counties have been given flexibility under the Director's waiver to provide special registration plates to customers without needing the customer to surrender first the existing plates. This will allow counties to choose the method that works best for each individual county to (1) provide ordered plates to customers to clear inventory and (2) to collect surrendered plates. The Director's waiver identifies an option for counties to mail the special registration plates, but counties may find a pick-up process works as well. The Director's waiver also identified the options for customers to surrender previously issued plates by mail or by drop-off.

During the issuance process, counties may find that ARTS applies a re-issuance fee for these customers. For the duration of the Director's waiver, and until July 2, special registration plates are not voided, and a re-issuance fee is not required.

WHEN MAY A COUNTY VOID SPECIAL REGISTRATION PLATES IN THEIR INVENTORY?

Any special registration plates ordered prior to January 29, 2020 that are still in a county's inventory may be voided at any time. This is because the rule waiver did not apply to these special registration plates. Those plates were ordered more than 90 days before the Director's rule waiver. Under Iowa Administrative Rule 761.401.2(2)(b), these customers had 90 days for the plates to be assigned to a vehicle before the plates became void.

Any special registration plates received after July 1, 2021 may be voided 90 days after ordering under existing law.

We are aware that some counties have special registration plates in their inventory from when the rule waiver took effect last year. As of July 2, 2021, any plates that are more than 90 days from ordering in a county's inventory may be voided. This is because Iowa Administrative Rule 761.401.2(2)(b) states that plates are void if not assigned within 90 days from ordering. When the waiver lifts at 11:59 p.m. on July 1, 2021, this law will again apply to those plates. We recommend that counties void these plates to free up county inventory space and to allow other customers to choose the plate message.

DOES THIS WAIVER APPLY ONLY TO PERSONALIZED PLATES?

No, this rule waiver applies to all special registration plates. "Special registration plates" is defined in Iowa Administrative Code 761-401.1 as those registration plates issued under Iowa Code sections 321.34 and 321.105 other than regular or sample plates. Registration plates issued under Iowa Code sections 321.34 and 321.105 include both personalized and non-personalized plates.

HOW WILL THIS WAIVER IMPACT ARTS?

No programming is anticipated in ARTS to address this suspension. Because of other ARTS priorities, any design or testing to ARTS to change programming would exceed the latest date a customer would qualify for the re-issuance fee waiver.

HOW DID THE DOT DIRECTOR'S MARCH 18 RULE WAIVER AFFECT HOURS OF BUSINESS FOR VEHICLE DEALERS?

DOT Director Marler has issued two waivers related to motor vehicle dealer hours of business. The first waiver was issued March 18, 2020 in response to petitions from the Iowa Independent Automobile Dealers Association (IIADA) and the Iowa Automobile Dealers Association (IADA). The first waiver addressed the following:

- Iowa Administrative Code 761-425.3 stating that "regular business hours for a motor vehicle or towable recreational vehicle dealer shall include a minimum of 32 posted hours between 7 a.m. and 9 p.m., Monday through Friday."
- Iowa Administrative Code 761-425.10(5) stating that "the applicant shall maintain a principal place of business, which must be staffed during regular business hours."
- Iowa Administrative Code 761-425.18 stating that "a motor vehicle dealer shall file a written statement with the vehicle and motor carrier services bureau at least ten days before any change of...hours..."

The Director granted the waiver of these rules as the rules related to business hours for all licensed Iowa motor vehicle dealers. The waiver was effective immediately and will expire April 25, 2021 unless another extension is requested.

HOW DID THE DOT DIRECTOR'S MAY 8, 2020 RULE WAIVER AFFECT NOTICE REQUIREMENTS OF CHANGE IN HOURS FOR VEHICLE DEALERS?

The Director granted a second waiver related to Iowa motor vehicle dealers on May 8, 2020. Motor vehicle dealers requested continued waiver of Iowa Administrative Rule 761-425.18 as it related to requiring the motor vehicle dealer to notify the department in writing 10 days in advance of any change in business hours. The Director granted this waiver and this waiver was effective immediately and shall expire on December 31, 2020.

WHICH MOTOR VEHICLE DEALERS ARE AFFECTED BY THESE WAIVERS AND HOW ARE THEY AFFECTED?

All Iowa motor vehicle dealers subject to Iowa Administrative Code 761-425 are affected by these waivers. Between March 18, 2020 and April 25, 2021, Iowa motor vehicle dealers were not required to hold regular business hours under Iowa Administrative Code 761-425.3 or to staff the principal place of business during regular business hours under Iowa Administrative Code 761-425.10(5).

Between March 18 and December 31, 2020, Iowa motor vehicle dealers were not required to notify the department in writing 10 days in advance of any change in business hours. Note that this waiver is limited to notification of a change in business hours.

WHICH MOTOR VEHICLE DEALERS ARE NOT AFFECTED BY THESE WAIVERS?

On and after April 26, 2021, all Iowa motor vehicle dealers shall comply fully with Iowa Administrative Code 761-425.3 and Iowa Administrative Code 761-425.10(5). This is because the Director's waiver shall expire on April 25, 2021 unless another extension is requested.

On and after January 1, 2021, all Iowa motor vehicle dealers shall comply fully with Iowa Administrative Code 761-425.18 and notify the department in writing 10 days in advance of any change in business hours. This is because the Director's second waiver expired on December 31, 2020.

WHO WILL BE THE BEST CONTACT PERSON REGARDING QUESTIONS?

Daniel Yeh
Manager, Vehicle Services
Daniel.Yeh@iowadot.us

**APPENDIX A: Deadline for IRP-Registered Vehicles to Apply for Title and
Applicable Penalties**

| Commercial Vehicle Purchase Date (IRP) | Days into cycle on March 26 (this day is repeated July 26) | Last Day to Title Before Penalty | Date Can No Longer Waive Late Penalty |
|---|---|---|--|
| On or before February 24 | At least 30 days have passed | 0 | Immediately |
| February 25 | 30 | July 27 (weekend) | July 28 (weekend) |
| February 26 | 29 | July 27 | July 28 |
| February 27 | 28 | July 28 | July 29 |
| February 28 | 27 | July 29 | July 30 |
| February 29 | 26 | July 30 | July 31 |
| March 1 | 25 | July 31 | August 1 |
| March 2 | 24 | August 3 (weekend) | August 4 (weekend) |
| March 3 | 23 | August 3 (weekend) | August 4 (weekend) |
| March 4 | 22 | August 3 | August 4 |
| March 5 | 21 | August 4 | August 5 |
| March 6 | 20 | August 5 | August 6 |
| March 7 | 19 | August 6 | August 7 |
| March 8 | 18 | August 7 | August 8 |
| March 9 | 17 | August 10 (weekend) | August 11 (weekend) |
| March 10 | 16 | August 10 (weekend) | August 11 (weekend) |
| March 11 | 15 | August 10 | August 11 |
| March 12 | 14 | August 11 | August 12 |
| March 13 | 13 | August 12 | August 13 |
| March 14 | 12 | August 13 | August 14 |
| March 15 | 11 | August 14 | August 15 |
| March 16 | 10 | August 17 (weekend) | August 18 (weekend) |
| March 17 | 9 | August 17 (weekend) | August 18 (weekend) |
| March 18 | 8 | August 17 | August 18 |
| March 19 | 7 | August 18 | August 19 |
| March 20 | 6 | August 19 | August 20 |
| March 21 | 5 | August 20 | August 21 |
| March 22 | 4 | August 21 | August 22 |
| March 23 | 3 | August 24 (weekend) | August 25 (weekend) |
| March 24 | 2 | August 24 (weekend) | August 25 (weekend) |
| March 25- July 25 | 1 | August 24 | August 25 |
| July 26 to present | 0 | Standard 30-day requirement | Standard 30-day requirement |