



Motor Vehicle Division Informational Memo # 20-29 ***Administrative Rule Updates for Electric Vehicle Fees***

DATE: October 12, 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—505, Interstate Motor Vehicle Fuel Licenses and Permits.

SUMMARY

The updates to these rule chapters aligns with changes to Iowa Code made during the 2019 legislative session to establish a special annual registration fee for an electric vehicle, including for a battery electric vehicle (BEV) or a plug-in hybrid electric vehicle (PHEV), that is in addition to the annual registration fee assessed based on a vehicle's weight and value.

There are three fee levels and three successive implementation dates for electric vehicles, depending upon vehicle type (BEV, PHEV or BEV/PHEV motorcycle) as demonstrated by the following table:

Vehicle Type	January 1, 2020 Fee	January 1, 2021 Fee	January 1, 2022 Fee
BEV	\$65.00	\$97.50	\$130.00
PHEV	\$32.50	\$48.75	\$ 65.00
Motorcycle (BEV or PHEV)	\$ 4.50	\$ 6.75	\$ 9.00

Additionally, the rules provide that the electric vehicle fee will apply to vehicles owned by nonresident members of the armed services if the nonresident is seeking to register a BEV or PHEV in Iowa under rule 761—400.32(321). This is because the legislation did not authorize the department to waive electric vehicle registration fees for nonresident members of the armed services.

The rules also provide that if multiple penalties for delinquent registration fees are assessed, such as if an applicant is delinquent on paying the regular annual registration fee and the electric vehicle annual registration fee, that the resultant penalty amounts will be added together first, and then the sum will be rounded to the nearest whole dollar. We will be revising IM 19-27 to include more information on how the rounding works for multiple penalties, and will notify you when those changes have been added. Finally, the rules provide that while there is no credit available for the unexpired portion of the electric vehicle annual registration fee, that fee will still be eligible for a refund under the provisions of rule 761—400.50. A refund is required in lieu of a credit to allow for the necessary accounting reconciliation.

The proposed amendments to Chapter 505, relating to fuel permits and taxes for motor carriers, add definitions for "electric fuel," "fuel supply tank," and "hydrogen gallon" to conform with the legislation, which established new definitions for all those terms. The rules address how to determine electric vehicle fuel amounts and how to estimate kilowatt hours of electric vehicle used to determine tax

liability. These changes align with the new duty to compute and collect interstate motor fuel taxes on electric fuel.

The rule amendments also incorporate a technical change striking the option to obtain a temporary fuel permit from a truck stop. This is because truck stops are no longer designated by the department to issue temporary fuel permits.

The administrative rule amendments are effective October 14, 2020.

LINK TO ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/aco/arc/5178C.pdf>

CURRENT

Current administrative rule chapters 761—400 and 761—505 do not address fees for electric vehicles or collection of fuel taxes on electric fuel. However, based on the 2019 legislative changes, we have already changed our processes to implement these new requirements.

You may wish to review the previous informational memo (IM 19-27) we issued when the 2019 legislation became effective for more information about the background of the legislation.

For internal DOT employees, you may find IM 19-27 in the W drive at the address below:

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

For County Treasurers and staff, you may find IM 19-27 at the link to the county treasurer's manual below:

<https://iowadot.gov/mvd/ctmanual/memos/IM19-27.pdf>

For the technical change striking the option to obtain a temporary fuel permit from a truck stop, we have extensively updated our website to provide for an online application process for temporary fuel permits, in addition to still being able to apply by mail or fax.

NEW

As of October 14, 2020, the rules will align with Iowa Code and our current processes regarding assessment and collection of electric vehicle fees and determining tax liability on electric vehicle fuel.

BUSINESS IMPACT

This directive does not significantly impact the way that VMCS operates as we have already updated our processes to implement the new electric vehicle fees and determination of tax liability for electric vehicle fuel. Rather this directive is just informing you that the administrative rules have now been updated.