

## **Motor Vehicle Division Informational Memo # 21-25**

### ***2021 Legislation – License plate surrender for certain vehicle transactions***

**DATE:** June 11, 2021

**FROM:** Kelli Huser, Compliance Officer, MVD

**TO:** All Motor Vehicle Division staff, Iowa County Treasurers and County Treasurer's staff

#### **SUBJECT**

This informational memo explains legislation enacted during the 2021 legislative session which allows a person surrendering their license plates due to certain vehicle transactions to surrender the plates to any county treasurer, rather than only to the treasurer where the vehicle is registered. The bill also eliminates a provision lowering the documentary fee a person pays when purchasing a vehicle from a dealer upon implementation of the Electronic Registration and Titling (ERT) system. This memo is most applicable to staff involved in receiving surrendered license plates and registration cards.

#### **SUMMARY**

Senate File 444 allows a person who receives a written notice of an adjustment of the renewal or expiration of the person's motor vehicle registration under Iowa Code section 321.26(2) to surrender their license plate and registration card to a county treasurer of any county in the state rather than the county treasurer where the vehicle is registered. The bill further allows the license plates of a vehicle for which ownership is transferred or assigned to another person under Iowa Code section 321.34(1) or transferred by operation of law under code section 321.47(3) to be removed and forwarded to any county treasurer in the state rather than to the county treasurer where the vehicle is registered. The bill strikes the requirement that the maximum documentary fee charged to a customer as part of a vehicle purchase from a dealer be reduced by \$25 after the DOT has implemented the ERT system.

**The legislation is effective July 1, 2021.**

#### **LINK TO LEGISLATION**

<https://www.legis.iowa.gov/docs/publications/LGE/89/SF444.pdf>

#### **CURRENT**

Under current law, certain license plate surrenders must be made to the county where the vehicle is registered. Further, current law provides for a reduction in the documentary fee a person pays when purchasing a motor vehicle from a dealer upon implementation of the ERT system.

#### **NEW**

As mentioned above, the legislation will now allow a person surrendering their license plates due to certain vehicle transactions to surrender the plates to any county treasurer, rather than only to the treasurer where the vehicle is registered. The bill also eliminates a provision lowering the documentary fee a person pays when purchasing a vehicle from a dealer upon implementation of the ERT system.

## **BUSINESS IMPACT**

This legislation will require any county treasurer to accept a surrendered license plate from a customer occurring as part of a vehicle transaction under Iowa Code sections 321.26(2), 321.34(1), and 321.47(3). The reduction in the \$25 documentary fee was never implemented and because it is fee charged by a dealer, it does not impact DOT or county staff processes.

## **QUESTIONS AND ANSWERS**

The following questions and answers provide additional information to you and to customers.

### **CAN A PERSON CONDUCT ANY OTHER VEHICLE TRANSACTIONS IN ANOTHER COUNTY OTHER THAN WHAT IS PROVIDED FOR IN THIS BILL?**

No. This legislation was specific to these surrender types, however, we are currently working on programming to allow customers to complete vehicle registration and title transactions in contiguous counties as required by Iowa Code section 321.20(4), and expect that programming to be ready closer to the beginning of 2022.