

Motor Vehicle Division Informational Memo # 22-30

Vehicle Leasing Licenses Administrative Rule Updates

DATE: October 14, 2022

FROM: Kelli Huser, Compliance Officer, MVD

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

SUBJECT

This informational memo explains updates to administrative rule chapter 430 "Motor Vehicle Leasing Licenses," Iowa Administrative Code.

SUMMARY

The amendments to this rule chapter relates to motor vehicle leasing licenses, which is a requirement under Iowa Code chapter 321F when a person is engaged in the business of leasing motor vehicles in this state.

The amendments correct the Department's contact information and amend the definition of "engage in the business" to mean leasing two or more motor vehicles subject to registration if a lessee is a resident of Iowa and first takes possession of the vehicle in Iowa, or if the lessor's business address is located in Iowa. The amendments within the definition further state that a person is not considered to be engaged in the business if the business address is located outside Iowa and the lessee first takes possession of the vehicle outside Iowa. The previous definition was not sufficiently clear as to which types of transactions count as being engaged in the business of leasing motor vehicles and are thus subject to the motor vehicle leasing license requirements.

The administrative rule amendments are effective October 12, 2022.

LINK TO ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/aco/arc/6490C.pdf>

CURRENT

Administrative rule chapter 761-430 previously contained outdated contact information and a prior definition of "engage in the business."

NEW

As of October 12, 2022, the rules will now contain updated contact information and a clearer definition of "engage in the business."

BUSINESS IMPACT

This directive clarifies the definition of "engage in the business" for both staff and customers and will reduce confusion related to if a customer should obtain a leasing license.