

Motor Vehicle Division Informational Memo # 24-12
Any County Fee Increase Under Iowa Code 321

DATE: December 20, 2024
FROM: Debbie Freeman, Compliance Officer, Motor Vehicle Division
TO: All Motor Vehicle Division staff
Iowa County Treasurers and staff
Iowa Automobile Dealers Association
Iowa Independent Automobile Dealers Association
Iowa Department of Revenue

SUBJECT

This information memo explains the Iowa DOT's implementation of the fee increases for certain title and registration transactions required by HF674 from the 2024 legislative session. The changes will be in effect January 1, 2025. For information regarding "any county" titling and registration as required by HF 674, see [IM 24-11](#).

SUMMARY

In 2024, the Iowa legislature amended Iowa Code chapter 321 to allow for initial title and registration transactions and other related title transactions to be conducted in any county. With this change, the statutory fees for several titling and registration services are being increased. Generally, the increase in fees will be retained by the county for deposit into the county general fund. It is estimated that in total, counties will receive an additional \$21 million annual revenue per year under the bill ([LSA fiscal note 1449486](#)).

CURRENT

For certain title and registration transactions, a specific fee, and/or percentage was charged. With the exception of annual registration fees which increased in 2008 due to TIME-21, these fees have not been increased since 1991. The table below indicates the current fee amount and current county retainage for impacted transaction types.

NEW

On January 1, 2025, the fee paid by customers for many titling and registration transactions will increase by generally \$10, with the additional fee amount being retained by the county performing the transaction. The table below indicates the new fee amount and new county retainage as of January 1, 2025. A small amount of transactions performed by the MVD vehicle services team (less than 1% of all vehicle title/registration transaction statewide) will also be impacted by the fee increase.

For the purpose of determining whether the new increased fees will be charged, some transactions are based on the purchase date, the add or receive date, and some transactions are based on the application date. **Please see IM-24-11.**

BUSINESS IMPACT

The Iowa title and registration system (ARTS), the electronic registration and titling system (ERT), and the ARTS webservice that connects the systems is undergoing extensive programming to comply with this change. The county treasurer's manual is also being updated with information on the changes.

As of January 1, 2025, ARTS will automatically calculate the new amount to be paid by the customer and the amount to be retained by the county. The below table identifies all products and services affected by the fee increase.

Title and/ or Registration Scenarios	Code References	Current Title Fee Amount	Current County retainage	New Title Fee Amount	New County Retainage
Ambulance - annual registration	321.117	\$25.00	\$2.50	\$35.00	\$12.50
Antique – annual registration	321.115	\$25.00	\$2.50	\$35.00	\$12.50
Antique – Limited Use – annual registration	321.115	\$25.00	\$2.50	\$35.00	\$12.50
Church Bus – annual registration	321.119	\$25.00	\$2.50	\$35.00	\$12.50
Dealer Inventory	321.57	\$25.00	\$2.50	\$35.00	\$12.50
Dealer Title (foreign Register)	321.48 (2)	\$10.00	\$2.50	\$20.00	\$12.50
Delinquent Dealer Title	321.70	\$25.00	\$2.50	\$35.00	\$12.50
Hearse – annual registration	321.117	\$25.00	\$2.50	\$35.00	\$12.50
In-Transit Title	321.109	\$25.00	\$2.50	\$35.00	\$12.50
Motorsports Recreational Vehicle	321.124	\$25.00	\$2.50	\$35.00	\$12.50
Manufacturer Buy Back	322G	\$15.00	\$2.50	\$25.00	\$12.50
Non-Profit Fire Truck	321.451	\$25.00	\$2.50	\$35.00	\$12.50
Official - Pending	321.19	\$25.00	\$2.50	\$35.00	\$12.50
Private School bus	324.A1	\$25.00	\$2.50	\$35.00	\$12.50
Interstate Motor Carrier (Prorate) Title	321.20(A)	\$25.00	\$2.50	\$35.00	\$12.50
Regular Title	321.20	\$25.00	\$2.50	\$35.00	\$12.50
Rebuilt Title	321.24	\$25.00	\$2.50	\$35.00	\$12.50
Replacement Title	321.42	\$25.00	\$8.00	\$35.00	40%/\$12.00
Restricted Use Title	321.23	\$25.00	\$2.50	\$35.00	\$12.50
Specialty Constructed Vehicle Title	321.23	\$25.00	\$2.50	\$35.00	\$12.50
Special Farm Title	321.122	\$25.00	\$2.50	\$35.00	\$12.50
Specially Equipped Title	321.109	\$25.00	\$2.50	\$35.00	\$12.50
Transit Bus Title	321.19	\$25.00	\$2.50	\$35.00	\$12.50
Transfer of Operation by Law	321.47	\$25.00	\$2.50	\$35.00	\$12.50
Security Interest Notation	321.50	\$10.00	60% (\$6)	\$20.00	\$16.00
Salvage Title	321.52	\$15.00	\$2.50	\$25.00	\$12.50
Non-transferable Title	321.122	\$25.00	\$2.50	\$35.00	\$12.50
Fee for new registration purchase price	321.105A(2)	5% of purchase price	\$1	\$10 plus 5% of purchase price	\$10-\$11 (Depending on purchase price)
Fee for new registration lease price	321.10 A (3)(a)	5% of lease price	\$1	\$10 plus 5% of lease price	\$10-\$11 (Depending on lease price)

QUESTIONS REGARDING HF674 FEE INCREASE

1. IS AN ISSUING COUNTY REQUIRED TO FOLLOW ANOTHER COUNTY'S INSUFFICIENT FUNDS STOP ON A CUSTOMER?

Yes. HF 674 did not change the existing insufficient funds processes. An insufficient funds stop will continue to be a hard stop and the customer must clear the insufficient funds stop with the county that placed the stop. A customer will be unable to register a vehicle with an insufficient funds stop. This includes if a dealer has already collected fees.

2. WHAT MONEY WILL BE RETAINED BY THE COUNTY IF A VEHICLE THAT IS SUBJECT TO TITLE AND REGISTRATION ON A SALE OF \$20 OR LESS?

The county will retain the \$10 fee for new registration plus 5% of the sale price. For example, the money collected on a \$10 sale would be \$10 fee for new registration plus 5% of the sale price (\$10), which would be \$10.50 total retained by the county.

3. HOW ARE TITLE AND REGISTRATION PENALTIES IMPACTED BY THE NEW FEES?

A title and registration transaction may be subject to penalties due to late submission or intent to deceive on the purchase price:

- If a title application is made more than 30 days after acquiring a vehicle, Iowa Code 321.49 assesses a \$10 penalty. This penalty did not change under HF 674.
- If a title application is made more than 30 days after acquiring a vehicle, then the vehicle is also late on its initial registration. Iowa Code 321.134 assess a 5% penalty to be assessed for each month the registration is overdue. This penalty did not change under HF674.
- If a title application is made more than 30 days after acquiring a vehicle, or if the purchase price was understated by error, then Iowa Code 321.105A assesses a 10% penalty against the Fee for New Registration. The 10% penalty will be assessed against the entire Fee for New Registration, which includes the new \$10 charge passed in HF674.
- If a title application is made and there is found to be intent to deceive or evasion on the purchase price, then the applicant is subject to a 75% penalty on the unpaid Fee for New Registration according to 321.105A. If the applicant initially paid the \$10 fixed fee plus at least some of the variable fee, then the penalty will apply only to the incremental unpaid fee. However, if the applicant paid no Fee for New Registration from the start – such as by fraudulently claiming an exemption – then the 75% penalty will apply to the entire Fee for New Registration, meaning the fixed and variable parts.

4. IF A VEHICLE IS EXEMPT FROM A NEW REGISTRATION FEE, WILL THEY STILL BE CHARGED THE \$10 PROCESSING FEE?

No. AN exemption is required for a zero-dollar transaction. With an exemption, the customer will not be charged the \$10 county fee.

5. IF THE FEE FOR NEW REGISTRATION IS REFUNDED, EITHER THROUGH CLAIM OR REFUND PROCESS, WHAT WILL BE INCLUDED IN THAT REFUND?

In the event that a customer is due a refund, they will be refunded for the full amount. The counties will retain their portion of the money collected and that portion of the refund will be paid to the customer from the Road Use Tax Fund.

6. HOW WILL FEES BE DETERMINED FOR TRANSACTIONS THAT BEGIN PRIOR TO JANUARY 1, 2025, BUT MAY NOT BE PROCESSED UNTIL AFTER JANUARY 1?

In calculating whether the new increased fees apply to transactions, ARTS will automatically calculate initial title, fee for new registration, and security interest transactions based on the **date of purchase**. For example, if a customer purchases a vehicle on December 20th, and submits the application on January 2nd, the increased fee will not be charged because the date of purchase was prior to the new law's effective date of January 1, 2025. Of note, this vehicle transaction will also be subject to contiguous county titling and not eligible for any county titling.

7. HOW WILL THIS IMPACT THE COUNTIES?

With this change, the statutory fees for several titling and registration services are being increased. Generally, the increase in fees will be retained by the county for deposit into the county general fund.