

Motor Vehicle Division Policy Memo #18-07

Vehicle Registration and Title Administrative Rules Update

DATE: October 15, 2018

FROM: Angel Robinson, Director, Office of Vehicle & Motor Carrier Services

TO: All Office of Vehicle & Motor Carrier Services (OV&MCS) staff, Bureau of Investigation & Identity Protection staff, Iowa County Treasurers and County Treasurer's staff

SUBJECT

This policy memo explains updates to administrative rule chapter 761—400, Vehicle Registration and Certificate of Title, and a conforming change to administrative rule chapter 761—405, Salvage.

SUMMARY

The update to this rule chapter aligns with existing legal authority and department practice, and eliminates outdated requirements. Specifically,

- The electronic registration and title process (ERT) was updated to remove the need for dealers to obtain a notarized power of attorney and instead requires the vehicle purchaser to provide the dealer with a written authorization for each ERT transaction.
- The amendments reduce the record retention period for original documents within the ERT process from 3 years to 6 months.
- As provided in Iowa Code section 321.52(4), as amended by 2017 Iowa Acts, chapter 31, section 2, an insurer obtaining a salvage certificate of title is not required to submit the last-issued certificate of title when applying for an Iowa title and the title shall be issued free and clear of all liens and claims of ownership, including any outstanding registration fees or registration penalties.
- The process for when a vehicle owner's legal name has changed was clarified to provide that the vehicle owner is not required to obtain a corrected title with owner's new name, but must obtain a replacement registration card that reflects the owner's new name.
- The amendments also eliminate outdated requirements to utilize paper forms when authorizing a record change and when submitting paper vehicle identification number forms for purposes of issuing a corrected title, and eliminate the requirement for the county treasurer to notify the department by regular mail or email of a title conversation and cancellation for a manufactured or mobile home converted to or from real property.

The administrative rule amendments are effective October 17, 2018.

LINK TO IOWA ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/aco/arc/3999C.pdf>

HELPFUL QUESTIONS AND ANSWERS

The following questions and answers provide information regarding new procedures, which will be helpful to you and to customers as you process applications for vehicle registration and certificates of title.

DO WE HAVE TO PRINT A CORRECTED TITLE WHEN A VEHICLE OWNER'S LEGAL NAME CHANGES?

No. Iowa Code section 321.20(1) requires both the title and registration to reflect the owner's correct legal name at initial application, but the Iowa Code does not require the title to be reissued if the owner's name is subsequently changed. Rather, the Iowa Code requires us to properly maintain the record of ownership and to change the record as necessary to keep it accurate. Iowa Code section 321.31(1) requires us to maintain a records system that includes the name of the owner, to update information required to be kept in the record system within 48 hours of receipt of the information, to include a record of the certificate of title that includes any information deemed necessary, and makes our record system the permanent record of ownership for the vehicle.

Iowa Code section 321.31 further provides that the record system shall constitute the permanent record of ownership of each vehicle titled under the laws of this state, and this, in essence, makes us the abstractor of the vehicle record. If a person changes their name, the person is required to report the name change to us, and we will change the person's record to reflect the name change. Ultimately, our record, with the person's new name, becomes the record of ownership without a change of title.

MUST A VEHICLE OWNER OBTAIN A REPLACEMENT REGISTRATION CARD WHEN THEIR LEGAL NAME CHANGES?

Yes. Because the registration card is the document required to be carried in the vehicle to prove ownership and registration under Iowa Code section 321.32, the registration card must be re-issued when a vehicle owner's name changes.

WHY WAS THE NOTARIZED POWER OF ATTORNEY REMOVED AND RECORD RETENTION PERIOD REDUCED FOR THE ERT PROCESS?

After consideration of comments we received regarding the ERT process, we determined that allowing a written authorization from the vehicle purchaser in lieu of a power of attorney and reducing the record retention period from 3 years to 6 months still ensures the integrity of the ERT process without placing an undue burden on the participants in the process.