

MOTOR VEHICLE NEWSLETTER

May 2023

Iowa DOT Central Programs Bureau

Monthly updates on vehicle program, policy, and process issues.

Topics From Other Jurisdictions

Canadian imports titled elsewhere without registration

We have become aware of a situation involving vehicles being imported from Canada, titled without registration elsewhere in the US and then being obtained by an Iowa dealer. We have discussed between the Vehicle Program and the Bureau of Investigation & Identity Protection. We have determined that Iowa Administrative Rule 761.400.27(4)(a) requires that the dealer shall obtain a title and pay a registration fee if the following condition is met:

The vehicle has a foreign certificate of title but has never been registered and the dealer is not licensed under Iowa Code chapter 322 to sell that line-make of vehicle. The registration fee due shall be prorated for the remaining unexpired months of the dealer's registration year.

Our investigation shows that at least some of the incoming vehicles meet this condition so title and annual registration is required. Furthermore, the act of obtaining annual registration in Iowa means that the dealer now has an end-use vehicle, so a retail sale has been completed. Therefore, any vehicle with the above condition is also subject to the Fee for New Registration. If the dealer who purchases the vehicle is franchised to sell the make, then none of the fees apply.

Our investigators advise you to watch for any Dealer title requests from a previous Arkansas title and you see evidence of prior Canada ownership – reassignment, import documents or a prior owner. If you see this situation, ask the dealer if they have proof of prior registration from either Arkansas or Canada. If they do not, and if the dealer is not franchised for that make, then you will need to issue full title and registration and charge Fee for New Registration. These vehicles may have a significant mileage reading, even around 40,000 or more miles. In some instances, the vehicles may also be a few model years old. Our understanding is that these vehicles were never sold at retail in Canada but may have accrued miles and accumulated age while in a dealer-direct lease or dealer courtesy use. If you see a suspicious transaction and aren't sure how to proceed, please contact your Investigator.

Procedure Reminders

Do not send Discretionary Edits (DE) on Security Interest (SI) additions

When counties need to add or update an SI record within ARTS, those requests are to be emailed in to our county.vehicle@iowadot.us for processing. These requests cannot be processed by submitting a discretionary edit submitted through the OVS General Queue.

Small Trailers

When processing a small trailer registration transfer to a new owner, please make sure to match the prior owner as found in ARTS to what is on the submitted registration certificate or bill of sale as the seller. We've fielded this request from county partners that have seen multiple small trailer transfers being issued with incorrect information, which has canceled the registration of the rightful customer in error

Tips & Tricks

Fast Path

"ERTQ" is the fast path that will take you directly to your ERT Queue

JSI Decision Chart

Our JSI Decision Chart, located on our County Manual page, is formulated and interactive for the user's convenience.

Dealers cannot see all data in ERT submissions

County staff should be aware that dealers are often limited in what they can see when submitting a deal through ERT and not all of the ARTS fields are visible. A primary example is that if a VIN prefix results in multiple year-make-model combinations, the Dealer can only use the vehicle that is returned by the system even if it is not entirely accurate. For example, a dealer may be seeking a Toyota Highlander L but the system returns a Toyota Highlander Limited. When this happens, the dealer can only add a comment to the field and ask for the county to make the correct choice of Highlander L with the resulting fees. We are attempting to add coding to allow dealers to see multiple results for a given VIN prefix, but counties will need to review the comments field carefully to make the proper match.

Inventory, Printer & Plates

2023 Vehicle Registration Decals (white)

Counties are not required to order a full carton of 2023 registration decals now that we are in June. To order packets instead of a full carton, reach out to Rhonda at Rhonda.Fowler@iowadot.us instead of ordering through ARTS

County Manual, Memos, Forms & Webpage

Informational Memos

The recent memos can be found on our County Manual page, link <https://iowadot.gov/mvd/ctmanual>

- IM 23-16; explains legislation that creates regulations for motor vehicle dealers to engage in remote sales and creates an additional way for lienholders to discharge security interests when the motor vehicle dealer used the electronic registration and titling (ERT) process.
- IM 23-17; explains legislation that requires the department or the county treasurer to title, register, and then suspend registration for persons who are required to have proof of financial responsibility/SR-22 insurance (but do not) or whose uninsured vehicle was involved in a crash and they have failed to deposit security.
- IM 23-18; explains legislation that allows actual miles vs not actual for certain Operation-of-Law transfers

County Manual Updates

Effective 5/30/2023 the following changes and updates have been made:

- Added "Date of Death" guidance
- Updated SME, removed Hydrovac per legislation
- Updated Bonded Title section
- Updated and made corrections per quarterly review