

MOTOR VEHICLE NEWSLETTER

April 2023

Iowa DOT Central Programs Bureau

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

Topics from other Jurisdictions

Bill of Sale Requirements on Out of State Titles

Department of Revenue gave recent guidance on out of state titles that include the purchase price. They advised, if the out of state title assignment section requires the purchase price and is signed by the buyer and seller, it should be acceptable in lieu of a bill of sale for determining purchase price.

Important Changes to Québec's Vehicle Registration Certificate

We recently received an update from Québec about changes they made to one of their official documents. The change will affect vehicles sold in Québec that will be registered in the United States. We've attached the informational memo from Québec.

Printers & Inventory

When reviewing plate inventory, please check to make sure that you have the most current plate design for each plate type. All plate designs are current on the DOT website. The Organ and Tissue Donor Awareness Plate image will be updated on the license plate poster with the next printing.

If you have plates with the older design, you can damage those out and order the newer plates. Please use the number of plates that have been on the shelf that you are damaging out as a guide to how many plates of the new design you should order. You can order as few as 5 plates if that meets your demand. If you need an updated image for display, please let Rhonda know.

ERT Errors & Workarounds

Commit Errors

A commit error is when you process a motor vehicle transaction, and the transaction gets stuck in your commit and doesn't allow you to finalize it. This means the title and registration never prints out.

There are 2 ways you'll see the commit error:

1. One showing the county has or will receive the funds and ARTS will show the new title being issued even though it never printed out.
2. And the second won't show the county receiving the funds, nor will ARTS show a new title being issued.

If the funds have come through and a new title is showing in ARTS, then the county is ok to issue a no-cost replacement title and registration update to be able to provide the documents to the customer or lienholder. If funds aren't received and the new title isn't showing in ARTS, then the county will need to cancel the original transaction (if applicable) and reprocess.

2010 or older Odometer Issue

We are aware that deals in ERT are requiring the dealers to submit mileage (odometer) for 2010-year vehicles, which is not part of the federal requirement. Our IT department is working on a solution to remove this requirement. Until the solution is in place, dealers may fill in the actual mileage to the best knowledge of the dealer. This mileage will be printed on the title and saved as part of the record. This is OK. While it is not required for 2010-year vehicles, there is no law or rule that says the mileage cannot be recorded past the point of required disclosure (2011 and newer).

Staffing

Vehicle Central Programs will welcome Michelle Howard to our Clerk Specialist staff Monday, April 24. She comes to us with many years of experience in customer service and administrative transactions, most recently in accounts receivable. Welcome, Michelle!

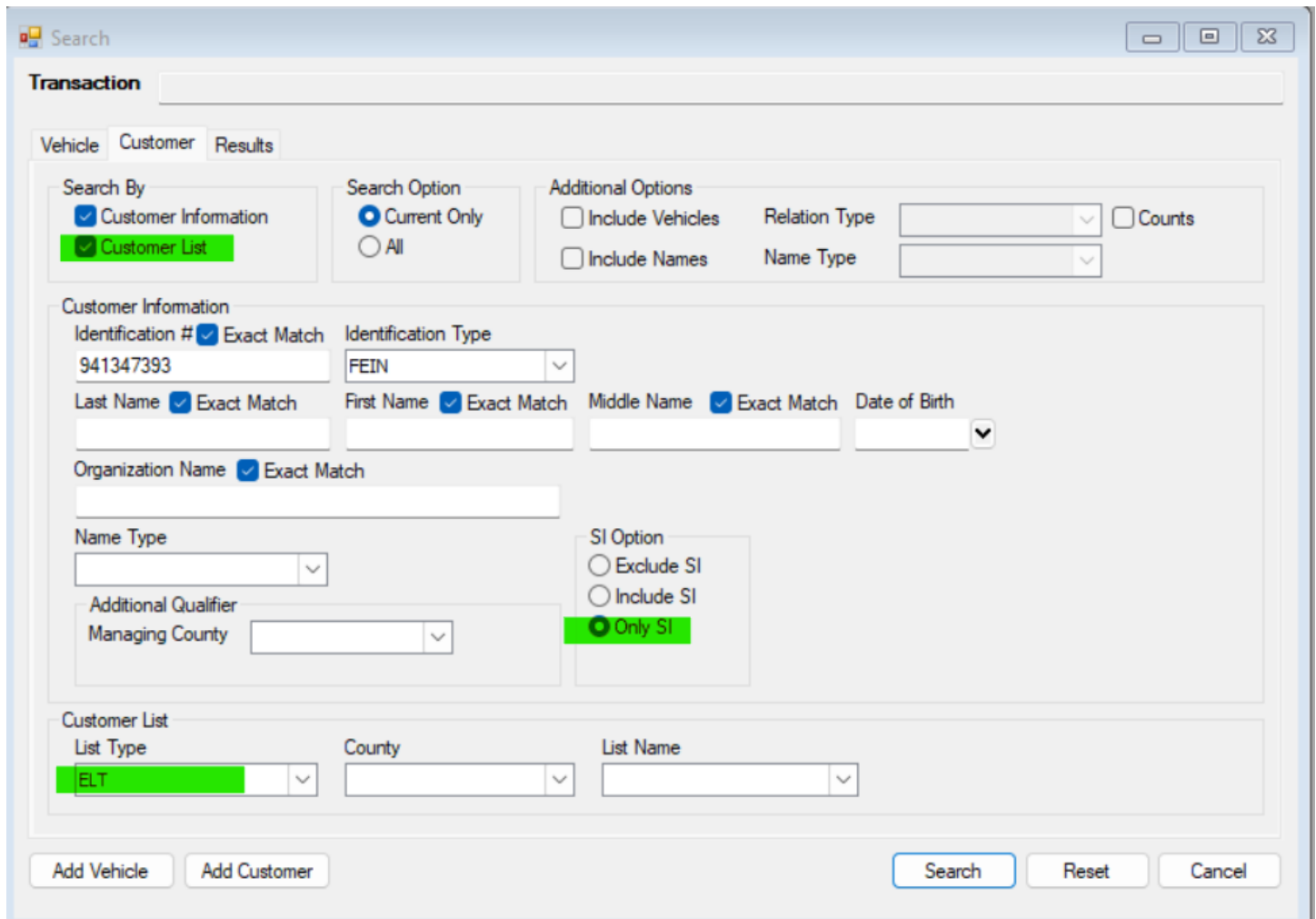
Tips & Tricks

Adding Security Interests (SI) as Individuals

When an individual is to be added to a title transaction as a lienholder, the counties may create the customer record if they cannot find an existing record in ARTS. If a new lienholder is an organization (with an FEIN), then the county must request the record to be added by Vehicle Central Programs.

When Searching for Security Interests or Lienholders, ELT or not

Selecting these search options, highlighted in green below, will help narrow down your search



The screenshot shows a 'Search' window with the following fields and options:

- Transaction:** [Empty text field]
- Vehicle Customer Results:** [Tabs]
- Search By:**
 - Customer Information
 - Customer List
- Search Option:**
 - Current Only
 - All
- Additional Options:**
 - Include Vehicles
 - Include Names
 - Relation Type: [Dropdown]
 - Name Type: [Dropdown]
 - Counts
- Customer Information:**
 - Identification #: 941347393 Exact Match
 - Identification Type: FEIN [Dropdown]
 - Last Name: [Empty] Exact Match
 - First Name: [Empty] Exact Match
 - Middle Name: [Empty] Exact Match
 - Date of Birth: [Empty] [Dropdown]
 - Organization Name: [Empty] Exact Match
 - Name Type: [Dropdown]
 - Additional Qualifier: Managing County [Dropdown]
 - SI Option:
 - Exclude SI
 - Include SI
 - Only SI
- Customer List:**
 - List Type: ELT [Dropdown]
 - County: [Dropdown]
 - List Name: [Dropdown]
- Buttons:** Add Vehicle, Add Customer, Search, Reset, Cancel

Electronic Signature

Recently, there have been a few questions on policy and regulation for electronic signatures on physical odometer disclosure documents (including titles) and Secure Powers of Attorney (SPOA). We are aware that NHTSA published further guidance on the topic after we published PM 19-07 *Acceptance of Electronic Signature* in September 2019. That NHTSA guidance and CFR 580.3 *Definitions* (Electronic Title & Electronic POA) explain that it is the jurisdiction's responsibility to have a system that maintains these documents electronically and in a secure manner. Iowa (DOT) does not currently have a system in place to support this.

There are other jurisdictions/states that have allowed the electronic signatures for transactions within their state on the basis that they have a jurisdiction-maintained system for electronic titling. As of this date (April 2023) we are aware that Arizona, New York State, and West Virginia allow for at least some fully electronic title transfers. However, these states in particular are aware that acceptance and maintenance of these electronic documents is based in their own jurisdiction and are not standardly accepted across the country. They have known processes in place for customers transferring from their state to other states. Arizona, for example, advises their residents to get paper ownership documents before transferring a vehicle out-of-state.

We believe that some states – including Wisconsin – may have allowed or are allowing electronic signatures captured by a seller through their own or a third-party system (like DocuSign) that are then printed to hard copy documents for odometer disclosure, including titles or SPOA. We do not believe this complies with CFR 580.3 because the state is not the one maintaining the e-signature system. The AAMVA Vehicle Standing Committee is attempting to address this ambiguity with NHTSA and hopes to reach a resolution this summer. If AAMVA and NHTSA can reach agreement, then we will communicate this to counties and adjust our process if needed based on national guidance.

In the meantime, we have this instruction for handling what may appear to be electronic titles, electronic signatures on titles/SPOAs or other evidence of electronic transfer from other states:

1. Do not accept a paper title or SPOA that uses electronic signature for either assignment or reassignment:
 - a. If the vehicle was sold from a dealer, then the selling dealer will need to obtain dealer title in that state and assign that title to the Iowa customer in ink.
 - b. If the vehicle was sold by a private individual, the customer will need to have the seller obtain a replacement title and assign in ink.
2. If any customer - dealer or individual - presents evidence of an electronic title held in state that is known to have an e-title system (e.g. AZ, NY or WV) but does not present an actual paper title, then refer the customer back to that titling state to obtain a paper title. Examples of "evidence of an electronic title" might be a printed screen shot or receipt.
3. If the transaction includes evidence of electronic transfer within a state, such as the NY eMV-50 or similar form, then that is acceptable as proof of reassignment or transfer within that state but only if it accompanies an actual paper title.