

## Red Tape Review Rule Report (Due: September 1, 2024)

<b>Department Name:</b>	Department of Transportation	<b>Date:</b>	August 22, 2024	<b>Total Rule Count:</b>	54
<b>IAC #:</b>	761	<b>Chapter/ SubChapter/ Rule(s):</b>	400	<b>Iowa Code Section Authorizing Rule:</b>	307.12(1)“j”; 307.30; 321.20; 321.20B; 321.24; 321.34; 321.44A; 321.52; 321.69; 321.71; 321.121; 321H.4A; 435.26B
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**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

The intended benefit of Chapter 400 is to provide the process allowing motor vehicle owners to register and title their vehicle in Iowa, which is required for a vehicle to be legally operated on Iowa roadways. The rules provide clarity on the application and issuance process for vehicle registration and title as well as outlining any exemptions or specific requirements to title and register a vehicle in Iowa. In addition to the intended benefit to the public (motor vehicle owners), the chapter provides necessary clarity for all Iowa county treasurers who complete these transactions, and for stakeholders in the motor vehicle industry such as law enforcement and motor vehicle dealers.

**Is the benefit being achieved? Please provide evidence.**

Yes, in 2023 the Department registered approximately 4.6 million vehicles (including trailers, which are required to be registered along with motor vehicles) and collected approximately \$711 million in fees for the Road Use Tax Fund. Additionally, Iowa county treasurers collected \$37.8 million in FY23 for county general funds through administration of this chapter.

**What are the costs incurred by the public to comply with the rule?**

Any costs to the public related to vehicle registration and title are not because of the rule, but because of the requirements in statute for a vehicle to be registered and titled to legally operate on Iowa roadways. Fees for registration and title are set by Iowa Code.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

The cost to the Department for processing applications for vehicle registration and title is because of the statute. The rules just provide parameters for how the application, issuance and revocation process is to occur.

County treasurers process the bulk of vehicle registration and title issuance transactions, and they are required to perform these duties by statute.

**Do the costs justify the benefits achieved? Please explain.**

Yes. The rules create a consistent framework for the application, issuance and revocation of vehicle registration and certificates of title. This helps ensure all vehicles subject to registration and title requirements under Iowa Code are properly registered and titled and that the resultant fees are collected and transferred to the Road Use Tax Fund. It would be difficult to implement and enforce consistent processes for the 4.6 million registered vehicles processed by 99 county treasurer locations without the requirements outlined in this chapter.

**Are there less restrictive alternatives to accomplish the benefit?  YES  NO**

**If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.**

There is no less restrictive alternative available for the application and issuance of vehicle registration and certificates of title, which is a statutory requirement for vehicles to legally be operated on Iowa roadways unless a specific exception applies.

**Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]**

***PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE***

**Rule 400.1 - Definitions.**

The definition of contiguous county was removed due to being obsolete with the passage of 2024 Iowa Acts, House File 674.

The definition of social security number was removed due to being unnecessary and redundant.

**Rule 400.2 - Vehicle registration, certificate of title, receipt, validation sticker and registration plates-general provisions.**

Subrules 400.2(5), 400.2(6), 400.2(7), 400.2(9) and 400.10 were amended to strike language that is redundant or duplicative of statutory language and the subrules were renumbered to account for subrules that were deleted entirely.

**Rule 400.3 – Application for certificate of title or registration for a vehicle.**

Subrule 400.3(1) was amended to remove redundant language and was also rewritten to combine content from subrules 400.3(4) through 400.3(14) and 400.3(16) and streamline the language.

Subrule 400.3(2) was deleted due to being duplicative of statutory language.

Subrule 400.3(16) was deleted because its content was moved to rule 400.3(1).

Subrule 400.3(17) was significantly pared down as the proper location for a majority of the content of the rule is either in a Department policy or in a contract with a provider of electronic registration and titling services.

**Rule 400.4 – Supporting documents required.**

Subrules 400.4(1), 400.4(3), 400.4(4), 400.4(6), 400.4(7) and 400.4(8) were rewritten to streamline the rules and remove redundant language.

Subrule 400.4(9) was condensed to remove unnecessary and redundant language as well as remove duplicative content.

Subrule 400.4(11) is being deleted due to being duplicative of other code sections and rules detailing record-keeping requirements.

**Rule 400.5 – Where to apply for registration or certificate of title.**

The content of subrule 400.5(1) was deleted because it's duplicative of Iowa Code section 321.20.

Subrule 400.5(2) paragraphs "b" to "e" were deleted because they are duplicative of Iowa Code section 321.19.

**Rule 400.8 – Release form for cancellation of security interest.**

Subrule 400.8(1) was reorganized to remove redundant content.

Subrule 400.8(4) was deleted because it is duplicative of Iowa Code section 321.50(5)(c).

**Rule 400.9 – Security interest notation, 30-day limit** was deleted because it was rescinded back in 2005.

**Rule 400.12 – Replacement certificate of title.**

Subrule 400.12(1) was deleted due to being redundant of Iowa Code section 321.42(2).

**Rule 400.13 – Bond required before title issued.**

Subrule 400.13(1) was deleted due to being redundant and unnecessary.

**Rule 400.14 – Transfer of ownership.**

Subrule 400.14(1), paragraph "b" was deleted because it is unnecessary.

**Rule 400.15 – Cancellation of a certificate of title** was revised to remove language that is unnecessary or duplicative of statute.

**Rules 400.17 and 400.18** were deleted because they were rescinded back in 2005 and 1997, respectively.

**Rule 400.22 – Transfers of ownership by operation of law.**

The introductory sentence of the rule and subrule 400.22(1) were deleted due to being unnecessary.

**Rule 400.23 – Junked vehicle.**

Subrule 400.23(3), paragraph “c” was deleted due to being redundant of Iowa Code section 321.52.

**Rule 400.27 – Vehicles held for resale or trade by dealers.**

Subrule 400.27(6) was deleted due to being redundant of Iowa Code sections 321.49 and 321.104.

**Rule 400.29** was deleted because it was rescinded back in 2005.

**Rule 400.31** was deleted because it was rescinded back in 1983.

**Rules 400.33 and 400.34** were deleted because they were rescinded back in 2005 and 2007, respectively.

**Rule 400.36** was deleted because it is obsolete.

**Rule 400.38** was deleted because it was rescinded back in 1997.

**Rule 400.41** was deleted because it was rescinded back in 1995.

**Rule 400.42 – Church bus registration fee.**

The introductory sentence of the rule and subrule 400.42(1) were deleted due to being duplicative of Iowa Code section 321.122.

**Rules 400.48 and 400.49** were deleted because they were rescinded back in 1990.

**Rule 400.57** was deleted because it was rescinded back in 2002.

**Rule 400.71** was deleted because it was rescinded back in 2007.

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

400.36

The following rules were previously rescinded or reserved:

400.9  
400.17  
400.18  
400.29  
400.31  
400.33  
400.34  
400.38  
400.41  
400.48  
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400.71

**RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):**

400.1  
400.2  
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***\*For rules being re-promulgated with changes, you may attach a document with suggested changes.***

**METRICS**

<b>Total number of rules repealed:</b>	<b>1</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>3,459</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>223</b>

**ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?**

Yes. The Department recommends that Iowa Code section 321.23 be amended to direct how the model year for a specially constructed or reconstructed motor vehicle should be established. The Department also recommends striking from Iowa Code section 321.41(4) the requirement for the county treasurer to issue a special fuel identification sticker as this sticker is not used.

Additionally, the Department recommends that explicit rulemaking authority be added to certain Iowa Code sections to carry out the implementation of general vehicle registration and titling responsibilities. While the Iowa Code clearly vests the Department with the authority to register and title motor vehicles, the Department currently relies on general agency rulemaking authority in Iowa Code section 307.12(1)“j” to promulgate the following rules that provide specific procedures implementing underlying statutory authority:

**400.2 - Vehicle registration, certificate of title, receipt, validation sticker and registration plates—general provisions.** We recommend rulemaking authority be added to Iowa Code sections 321.18 and 321.19 confirming the Department’s authority to implement requirements related to vehicles exempt from registration and titling and vehicles authorized to receive official plates.

**400.7 – Information appearing on title or registration.** We recommend rulemaking authority be added to Iowa Code section 321.24 confirming the Department’s authority to implement requirements for information appearing on the vehicle title or registration document.

**400.8 - Release form for cancellation of security interest.** We recommend rulemaking authority be added to Iowa Code section 321.50 confirming the Department’s authority to implement procedures related to release of a security interest on a motor vehicle.

**400.10 - Assignment of security interest.** We recommend rulemaking authority be added to Iowa Code section 321.50 confirming the Department’s authority to implement procedures related to assignment of a security interest on a motor vehicle.

**400.11 - Sheriff’s levy, restitution lien, and forfeiture lien noted as security interests.** We recommend rulemaking authority be added to Iowa Code section 321.50 confirming the Department’s authority to implement procedures related to a sheriff’s levy, restitution lien, or forfeiture lien noted as a security interest on a motor vehicle.

**400.12 - Replacement certificate of title.** We recommend rulemaking authority be added to Iowa Code section 321.42 confirming the Department’s authority to implement procedures related to issuing replacement certificates of title.

**400.14 - Transfer of ownership.** We recommend rulemaking authority be added to Iowa Code sections 321.47, 321.49 and 321.67 confirming the Department’s authority to implement transfer of motor vehicle ownership requirements.

**400.15 - Cancellation of a certificate of title.** We recommend rulemaking authority be added to Iowa Code section 321.101 confirming the Department’s authority to implement title cancellation procedures.

**400.16 - Application for certificate of title or original registration for a specially constructed, reconstructed, street rod or replica motor vehicle.** We recommend rulemaking authority be added to Iowa Code section 321.23 confirming the Department’s authority to implement the application procedures and examination requirements for issuing titles for and registering these vehicle types.

**400.19 - Temporary use of vehicle without plates or registration card.** We recommend rulemaking authority be added to Iowa Code section 321.25 confirming the Department’s authority to implement

temporary registration card requirements and specify what constitutes ownership evidence that must be carried in the motor vehicle.

**400.21 - Registration of vehicles on a restricted basis.** We recommend rulemaking authority be added to Iowa Code section 321.23(4) confirming the Department's authority to implement the application procedures and examination requirements for vehicles which can only be registered on a restricted basis.

**400.22 - Transfers of ownership by operation of law.** We recommend rulemaking authority be added to Iowa Code section 321.47 confirming the Department's authority to implement procedures for calculating registration fees when a vehicle's ownership is transferred due to operation of law.

**400.24 - New vehicle registration fee.** We recommend rulemaking authority be added to Iowa Code section 321.105 confirming the Department's authority to specify from which date a vehicle's annual registration fee should be computed.

**400.25 - Fees established by the department.** We recommend rulemaking authority be added to Iowa Code section 321.159 confirming the Department's authority to specify the actual procedures for how the Department may fix the registration fee when manufacturer's information cannot be obtained for the vehicle.

**400.27 - Vehicles held for resale or trade by dealers.** We recommend rulemaking authority be added to Iowa Code section 321.48 confirming the Department's authority to specify when motor vehicle dealers are required to obtain a title and/or pay a registration fee for a vehicle being held by the dealer for resale or trade.

**400.30 - Registration of vehicles in another state or country.** We recommend rulemaking authority be added to Iowa Code section 321.109 confirming the Department's authority to specify from which date a vehicle's annual registration fee should be computed after a nonresident becomes a resident of Iowa.

**400.32 - Vehicles owned by nonresident members of the armed services.** We recommend rulemaking authority be added to Iowa Code section 321.109 confirming the Department's authority to specify the circumstances and procedures under which a nonresident military member can register a vehicle in Iowa.

**400.35 - Registration of vehicles equipped for persons with disabilities.** We recommend rulemaking authority be added to Iowa Code sections 321.109 and 321.124 confirming the Department's authority to specify the criteria under which a vehicle may qualify for reduced registration fees due to being a passenger vehicle or motorhome for a person with a disability.

**400.39 - Conversion of motor vehicles.** We recommend rulemaking authority be added to Iowa Code sections 321.23 and 321.124 confirming the Department's authority to implement registration procedures for when a passenger car is converted to a truck, or a truck is converted into a motorhome.

**400.42 - Church bus registration fee.** We recommend rulemaking authority be added to Iowa Code section 321.122 confirming the Department's authority to implement registration procedures for when a church bus transfers ownership to a person not entitled to register the vehicle as a church bus.



**400.43 - Storage of vehicles.** We recommend rulemaking authority be added to Iowa Code section 321.126 confirming the Department's authority to specify the process for computing registration fees due when a vehicle is removed from storage.

**400.44 - Penalty on registration fees.** We recommend rulemaking authority be added to Iowa Code section 321.134 confirming the Department's authority to specify how and from which date monthly vehicle registration penalties should be computed.

**400.45 - Suspension, revocation or denial of registration.** We recommend rulemaking authority be added to Iowa Code section 321.101 confirming the Department's authority to specify the suspension process. The statute requires the department to suspend registration but does not outline the actual process.

**400.46 - Termination of suspension of registration.** We recommend rulemaking authority be added to Iowa Code section 321.101 confirming the Department's authority to specify the reinstatement process after a registration suspension ends. The statute requires the department to suspend registration but does not outline the steps that must be taken once the suspension ends to reinstate the person to legal registration status.

**400.47 - Raw farm products.** We recommend rulemaking authority be added to Iowa Code section 321.466 confirming the Department's authority to create a comprehensive list of raw farm products that qualify for the 25% excess weight registration tolerance as the code only lists a few qualifying farm products.

**400.50 - Refund of registration fees.** We recommend rulemaking authority be added to Iowa Code section 321.126 confirming the Department's authority to establish the registration fee refund process. The statute requires the Department to refund registration fees but does not detail how refunds may be claimed.

**400.51 - Assigned identification numbers.** We recommend rulemaking authority be added to Iowa Code sections 321.43 and 321.92 confirming the Department's authority to establish a process for assigning identification numbers. The statute authorizes the Department to assign identification numbers in certain circumstances but does not detail how an identification number may be requested or how the Department will assign one.

**400.54 - Registration card issued for trailer-type vehicles.** We recommend rulemaking authority be added to Iowa Code section 321.32 confirming the Department's authority to allow a registration card for a trailer type vehicle to be carried in the tow vehicle since the code does not account for situations when a registered vehicle is actually a trailer.

**400.59 - Registration documents lost or damaged in transit through the United States postal service.** We recommend rulemaking authority be added to Iowa Code section 321.42 confirming the Department's authority to place a cap on the timeframe in which a customer may request a replacement for a product lost or damaged in the U.S. mail. The statute currently requires the customer to wait at least 20 days before requesting a replacement but puts no cap on the replacement request timeframe.

**400.60 - Credit of registration fees.** We recommend rulemaking authority be added to Iowa Code sections 321.46 and 321.46A confirming the Department's authority to establish the registration fee credit process. The statute allows registration fee credits but does not detail how to calculate the credits or how the credits may be claimed.

**400.62 - Storage of registration plates, certificate of title forms and registration forms.** We recommend rulemaking authority be added to Iowa Code section 321.167 confirming the Department's authority to establish standards for the secure storage of registration products by county treasurers.

**400.63 - Disposal of surrendered registration plates.** We recommend rulemaking authority be added to Iowa Code section 321.171 confirming the Department's authority to establish a process for disposal of surrendered license plates by county treasurers.

**400.64 - County treasurer's report of motor vehicle collections and funds.** We recommend rulemaking authority be added to Iowa Code section 321.153 confirming the Department's authority to establish the method and format in which the county treasurer's monthly report will be provided to ensure consistency amongst all 99 county treasurers.

**400.72 – Electronic lien and title.** We recommend rulemaking authority be added to Iowa Code section 321.50 confirming the Department's authority to establish an electronic lien and titling process. While the statute acknowledges an electronic lien and titling process, it does not set forth parameters for the process.