

Iowa Dealer News

Articles:

- Study of Electronic Vehicle Registration and Titling
- Renewal of Dealer Licenses and Plates
- New Look For Dealer Plates
- Motor Vehicle Enforcement Corner
- Legislation Updates
- Dealer Q & A
- Vehicle Services Web Page
- Motor Vehicle Enforcement Web Page

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Electronic Vehicle Registration and Titling Study

Senate File 2273 was passed in the 2010 session of the Iowa General Assembly. This legislation required that the Iowa Department of Transportation complete a feasibility study, to be reported to the General Assembly by December 1, 2010, on how to implement a uniform statewide system that would permit the following transactions:

- Electronic applications for motor vehicle registrations and titles
- Electronic issuance of titles
- Electronic perfection and release of liens
- Electronic transfer of funds
- Issuance of secure and individually identifiable temporary registration cards

The Iowa Department of Transportation has gathered a team of representatives from both public and private sectors to participate in this study which must also examine the costs and benefits of such a system to the Department of Transportation, county treasurers, licensed dealers, and consumers.

Renewal of Dealer Licenses and Plates

Current licenses and plates expire on December 31, 2010. Any old plates still in use after this date should be destroyed to avoid action by law enforcement.

The Office of Vehicle Services will be sending renewal notices starting in September 2010 and will begin processing license renewal applications on October 1. To be guaranteed new plates, your renewal application must be submitted to Vehicle Services no later than November 1.

Licenses and plates issued for the next two-year cycle will be valid from January 1, 2011, to December 31, 2012. The fees for licenses and plates have not changed.

New Look for Dealer Plates



Motor Vehicle Enforcement Corner

INTERNET SALES

The use of the internet has proven an effective way to buy and sell cars both for licensed motor vehicle dealers and for the general public.

The internet will not go away anytime soon and we anticipate a continued increase in the use of the internet for motor vehicle transactions. While the internet is a great tool, it also brings about issues with regard to how licensed dealers use it to offer vehicles for sale.

To summarize Iowa law, Iowa Code section 322.3(11) states that a licensed dealer shall not sell, offer for sale, display, represent, or advertise that they intend to sell vehicles from a location other than their licensed location. Iowa Code section 321.104(2) states a dealer shall not hold or display for sale a motor vehicle without having obtained a title for the vehicle, unless allowed by law.

If a licensed dealer has a motor vehicle offered for sale on the internet, the motor vehicle title must properly show this dealer as the owner. Also, this vehicle can only be physically displayed and offered for sale at the licensed location of the specific dealer who is offering the vehicle for sale on the internet. Retail brokering and retail consignment selling of motor vehicles is not allowed in Iowa. This applies to all motor vehicle sales including salvage titled vehicles.

If you have questions regarding motor vehicle dealer license regulations, please contact the Office of Motor Vehicle Enforcement, Investigative Unit, at our toll free number: 866-908-4636.

Legislation Updates

SF 419 – Effective in 2009

- Definition of “dealer” in Iowa Code Chapter 321 was updated to include those persons required to be licensed as dealers under chapters 322 and 322C.
- A change to the abandoned vehicle law now allows a private property owner to employ a “private entity” without a police authority’s involvement. The change does not affect a private entity’s garage keeper’s lien, if applicable.
- Certain registration stops will no longer apply to a co-owned vehicle when an innocent spouse is awarded a vehicle due to divorce.
- The definition of “vehicle subject to registration” is updated in Chapter 321H, licensing of vehicle recyclers, to mean any type of vehicle required to be registered including vehicles that are inoperable, salvage, or rebuilt.
- Changes in the method of doing business by a licensed recycler are required to be reported to and approved by the Department of Transportation at least 10 days before the change is to take place.
- Persons convicted of a fraudulent practice or any indictable offense relating to activities involving motor vehicles are prohibited, for five years, of being an owner, salesperson, employee, officer of a corporation, or representative of a licensed recycler.

SF 478 – Effective in 2009

- The requirement for dealers to collect the “fee for new registration,” formerly known as “use tax,” was repealed. Dealers can collect the tax, title, and registration fees as a courtesy, but it is not required.

HF 2452 – Effective in 2009

- Creates definitions for “replica vehicle” and “street rod” and provides for the titling and registration of such vehicles when approved by the Department of Transportation.

SF 2246 – Effective July 1, 2010


- The definition of “business trade truck” is clarified to apply to only 2010 or newer model year trucks.
- The reduced annual registration fee of \$60 for vehicles that are specially equipped to assist a person with a disability now applies to vehicles owned or leased that are pickups, SUVs, and automobiles.

SF 2273 – April 7, 2010

- Requires the Department of Transportation to study the feasibility of implementing a uniform statewide system to allow for electronic transactions for the registration and titling of motor vehicles.

Dealer Questions and Answers

- Q) When do the dealer licenses and plates expire?
- A) December 31, 2010. Titles cannot be transferred after this date unless the license has been renewed.
- Q) If I have not received my new dealer plates by December 31, can my old dealer plates be displayed after that date?
- A) No.
- Q) How long will my dealer license be valid once I renew?
- A) December 31, 2012.
- Q) Is there a phone number to call if I have questions regarding the dealer renewal?
- A) Yes, 515-237-3110. Or you may email your question to Vehser@dot.iowa.gov.
- Q) If I have separate licenses, such as a motor vehicle dealer license and a leasing license, will I receive one renewal notice or multiple ones?
- A) You will receive one renewal application for each type of license that you have. Each renewal will need to be completed, signed, and returned.
- Q) Can I pay with one check if there is more than one renewal?
- A) Yes, as long as the check number is written in the space provided on each renewal.
- Q) Who needs to complete the dealer continuing education?
- A) All used motor vehicle dealers MUST complete a minimum of five hours of continuing education program courses over a two-year period pursuant to renewal of their dealer license. Those dealers who are seeking renewal of a used motor vehicle dealer license who have taken the pre-licensing education requirement within the preceding 24 months are exempt from the continuing education requirement for license renewal.

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- Q) Who is exempt from taking the continuing education or the pre-licensing education required course?
- A) New, franchised motor vehicle dealers, used car dealerships OWNED by a franchised motor vehicle dealer, motor vehicle rental companies having a national franchise, national motor vehicle auction companies, banks, credit unions and savings and loan associations, leasing companies, vehicle recyclers, manufacturers, distributors, and travel trailer dealers.
- Q) Where will the continuing education classes be held?
- A) Information relating to class schedules, locations and fees can be obtained via the web at Iowa Independent Automobile Dealers Association website: http://www.iowaiada.com/en/dealer_education.cfm or phone 866-962-9202.
- Q) When can I expect to receive my renewal notice(s)?
- A) All renewal notices will be mailed out no later than October 15, 2010. Contact the Dealer License Section at 515-237-3110 if you do not receive a notice.
- Q) Can I make changes on the dealer renewal such as ownership, address, and name, etc.?
- A) No, changes cannot be made on the renewal, as this is a renewal of current information on file. Most changes require additional documentation.
- Q) I have both a travel trailer and motor vehicle dealer license. Will I receive two renewals? Will my dealer plates display the same dealer number such as the motor vehicle dealer number?
- A) Yes, you will receive two renewal notices. Your dealer plates will display the dealer number of each license number. If you order dealer plates under your motor vehicle number, those plates will display the motor vehicle dealer number. If you order plates under your travel trailer dealer number, those plates will display your travel trailer dealer number, so you will have two sets of plates.
- Q) Vehicle license fees changed starting January 2009. Where can we get information on these changes.
- A) The Department of Transportation has detailed information on its website at: http://www.iowadot.gov/time21/vehicle_reg.html

Vehicle Services Web Page

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For information concerning:

- Dealer licensing
- How to obtain replacement dealer plates
- How to obtain a permit for a fair, show or exhibition
- How to obtain motor vehicle related forms
- Other frequently asked questions

Please visit Vehicle Service's website at:

<http://www.iowadot.gov/mvd//ovs/index.htm>

Motor Vehicle Enforcement Web Page

For information concerning:

- Investigator locations
- Salvage vehicles
- Complaint resolution
- Identity theft
- Other frequently asked questions

Please visit Motor Vehicle Enforcement's

website at: <http://www.iowadot.gov/mvd//omve/index.htm>