

March 16, 1951.
Passed on File.

House File 607
By MOTOR VEHICLES, COMMERCE
AND TRADE COMMITTEE

Passed House, Date
Vote: Ayes..... Nays.....
Passed Senate, Date
Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to amend section three hundred twenty-one point one hundred nine (321.109), Code 1950, relating to motor vehicles and law of road.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Section three hundred twenty-one point one
2 hundred nine (321.109), Code 1950, is hereby amended by inserting
3 after the period (.) following the word "paid" in line nineteen
4 (19) the following:
5 "And provided, however, that for any used motor vehicle
6 held by a registered dealer and not currently registered in this
7 state, when purchased in this state by a nonresident for removal
8 to his state of residence, the purchaser shall make application
9 to the county treasurer in the county of purchase for a transit
10 plate for which a fee of three dollars shall be paid."

EXPLANATION OF H. F. 607

Under our present statutes a used motor vehicle held for sale or trade by an Iowa dealer must be correctly licensed in Iowa before a transfer of ownership may be made to a purchaser. Frequently dealers, especially those in our border counties, hold for sale or trade a used motor vehicle on their U.D. list (see section 321.70), or a motor vehicle which has been acquired from another state. When such vehicles are sold to nonresident purchasers, the vehicle must be registered in Iowa before a transfer of registration may be made, even though the purchaser immediately removes the vehicle to the state of his residence. After the vehicle is out of the state, the Iowa plates are returned and a claim for refund is made in accordance with the provisions of sections 321.126 to 321.128. The amount retained by the state will vary with the

registration fee assessed, but generally is in the amount of \$3.00 or \$4.00, the balance of the original registration fee being refunded to the claimant. A large percentage of refund claims are occasioned by this type of transaction with considerable administrative costs and delay attendant thereto. In addition there is a demand on the department of public safety's reimbursement fund (see section 321.129) which is way out of proportion to the revenue received by it from the registration fees assessed for such vehicle. (For example, registration fees for vehicle are \$12.00; claim for refund, 15 days later, is for \$9.00; amount received by reimbursement fund \$0.12; amount payable out of reimbursement fund, \$9.00). This bill seeks to eliminate a large number of refund claims occasioned by sales of used motor vehicles for removal out of this state, and at the same time retain approximately the same revenue for the state as is now received through a reduction of administrative and handling costs.