

Elaine Douskey



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:* Michael L. Fitzgerald      Jeff W. Robinson      Jacqueline A. Johnson      James M. Holcomb  
Richard A. Leopold      Nancy A. Lincoln      Douglas M. Beech

### NOTICE OF PUBLIC MEETING

A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 10:00 a.m., Friday, February 29, 2008. **The meeting will be held at the Iowa Insurance Division located at 330 E Maple St, Des Moines, Iowa.**

The tentative agenda for the meeting is as follows:

10:00 a.m. Call to Order

1. Approval of Prior Board Minutes
2. Closed Session – Discussion of Pending and Imminent Litigation (To adjourn by 10:30 a.m.)
3. Public Comment Period
4. Board Issues
  - A. Legislative Update
  - B. Loss Portfolio Transfer Discussion - RFI
  - C. UST Removal Rule Status
  - D. SIC Model (RBCA) Rule Status
  - E. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since January 25, 2008 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

1d. Next Board Mtg. 3/27, Thurs.

## **Approval of Prior Board Minutes**



# IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## **MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM**

**January 25, 2008**

### **COMMISSIONER'S CONFERENCE ROOM IOWA INSURANCE DIVISION, 330 EAST MAPLE STREET DES MOINES, IOWA**

Susan Voss, Chairperson, called the Iowa UST Board meeting to order at 10:18 A.M. A quorum was present. Roll call was taken with the following Board members present:

Jacqueline Johnson (via telephone)  
Nancy Lincoln  
Doug Beech (via telephone)  
Stephen Larson (for Michael Fitzgerald)  
Jim Holcomb

Also present were:

David Steward, Attorney General's Office  
Tim Benton, Attorney General's Office  
Scott Scheidel, Program Administrator  
Lacey Skalicky, Program Administrator's Office  
James Gastineau, Program Administrator's Office  
Rochelle Cardinale, Iowa Department of Natural Resources  
Tim Hall, Iowa Department of Natural Resources

### **APPROVAL OF PRIOR BOARD MINUTES**

The minutes from the October 25, 2007 Board meeting were reviewed. Mr. Larson moved to approve the minutes, Ms. Lincoln seconded the motion, and by a vote of 6-0, the minutes were approved.

### **CLOSED SESSION**

Ms. Voss noted there were matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21. The Board members entered into closed session at 10:20 AM, and the session ended at 10:35 AM. Mr. Holcomb made a motion to approve the settlement offer to Coastal Mart for \$2.1M to settle claims to be paid over the period of two fiscal years. Mr. Larson seconded the motion, and a roll call vote was held resulting in all ayes. Approved 6-0.

## **PUBLIC COMMENT**

Ms. Voss requested any comments from the public present. There were no public comments made at this time.

## **BOARD ISSUES**

### **A. Legislative Update**

Mr. Scheidel presented a memo to the Board regarding items of interest at the State Capitol early in the 2008 Legislative Session. He noted that the Governor's budget recommendations were released and they suggested additional spending of 6-9% over the previous year. Mr. Scheidel explained that revenue estimates show continued growth, however new tax increases could be expected to cover some of the shortfall between revenue and new spending. He expected Legislators to add their priorities to the discussion and notified the Board that the Iowa UST Fund might be tapped by to fill any holes in the budget by the time Session ends.

Mr. Scheidel stated that there were no early bills filed that would have significant impact on the Board. He noted that a group of stakeholders had met after the Environmental Protection Commission (EPC) action on revising the RBCA Tier 2 model to discuss the changes made in the rule filing that fell outside of the recommendations of the software investigation committee (SIC), as well as other RBCA changes that might make sense. Therefore the potential existed that the stakeholders might propose statute changes to address the RBCA rule, which they would most likely present to the Board for either support or direction to move forward if anything materializes.

### **B. FY 2008 Goals Quarterly Update**

Mr. Scheidel presented to the Board the informational item regarding the progress of the Board's fiscal year 2008 goals as the 2<sup>nd</sup> quarter of the fiscal year ended. He explained that the Program had closed 86 claims since July 1, 2007 (52% to the goal), and representatives from the Administrator's Office had attended 63 corrective action meetings (63% to the goal) with Fund claimants, their consultants, and Department of Natural Resources (DNR) staff. Regarding the use of loss portfolio transfers, Mr. Scheidel stated that Petroleum Marketers Management Insurance Company (PMMIC) had inquired if the Board would be open to a transfer of 293 sites, thereby definitively ending the Board's liabilities for those sites. PMMIC representatives had been working on a written proposal to present to the Board, but had not presented anything over concerns of confidentiality. Next, Mr. Scheidel noted that DNR had not taken any action or requested a meeting for discussion of plastic water lines after Mr. Gastineau's suggestions stated in September. He did reveal that DNR had new guidance in place to address claimants who refuse to close abandoned private water wells timely. Lastly, Mr. Scheidel updated the board regarding their goal of changing the rule based on the SIC recommendations for the RBCA T2 model. He explained that DNR staff had moved forward with the notice of the RBCA T2 model change, as well as, additional items in rule to the EPC in January. He summarized the goal by

stating that the process was moving forward, however the rule itself was not consistent with the SIC recommendations.

**C. Transfer of Funds from Revenue Fund to Unassigned Revenue Fund**

Mr. Scheidel presented a letter from State Treasurer Michael Fitzgerald recommending the Board transfer the remaining balance of \$7,726,384.37 in the Revenue Fund to the Unassigned Revenue Fund, now that the debt service had been met. State Treasurer Fitzgerald recommended a similar transfer of funds twice per year following bond payments. Ms. Johnson moved to approve the transfer of funds totaling \$7,726,384.37 from the Revenue Fund to the Unassigned Revenue Fund, and Mr. Holcomb seconded the motion, which was approved by a vote of 5-0. Mr. Larson abstained from the discussion and the vote.

**D. Loss Portfolio Transfer Discussion**

Mr. Scheidel provided the Board with a memo from PMMIC in the Board packet discussing a possible loss portfolio transfer (LPT) of claims from the Board to PMMIC. Tom Norris addressed the Board regarding the memo he provided for the Board packet. He offered to answer any questions Board members had about the memo. He stated that PMMIC's concern regarding the confidentiality issue was the reason he had yet to provide a formal, written proposal, as PMMIC didn't want to be in the position of negotiating against itself. He said that he didn't believe that any other entity would be interested in the referenced group of claims; however he was at the meeting to ask the Board to consider a confidentiality issue for the same reasons that the LPT of last spring was negotiated.

Mr. Larson suggested the Board issue a Request for Information (RFI) to solicit interest from other entities in a loss portfolio transfer of claims. Receipt of proposals, to include limited information about interested entities, would address the Board's question of whether or not other interested parties existed and might respond to a competitive bid request. He also suggested an RFI be issued on a limited timeline of 30-60 days, so that if no other parties were interested, then the Board could decide it may be impractical to subject the potential portfolio transfer PMMIC would like to discuss to a competitive bid and move forward to see if a transfer beneficial to the Board could be reached.

Mr. Norris inquired if the Board would group the same set of claims as the set that PMMIC had proposed interest in, and if so, why that same set? Ms. Voss stated the RFI should be more general than offering a particular set of claims for consideration. Mr. Norris also wanted to know where the RFI would be posted. Mr. Larson responded that the Board could do a mailing to potentially interested parties, and Ms. Voss stated the RFI could be posted in the Bulletin or other industry sites.

In response to Mr. Norris' question about the grouping of claims, Mr. Scheidel suggested that the Board could group together the same set of claims for an RFP, simply based on the fact that the potential transfer of that set of claims had been driven by the PMMIC offer to seek competitive bids. He said that if the transfer of claims' liabilities had been driven by the Board, they would most likely come up with a different set, however the notion had not been Board-driven, so it

would be unlikely to happen unless the Board required bidding to meet statutory requirements. He offered that the RFI could state that the Board had been approached with an offer for 293 specific claims; however Ms. Voss suggested the RFI be more general, rather than suggesting a particular set of claims was to be transferred.

Mr. Norris mentioned that it was stated within the memo in the Board packet that some UST claim sites that were insured by PMMIC were being examined to see if they might have new releases, in which case, these sites would be in a similar situation as those transferred to PMMIC in the previous LPT of last year. They might end up being shared sites, in the sense that the Board would pay to remediate an old release while PMMIC would pay to remediate a new release. Therefore, the Board and PMMIC would again negotiate their share of each sites' contamination and split the costs of the remediation of each accordingly. Mr. Norris explained in the memo that the Board had previously determined it impractical to seek additional bids with regard to such sites in the previous LPT.

Mr. Scheidel stated that the RFI potentially could be approved at the February Board meeting for issuance, and could request responses within 30-60 days. Ms. Lincoln inquired about the site owners' understanding of the waivers and agreements that claimants would be required to sign and how that would work with such a large number of claimants. Mr. Scheidel explained that it would be more difficult to get all claimants to sign a waiver, and the Board would have to discuss options on how to handle the cessation of its liability. He stated that the offerer might have to provide some indemnification to the Board for certain claims filed against it as one option, but it would be up to the will of the Board.

Mr. Holcomb inquired about the goal of the RFI. Mr. Steward explained that the Board would be requesting whether any entity would be interested in a transfer of liabilities from the Board. And Mr. Scheidel explained that the RFI would communicate to the public that the Board was open to considering such transfers.

Mr. Norris stated that the original intent of the UST Fund legislation was to benefit the state and preserve its rural distribution network. To that end, he explained that the LPT proposed by PMMIC would ensure that the money intended to remediate UST sites, specifically operating facilities, would be used to remediate those sites, and the possibility of a reappropriation of funds would be avoided.

Mr. Scheidel offered to draft the RFI with Mr. Steward for presentation to the Board at the next meeting. Ms. Lincoln inquired if now was the right time for the Board to look at LPT's or if it would be more beneficial to do so later. Mr. Scheidel explained that the LPT was the one way to end the Board's responsibility to its claimants. Although the funding of the Program ended in 2016, the Board's liabilities had no expiration date. Therefore, the cessation of any liabilities would be a step in the right direction, as LPT's provide the Board with finality. The RFI would give the Board a checkpoint to see if the time is right or not. The RFI would not necessarily result in any transaction.

Ms. Voss inquired if the Board was in agreement with regard to Mr. Scheidel and Mr. Steward drafting a RFI for the next meeting, and they were. Also, Mr. Larson opined that if Mr. Scheidel

were to find, through the process of drafting the RFI, that it would be impractical to take this additional step, then he should present his reasons why to the Board to allow for a timely response to PMMIC's offer.

**E. UST Removal Rule Status**

- See 'Appendix C' -

Mr. Scheidel provided the Board with a Notice of Intended Action for the removal of underground storage tanks (UST's) for Board approval. Mr. Scheidel noted that the rule in question was emergency-filed and also noticed at the end of last summer to allow for immediate reimbursement for tank removal at sites, and no public comment had been received during the open public comment period for that notice. However, he stated that representatives from DNR and PMMIC had comments after the comment period had expired. In October, the Board had voted to adopt the UST removal rules as noticed. He said that a representative from PMMIC attended the following Administrative Rules Committee (ARC) meeting, where the adoption of the rule was considered, and the committee put a hold on the rule, instructing the parties to work out the difference. The issue was the use of a new word—disqualified—in the sub rule. Mr. Scheidel worked with Mr. Steward to draft the amendments before the Board; PMMIC was in agreement with them. Mr. Scheidel stated that he met again with the ARC a week and a half ago, and he presented them with a new rule, which was also included in the Board packet today. He said that he told the ARC that he couldn't go ahead with the Notice of the new rule without first seeking Board approval. The ARC was comfortable with the agreement between the PMMIC representative and Mr. Scheidel and took no further action, with the understanding that the sub rule would be amended.

- Appendix C

He explained that in addition to the comment by PMMIC, he attempted to amend the rule to accommodate DNR's comment. The proposed amendments to the rule remove the word disqualified to address the comment by PMMIC. Additionally, the proposed rule simplifies the process for a claim where the owner and the claimant may not be the same entity because of property transfers over time. Also the amended rule allows the Board to limit the cost of a claim for removal to the cost that would be paid under any Board contract for such activity. The amended version allows the Board to reimburse to remove tanks at sites that had a claim in good standing, received NFA certificate and then perhaps lost Financial Responsibility—these would represent a significant issue for IDNR since timely removal of the tank can preserve the ability to make a claim under their pollution insurance. Lastly, it makes reference to what the Board already does in removing tanks for the IDNR under its closure contract.

Mr. Beech inquired about PMMIC's concern with the current rule. Mr. Scheidel explained that PMMIC wanted the word "disqualified" removed from the rule. Mr. Beech stated his concern with regard to the claimants who had entered into a LPT last spring, and whether they would be eligible for reimbursement from the UST Fund under this new rule. Mr. Scheidel stated that none of those claimants had applied for tank pull reimbursement to date, and if they were to do so, the Board would have to weigh the language in the rule against the language in the agreements and waivers entered into with regard to the LPT, the same as any other settlement agreements.

Mr. Holcomb requested a comparison of the current rule with the new rule. Mr. Scheidel stated he would send the Board members copies of both rules to compare via electronic mail.

Mr. Larson moved to approve the rule language and notice the rule before the Administrative Rules Committee (ARC). Mr. Holcomb seconded the motion, which was approved by a vote of 6-0.

**F. SIC Model (RBCA) Rule Status**

Mr. Scheidel explained the status of the rule that was filed by the DNR regarding the risk based corrective action (RBCA) model. He advised the Board that DNR took the rule to the Environmental Protection Commission (EPC) for a third time for notice. He reminded the Board that the software investigation committee (SIC) had recommended the DNR recalibrate the model within the RBCA software based on their discussions over the past nearly two years. The DNR subsequently added additional items to the rule to address a variety of departmental concerns without any stakeholder involvement. The resulting rule, was scheduled for notice at the EPC meeting in October, but was met with significant public comment from stakeholders and SIC members prior to the meeting, and therefore was pulled from the agenda and not discussed. The DNR altered the rule, which was put on the November agenda for the EPC as an item for information only. He stated that meetings were held between DNR staff and stakeholders about the content of the rule. DNR again revised the rule. Mr. Scheidel said the rule was not limited to SIC recommendations, nor did it address all stakeholders' concerns. The rule was noticed at the December EPC meeting, and it was currently in a public comment period.

5/21/06  
NO Jun 07

**G. DNR Update**

Is that even possible?

Tim Hall from the Department of Natural Resources (DNR) addressed the Board about a restructuring of Bureaus at the DNR. Brian Tormey would be Bureau Chief in charge of the UST and LUST sections in conjunction with contaminated sites and landfills. Mr. Hall was moving to a primarily non-regulatory bureau including watershed, water resources, and geology, involving more Earth science and compilation of data to provide technical assistance to other Department bureaus.

Mr. Hall addressed the RBCA rule noticed by the DNR. He pointed out that there were many other stakeholders in this rule than merely UST stakeholders, as the rule could affect the interests of rural water associations and public water supply entities, who were also involved in the discussions with DNR. He wanted the Board to be aware of DNR's efforts to balance the rule between the interests of both UST owners and operators and water supply entities. Additionally, he stated that although some items addressed in the rule seemed ancillary to SIC members and UST stakeholders, the DNR staff felt the items were absolutely relevant to the RBCA process and to the rule. He invited the public to provide comment in writing to the EPC or at the public hearings to be held March 4, 5, & 6, 2008.

Mr. Beech provided two comments. He stated his concern about the DNR's decision to resist making modeled plumes more realistic, as those plumes had been determined to be several times overly-conservative based on the analysis of actual historical data. Mr. Hall replied that DNR had addressed the overly-conservative nature of the model by implementing the SIC

recommendation to recalibrate the model within the rule. However, he explained that the model would have some shortcomings in special instances where certain receptors were at additional risk. Therefore, the DNR addressed those special instances by including language in the rule to provide for additional analysis of the risks to those certain receptors. He confirmed that the extra analysis would be an exception to the model rather than the rule of thumb. Mr. Scheidel explained that the DNR had put into the rule very broad and generalized criteria that would allow each DNR project manager to require additional data to assess the risk of a site at great cost to the owner, and possibly the Board. He had previously suggested to the DNR that they include exception language stating that if they see evidence in the assessment data, then they should seek additional data, after building a case for the exception... He stated that DNR's approach may or may not be overly burdensome as it gives great authority without any checks. The ultimate cost would rely on how each project manager decided to use the authority. In either event the number of sites that were purported to be the basis has been a very small number in the program to date. Mr. Hall responded that he felt the DNR staff would proceed responsibly with regard to using the RBCA model. Mr. Scheidel explained that each DNR project manager might use the rule completely differently, leaving the potential costs at a site very difficult to predict.

Mr. Beech also inquired about the standard of free product recovery (FPR) at a particular site. He explained that a DNR project manager had advised Casey's of a new standard for FPR at sites, where previously monthly hand bailing had been the accepted method. Mr. Beech stated he had discussed the change in policy with Dave Wornson, DNR counsel, however he wondered how the DNR planned to notify site owners and operators, as well as Board members, about the policy change. Rochelle Cardinale from the DNR addressed the question, stating she was unaware of a new FPR policy change; however she noted that project managers may require more active methods, if the amount of free product warranted it. She explained that there was no set policy of FPR for every site that required it, as it would often depend on numerous site-specific conditions. Mr. Beech inquired about diesel fuel, and she confirmed that hand bailing was used often for diesel because it was heavier than gasoline, so it didn't typically spread as far as quickly. Again she deferred to site conditions, including soil type, and she suggested that larger volumes of free product might be better served with more aggressive methods of FPR.

With regard to the RBCA rule noticed by the DNR, Ms. Cardinale concurred with Mr. Hall's belief that DNR staff would not over-use their authority to seek additional assessment data where the newly calibrated model would show it to be unwarranted. She agreed that DNR staff felt the authority should be expressed in rule for the benefit of the sites that were real exceptions to the model.

Ms. Voss commented that the rule could include phrasing, "it is the intent of this rule to..." She indicated that her department used the phrase at times, so that it would be noted in rule that the exception wording was not to be used excessively, but rather exceptionally.

Ms. Cardinale wanted the Board to be aware of the vertical component of contamination at certain sites due to receptors like high-volume pumping wells, and she noted that the RBCA model only addressed site assessment in two dimensions. Mr. Scheidel noted that the rule did not mention high-volume pumping wells, and therefore indicated that the rule language may be

too broad for stakeholders' comfort. Ms. Cardinale repeated that the DNR welcomed public comment at the hearings to follow in Denison, Iowa City and Des Moines.

Next, Ms. Cardinale provided Board members with a handout regarding an evaluation of corrective action conferences. The handout showed that 478 sites had been included in the corrective action meeting process, resulting in signed memoranda of agreement (MOA) on 325 sites. She noted that 134 sites were resolved without the need for signed MOA, and 17 sites awaited additional meetings. Also, she explained that most sites (80%) were involved in the implementation of the activities agreed upon in the meetings, however some (29) had been reclassified to Low Risk and some (10) had been recommended for reclassification to Low Risk. Additionally, she stated that 47 sites were classified no action required (NAR), and 8 sites were recommended for reclassification to NAR.

Additionally, Ms. Cardinale showed the breakdown of corrective action strategies including almost 36% of sites implementing expedited corrective action methods, approximately 33% taking a Tier 3 approach, and just over 31% implementing a remediation system. She also noted some changes to the conference process, as meetings would be needed as follow-up for remediation system evaluation, testing and modifications required at some sites. Also, meetings would be held on low risk sites to move them toward NAR. She mentioned that DNR staff reductions had left fewer managers available for conferences. But also, she stated the back log of high risk sites awaiting a corrective action plan had been significantly reduced, and the remaining sites involved recalcitrant parties, funding problems, and other complex issues.

**PROGRAM BILLINGS**

Mr. Scheidel presented the current monthly billings to the Board for approval.

1. Aon Risk Services .....\$117,120.00  
Consulting Services – December 2007 (\$64,536.00)  
Claims Processing Services – December 2007 (\$52,584.00)
2. Aon Risk Services .....\$122,726.00  
Consulting Services – January 2008 (\$57,513.00)  
Claims Processing Services – January 2008 (\$55,213.00)
3. Aon Risk Services .....\$122,726.00  
Consulting Services – January 2008 (\$57,513.00)  
Claims Processing Services – January 2008 (\$55,213.00)
4. Attorney General's Office .....\$9,503.33  
Services provided for October 2007
5. Attorney General's Office .....\$9,503.49  
Services provided for November 2007
6. Attorney General's Office .....\$15,001.40  
Services provided for December 2007

- 7. Iowa Department of Inspections & Appeals.....\$253.50  
Administrative hearings on behalf of the Iowa UST Program  
July – September 2007
- 8. Iowa Department of Inspections & Appeals.....\$1,922.38  
Administrative hearings on behalf of the Iowa UST Program  
October – December 2007
- 9. Iowa Department of Revenue .....\$988.38  
Environmental Protection Charge collections  
October - December 2007

No additional billings for outside cost recovery counsel were presented by the Attorney General’s office for this meeting. On a motion by Mr. Holcomb and a second by Ms. Lincoln, the billings were approved by a vote of 6-0.

**MONTHLY ACTIVITY REPORT**

Mr. Scheidel noted that the October, November and December activity reports, financials and opt-in reports were in the Board packets for the Board members to review. Ms. Voss requested a copy of the information sent to legislators each year for her reference.

**ATTORNEY GENERAL’S REPORT**

Mr. Steward stated he had nothing to report to the Board at this time.

**CLAIM AUTHORITY**

Mr. Gastineau presented the following claim authority requests:

**1. Site Registration 8601178 – Six W. Ampride, Inc.**

This site was low risk with free product. Previous authority to \$75,000 had been granted, and \$81,599.47 was incurred to date. Additional authority to \$115,000 was requested for a site monitoring report (SMR) and continued free product recovery (FPR).

A motion to approve the claim authority was submitted by Mr. Holcomb and seconded by Ms. Lincoln. Approved 6-0.

**2. Site Registration 8710744 – Seaton’s Jack & Jill, Brooklyn**

This site was classified high risk for groundwater vapor to enclosed space for a residential sewer and non-residential basement and for soil vapor to the residential sewer. Vapor sampling had failed. A multi-phase extraction system was being proposed and would be operated for an anticipated time period of three years. Previous authority to \$75,000 had been granted, and

\$48,511.38 was incurred to date. Additional authority to \$309,000 was requested for a SMR, corrective action design report (CADR) and implementation of the CADR.

Mr. Holcomb submitted a motion to approve the claim authority, and Ms. Johnson seconded the motion. Approved 6-0.

### **3. Site Registration 8607914 – Louisa County, Oakville**

This was a third Board report for a site classified high risk for the groundwater to plastic water line pathway, and low risk for the groundwater to protected groundwater source pathway and soil vapor to enclosed space pathway. A replacement municipal well had been installed in 2007, and the existing high risk water well was to be plugged. However, the new well was installed with plastic water lines running through the simulated plume. Additionally, the Mayor of Oakville had issued a complaint about the new well. Mr. Gastineau explained that he had informed the DNR, the groundwater professional and the engineer about the Mayor's concerns. The remaining pathways might be addressed through monitoring only. Previous authority to \$385,000 had been granted, and \$375,978.04 was incurred to date. Additional authority to \$460,000 was requested for a SMR and implementation of the drinking water well plugging.

Mr. Holcomb submitted a motion to approve the claim authority, and Ms. Lincoln seconded the motion, which was approved 6-0.

### **CONTRACTS ENTERED INTO SINCE THE OCTOBER 25, 2007 BOARD MEETING**

Mr. Scheidel noted that the Board had entered into two new contract extensions for community remediation projects (CRP's).

- 1) The Conesville CRP contract with Seneca Environmental was extended for one year with no additional funding.
- 2) The Chelsea CRP contract with Trileaf Corporation was extended for one year with additional funding approval to \$250,000 total for the project.

### **OTHER ISSUES**

Mr. Gastineau brought up the American Water Works Foundation water line report. He stated the report had been released, and the DNR had a copy. He anticipated the DNR might soon have a response to the issue he had raised in September with regard to the plastic water line pathway. Mr. Hall concurred stating that he believed the DNR staff would request a meeting to discuss the findings of the study with the Fund Administrator's Office staff and interested parties, once all had time to review the report. Mr. Scheidel expressed concern about the amount of time expended between reviewing the report and implementation of an agreed upon policy with regard to plastic water lines, based on the timeline of the RBCA rule process. Mr. Hall stated that the DNR was not interested in an extensively long review time on the issue.

Due to scheduling conflicts the next Board meeting, scheduled for Friday, February 22<sup>nd</sup>, was re-scheduled for Friday, February 29<sup>th</sup> at 10 A.M.

**CORRESPONDENCE AND ATTACHMENTS**

Ms. Voss asked if there was any further business, and there being none, Ms. Lincoln moved to adjourn, and Mr. Holcomb seconded the motion. By a vote of 6-0, the Board adjourned at 12:01 P.M.

Respectfully Submitted,

A handwritten signature in black ink that reads "Scott M. Scheidel". The signature is written in a cursive style with a large, prominent initial "S".

Scott M. Scheidel  
Administrator

## **Closed Session**

### **Discussion of Pending and Imminent Litigation**

## **Public Comment**

## **Board Issues**

## A. Legislative Update

- Carry-INS Summarizing bills

## **B. Loss Portfolio Transfer Discussion - RFI**

REQUEST FOR INFORMATION  
ON A  
LOSS PORTFOLIO TRANSFER  
FOR THE  
STATE OF IOWA

ISSUED BY THE  
COMPREHENSIVE PETROLEUM STORAGE TANK FUND BOARD

Table of Contents

Section 1 - BACKGROUND AND OBJECTIVES

1.1 Background Information for the Project..... 1  
1.2 Information Sought..... 1  
1.3 Relevant Dates..... 1  
1.4 Interested Parties' Questions about RFI..... 1  
1.5 Submission of Response/Presentations..... 2  
1.6 Format of Interested Party's Response to RFI..... 2  
1.7 Cost to Interested Parties..... 2  
1.8 Responses are Property of the Board..... 2  
1.9 Review and Rejection of RFI Responses..... 3  
1.10 Public Records and Requests for Confidentiality..... 3  
1.11 Copyrights..... 4  
1.12 Restrictions on Gifts and Activities..... 4  
1.13 Disclaimer..... 4  
1.14 Sources of Information used by the Board..... 5  
1.15 No Obligation to Issue Request for Proposal (RFP)..... 5

Section 2 – INTERESTED PARTY INFORMATION AND RESPONSES

2.1 Background on Current Claim Status..... 6  
2.2 Board Criteria and Parameters..... 7  
2.3 Interested Party References..... 8

Exhibit One –

Exhibit Two –

Exhibit Three –

Exhibit Four –

Exhibit Five –

## SECTION 1. BACKGROUND AND OBJECTIVES

### 1.1 Background Information for the Project

The Iowa Comprehensive Petroleum Storage Tank Fund Board (Board) pays claims for assessment and corrective action to eligible claimants for historical petroleum releases from underground storage tanks. The Board and its funds were established as a temporary measure to address increased regulation from the United States Environmental Protection Agency and Iowa Department of Natural Resources.

One tool available to the Board to assist with reaching the end of its liabilities is a Loss Portfolio Transfer for a portion or all of its claims. The Board was given statutory authority in 455G.6(17) and adopted rules in Iowa Administrative Code 591, Chapter 9 (Appendix 1).

This RFI is available online at <http://www>.

### 1.2 Information Sought

The purpose of this process is to provide the Board with information that would allow them to ~~negotiate with~~ or seek bids from parties that may be qualified and interested in a transfer of any of the Board's outstanding claims.

### 1.3 Relevant Dates

Event	Dates
Board Issues RFI	March XX, 2008
Vendor Questions about RFI due to Board (by e-mail)	March XX, 2008
Board Issues Answers to Vendor Questions	March XX, 2008
Vendor responses to RFI due to Board (by e-mail)	March XX, 2008
Scheduling of Presentations by Selected Vendors (if any)	April XX, 2008
Vendor Presentations to Board (if any)	April XX, 2008

### 1.4 Interested Parties' Questions about RFI

Interested parties that have questions concerning this RFI may submit questions to Treasury, by e-mail, no later than 4:00 p.m., Central Time, on March XX, 2008. The e-mail address is [scott\\_scheidel@ars.aon.com](mailto:scott_scheidel@ars.aon.com). Oral inquiries will not be accepted.

Questions received, and the answers that Treasury provides, will be provided to interested parties that have requested to be included by e-mail during the question period.

### 1.5 Submission of Response/Vendor Demonstrations

Any vendor wishing to submit a response to this RFI must do so by 4:00 p.m., Central Time, on March XX, 2008. Responses must be submitted by e-mail to [scott\\_scheidel@ars.aon.com](mailto:scott_scheidel@ars.aon.com) or received in person at Iowa UST Fund, 2700 Westown Pkwy, Suite 320, West Des Moines, IA 50266

After reviewing the responses, the Board may contact selected vendors during the week of April XX, 2008 to schedule presentations. Presentations are tentatively scheduled to take place April XX, 2008 and will be held at the Insurance Commissioners' Office in Des Moines, IA.

## **1.6 Format of Vendor's Response to RFI**

Responses should be based on the material contained in this RFI or any other relevant information the vendor thinks is appropriate, and should include the following information:

### **1.6.1 Interested Party Identifying Information, including**

- name and principal place of business.
- type of business entity, such as a corporation or partnership.
- vendor's place of incorporation, if applicable.
- At the respondent's discretion, provide an organization chart for the vendor. Include any parent, subsidiary and affiliate companies you feel may be relevant to this presentation.

### **1.6.2 Name, address, e-mail address, telephone number, and fax number of the representative to contact concerning this RFI.**

1.6.3 Response discussing interest in the assumption of any group of claims currently paid by the Board. The response should address, at a minimum, the criteria contained in Section 2.2. The response should include a discussion of the benefits for the program as a whole as well as the benefit to claimants either included in or excluded from the response.

## **1.7 Cost to Vendors**

The Board is not responsible for any costs incurred by a vendor, which are related to the preparation or delivery of the response, any on-site inspection that may be required, or any other activities related to this RFI.

## **1.8 Responses Property of the Board**

All printed information used to demonstrate a vendor's product becomes the property of the Board. The Board will have the right to use ideas or adaptations of ideas that are presented in the responses.

## **1.9 Review and Rejection of RFI Responses**

1.9.1 The Board reserves the right to reject any and all responses, in whole and in part, received in response to this RFI at any time. Issuance of the RFI in no way constitutes a commitment by the Board to award any contract. This RFI process is for the Board's benefit and is intended to provide it with information to assist in the decision regarding potential Loss Portfolio Transfers in the future. The RFI is not intended to be comprehensive and each Vendor is responsible for determining all factors necessary for submission of a comprehensive response.

The RFI response will not be subject to an RFP type evaluation, but only to a review of suggested transfer mechanisms, cost (cost may be estimated by Vendor; if it is an estimate, Vendor shall state that it is an estimated or approximate cost), indemnification and release of liability offered, and abilities to meet ongoing liabilities consistent with Board laws and regulations.

1.9.2 An RFI response may be rejected outright and not reviewed for any one (1) of the following reasons, therefore Vendors are asked to make every effort to meet the RFI timelines and to include the requested information:

1.9.2.1 Failure of Vendor to deliver the response by the due date and time.

1.9.2.2 Failure to include information requested in the RFI.

## **1.10 Public Records and Requests for Confidentiality**

1.10.1 The release of information by the Board to the public is subject to Iowa Code Chapter 22 and other applicable provisions of law relating to the release of records in the possession of a State agency. Vendors are encouraged to familiarize themselves with these provisions prior to submitting a bid proposal. All information submitted by a Vendor may be treated as public information by Board unless the Vendor properly requests that information be treated as confidential at the time of submitting the proposal.

1.10.2 Any requests for confidential treatment of information must be included in a cover letter with the Vendor's bid proposal and must enumerate the specific grounds in Iowa Code Chapter 22 or other legal reasons which support treatment of the material as confidential and must indicate why disclosure is not in the best interests of the public. The request must also include the name, address and telephone number of the person authorized by the Vendor to respond to any inquiries by Board concerning the confidential status of the materials.

1.10.3 Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the proposal submitted, as well as the original proposal, must be marked in this manner.

1.10.4 In addition to marking the material as confidential material where it appears, the Vendor must submit one copy of the bid proposal from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible. These pages must be submitted with the cover letter and will be made available for public inspection.

1.10.5 The Vendor's failure to request in the bid proposal confidential treatment of material pursuant to this Section and the relevant laws and administrative rules will be deemed by Board as a waiver of any right to confidentiality which the Vendor may have had.

### **1.11 Copyrights**

By submitting a response the vendor agrees that Board may copy the response for purposes of facilitating the evaluation or to respond to requests for public records. The vendor represents that such copying will not violate any copyrights in the materials submitted.

### **1.12 Restrictions on Gifts and Activities**

Iowa Code chapter 68B contains laws which restrict gifts which may be given or received by state employees and requires certain individuals to disclose information concerning their activities with state government. Vendors are responsible for determining the applicability of this chapter to their activities and for complying with these requirements. In addition, Iowa Code chapter 722.1 provides that it is a felony offense to bribe a public official.

### **1.13 Disclaimer**

1.13.1 This RFI is designed to provide vendors with the information necessary for the preparation of an appropriate response. It is not intended to be comprehensive, and each vendor is responsible for determining all factors necessary for submission of a comprehensive response.

1.13.2 Board reserves the right to modify this RFI at any time.

1.13.3 By submitting a response each vendor agrees that it will not bring any claim or have any cause of action against the Board or the State of Iowa, or any employee or agent of the State, based on any misunderstanding concerning the information provided or concerning the Board's failure, negligent or otherwise, to provide the vendor with pertinent information as intended by this RFI.

### **1.14 Sources of Information Used by the Board**

The Board reserves the right to contact vendors after the submission of responses for the purpose of clarification and to ensure mutual understanding.

### **1.15 No Obligation to Issue Request for Proposal (RFP)**

The issuance of this RFI does not obligate the Board any way to issue any RFP for the goods and services described in this RFI.

## SECTION 2. INTERESTED PARTY INFORMATION AND RESPONSES

### 2.1 Background on Current Claim Status:

The Board reimburses eligible claimants for their assessment and corrective action costs required pursuant to Iowa Department of Natural Resource laws and regulations. Historically, the Board has had over 5,900 claims for benefits. As of the end of Calendar year 2007 there were 1,220 open claims for benefits. Of those claims that remain open roughly one third were at sites that still had tanks in operation, with remaining two thirds at sites where tanks had been closed or removed.

The Board was established as a temporary measure to assist owners with releases that occurred at their sites prior to the date, October 26, 1990, by which they were required to obtain or prove Financial Responsibility to cover any potential release reported after October 26, 1990. As the number of claims open declines, the Board may consider a transfer of all or a portion of the remaining open claims as a method to terminate the program consistent with its temporary nature.

### 2.2 Board Criteria and Parameters

**2.2.1 Termination of Liability**--The Board's decision to pursue any transaction will, in large part, be to terminate future liability as they move toward closure of the entire program. Any discussion or proposed interested party must clearly address how this will be accomplished. The Board may require indemnification from any potential transferee as well as requiring that the possibility of any required indemnification be funded through some mechanism the Board may draw upon in the event the transferee fails to meet its obligations. (ie Bond, Letter of Credit) Additionally, the Board may seek assurances that any claimants included in any potential transfer release the Board and acknowledge the transfer of their claim.

**2.2.2 Minimum Evaluation Criteria**--The Board, in its rules, has published the minimum criteria it will evaluate with regard to determining whether or not a transfer is in the best interest of the program. That minimum criteria is the overall effect on the cost to reach closure for the Board, Qualifications of any potential transferee, the impact entering into a transfer might have on the claims not included that would remain with the Board and the impact the transfer will have on the statutory rights of the claimants.

**2.2.2.1 Effect on Cost**—The Board continually monitors and adjusts reserves for all open claims. The sum of those reserves on each individual file serves as one estimate of the ultimate cost to closure of the remaining claims. The Board views closing claims at a savings over this number as in the best interest of the program overall. Extensive consideration in the evaluation of any potential transfer will be given to those estimates, the time value of making those payments, the savings proposed in any transfer and the fluctuation risk

associated with either paying the claims over time or paying lump sum to close them.

**2.2.2.2** *Effect on Speed to Closure*—The Board views quicker closures of sites as in the better interest of the program overall. Consideration will be given during the evaluation of any potential transfer to any improvements in speed to closure for claims. The Board's statutes provide that it is a reimbursement program, in other words payment is made after costs are incurred. A providers' ability to "pay on behalf of" claimants and move sites to closure through direct contracting would be an example that might be able to demonstrate the ability to sites more quickly than waiting for claimants to act to incur costs.

**2.2.2.3** *Transferee Qualifications*—If the Board elects to consider any potential transfers the qualifications of the transferee would be of considerable importance. The ongoing financial viability of the transferee would be a primary factor the Board would evaluate. For Insurers that could be evaluated by examining their rating by industry standards such as AM Best or Standard and Poor's. For entities without an industry rating standard it could involve an evaluation of their balance sheet for viability. Experience with environmental claims also plays an important role the Board will evaluate for any potential transferee. An understanding of the issues and practices in handling environmental claims may be evaluated through references or demonstration of successful remedial efforts on past claim files. The Iowa DNR has unique Risk Based Corrective Action standards and guidance that establish the requirements to reach closure at sites and ultimately closure of the claims. The Board would evaluate the ability of any transferee to capture this information in either direct experience or through their use of experienced vendors.

**2.2.2.4** *Impact on Remaining Claims*—If any potential transferee interest would result in the Board maintaining responsibility for currently open claims, the Board will evaluate their ability to meet those obligations subsequent to any proposed transfer that is being proposed. The Board has statutorily limited cash flows and has seen monies diverted for other purposes in the past. These factors continue to move the Fund balances to a level that could result in cash flow issues, especially if relatively large lump sums are involved in a transaction such as a partial LPT. Creating cash flow problems for the remaining claims for the settlement of a separate group of claims may not be deemed to be in the best interest of the program by the Board.

**2.2.2.5** *Impact on Claimants Statutory Rights*—Any potential transfer of liabilities will essentially freeze the claimants terms of recovery for their benefits. Transferees interested in bidding in the event of an RFP or negotiating with the Board, if the Board so elects to pursue any of the responses to this request, will address the claimants assent to have their claim transferred and their release of the Board from past, present or future liability. As claimants

not included in any transfer may have their benefits expanded or restricted should Iowa Code 455G, the statute under which benefits are currently paid, be amended in the future. Additionally, any transfer will be made with the transferee agreeing to maintain the claimants right to be reimbursed or have payments made on their behalf until such time as the site or sites where the release of petroleum that is the subject of the claim transferred has received a No Further Action certificate from the Iowa DNR for the release which the original claim was made.

**2.2.3 Previous Board Transfers**—The Board has previously entered into one transfer of liabilities as referenced in the rules and statutes. The Board negotiated that transfer because of the very unique nature of the group of claims. Those claims all had both a claim with the Board for a historical release as well as a new release being addressed by either the same or a subsequent owner or operator. Additionally, each of those claims subsequent releases had open claims with the same insurance company. Because of the actual shared liability at those sites the Board agreed to negotiate a transfer to include all claimants willing to participate. Out of the original 14 claims, 10 agreed to participate and a transfer was completed in 2007. The Board also saw the collateral benefit in entering into the transaction of gaining experience that might provide insight for any potential future transfers. That transfer is still very fresh so very little has been gained in terms of knowledge with regard to Effect on Cost and Speed to Closure as referenced above. The size of the transfer had very little effect on the claims remaining with the Board.

### 2.3 Vendor References

Please provide a list of state governments for whom you have provided similar treasury workstation products in the last four years. In addition, include up to three other municipalities (cities, counties, etc.) for whom you have provided treasury workstation products in the last four years.

Exhibit One – IAC 591, Chapter 9



## **C. UST Removal Rule Status**

**PETROLEUM UNDERGROUND STORAGE TANK  
FUND BOARD, IOWA COMPREHENSIVE [591]**

**Notice of Intended Action**

*no public hearing,  
will be published March 4  
comment by April 1*

Twenty-five interested persons, a governmental subdivision, an agency, or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code Section 17A.4(1)"b."

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under Section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 455G.9, the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board hereby gives Notice of Intended Action to amend Chapter 11 Iowa Administrative Code.

Chapter 11 as amended will modify rules and procedures for the reimbursement of claims for the removal of eligible upgraded underground storage tanks, pursuant to 455G.9. The changes address comments received after the public comment period for the recent rule filing to implement these rules. The amendments broaden the number of eligible sites and provide greater flexibility to the Board to work with the IDNR in removing tanks that may cause environmental harm in a more timely manner. Additionally to address the large number of sites that have changed owners and the various methods of transfer or retention of liability the rules were amended to make it easier for documenting eligibility at sites where ownership has changed.

Public comments concerning the proposed amendment will be accepted until 4:00 p.m. April 1, 2008. Interested persons may submit written or oral comments by contacting the Administrator to the UST Fund at 2700 Westown Parkway, Suite 320, West Des Moines, IA 50266, e-mail: [Scott\\_Scheidel@ars.aon.com](mailto:Scott_Scheidel@ars.aon.com) or phone: 515/225-9263 or facsimile 515/225-9361.

These rules do not mandate additional combined expenditures exceeding \$100,000 by all affected political subdivisions or agencies and entities which contract with political subdivisions to provide services.

These rules are intended to implement Iowa Code section 455G.9 (2007).

The following amendments are proposed.

ITEM 1—Replace IAC 591 Chapter 11.3(11) with the following:

**11.3(11)** Permanent closure of an underground storage tank system. Costs for the permanent closure of underground storage tank systems are eligible for reimbursement from the board if all

of the following requirements are met:

*a.* The underground storage tank system to be permanently closed was already in place on the date an eligible claim was submitted to the board.

*b.* A claim for reimbursement from the board must have been made and must have been deemed eligible for the site, pursuant to 455G.9 or 455G.21.

*c.* The permanent closure activities occurred on or after July 1, 2007. All costs must have been preapproved prior to the commencement of work.

*d.* For projects that include the removal of tank systems that are also associated with a larger scope of work, for example, the installation of a remediation system or expanded excavation or upgrading of a fuel delivery system, the budget for the entire scope of work must be submitted for any costs to be considered eligible for reimbursement.

*e.* The board may elect to provide for the direct removal of any tanks eligible through a board contracted vendor.. Any copayment shall be paid by the claimant upon removal of the tank system. The board will limit reimbursement for any removal to no more than the Board would have paid had the board removed the tanks with any board contracted vendor.

*f.* For claims submitted in situations where the tank owner and the eligible claimant are different parties, the Board will reimburse costs under this rule after invoices have been paid and only with

written acknowledgment consenting to the work completed by both parties and submitted with the invoices.

*g.* Claimants shall be responsible for ensuring that any persons performing work meet all applicable licensing or certification requirements or both that may exist at the time of completion of the work to be reimbursed. If the work is performed by a board contracted vendor, the board shall ensure licensing and certification requirements of the general contractor are met.

*h.* Claims made under this subrule are subject to Iowa Code chapter 455G copayment requirements and cost recovery enforcement.

*i.* The board may remove tanks at sites that fail to meet the requirements under paragraph a or b of this section through a board contracted vendor. These sites shall be subject to cost recovery which may include a lien on the property.

---

Susan Voss, Chairperson

**11.3(11)** Permanent closure of an underground storage tank system. Costs for the permanent closure of underground storage tank systems are eligible for reimbursement from the board if all of the following requirements are met:

*a.* The underground storage tank system to be permanently closed was already in place on the date an eligible claim was submitted to the board.

*\*b.* The claim must have been eligible for benefits pursuant to Iowa Code section 455G.9(1) "a" at the time submitted and must have remained eligible for benefits without disqualification, including eligible innocent landowner claims, claims for sites receiving a no further action certificate from the department, and claims for sites the department has designated as no action required.

*c.* The claimant seeking reimbursement under this subrule must certify by affidavit that the claimant is the owner or operator of the underground storage tank system, that the legal owner of the tank system has abandoned the tanks, or that there is no known owner of the tank system.

*d.* The permanent closure activities occurred on or after July 1, 2007. All costs must have been preapproved prior to the commencement of work.

*e.* For projects that include the removal of tank systems that are also associated with a larger scope of work, for example, the installation of a remediation system or expanded excavation or upgrading of a fuel delivery system, the budget for the entire scope of work must be submitted for any costs to be considered eligible for reimbursement.

*f.* The board may elect to provide for the direct removal of any tanks eligible through a board-contracted vendor. Any copayment shall be paid by the claimant upon removal of the tank system.

*g.* Claimants shall be responsible for ensuring that any persons performing work meet all applicable licensing or certification requirements or both that may exist at the time of completion of the work to be reimbursed.

*h.* Claims made under this subrule are subject to Iowa Code chapter 455G copayment requirements and cost recovery enforcement.

	Existing Rule	Proposed Rule
Eligibility	Eligible claimants, open or closed claim, who would be eligible if claim were open (ie maintained FR, etc.)	Current claimant at a site that had an eligible claim filed. Does not penalize claimant eligibility in removal of tanks portion of claim.
Work Deadline	After July 1, 2007	After July 1, 2007
Cost Control	Pre-approval	Pre-approval plus cap cost to that of what would be incurred using any Board contracted vendor that may be in place.
Different Claimant/Owner	Must be the same—transfer claim or tanks to same individual.	Reimbursable after invoices paid and with written acknowledgement from both parties consenting to the work and claim.
Ineligible Sites	No reference	Reference to removal by Board with cost recovery—Current closure contract activities.

#### D. SIC Model (RBCA) Rule Status

- "Not what all stakeholders agreed to"
- Work w/ everyone except DNR - concern that what SIC agreed upon
- <sup>will support</sup> Not to require T3s
- Late 2004 pushed to ground truth model  
(?)

## **E. DNR Update**

## **Approval of Program Billings**



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:* Michael L. Fitzgerald      Jeff W. Robinson      Jacqueline A. Johnson      James M. Holcomb      Richard A. Leopold  
Nancy A. Lincoln      Douglas M. Beech

### MEMORANDUM

TO:            UST Board Members  
FROM:        Scott Scheidel  
DATE:        February 22, 2008  
SUBJECT:     Summary of Bills for Payment

#### \*NOTICE\*

The following is a summary of UST bills requiring Board approval for payment:

1.    Aon Risk Services ..... \$122,726.00  
     Consulting Services March 2008 - \$67,513.00  
     Claim Processing Services March 2008 - \$55,213.00
  
2.    Attorney General's Office ..... \$9,896.22  
     Services provided for the Iowa Underground Storage Tank Program  
     January 2008
  
3.    Nancy Lincoln ..... \$112.32  
     Mileage reimbursement for travel from Glenwood to Des Moines for  
     January 25, 2008 UST Fund Board meeting

## Iowa Comprehensive Petroleum

Invoice No. 9500000062650

Iowa Comprehensive Petroleum  
Underground Storage Tank Fund  
2700 Westown Pkwy, #320  
West Des Moines IA 50266



Aon Risk Services Central, Inc.  
fka Aon Risk Services, Inc. of Nebraska  
Insurance Services CA License No OE16975  
2700 Westown Parkway  
Suite 320  
West Des Moines IA 50266  
(515) 267-9101 FAX (515) 267-9045

Client Account No.	Invoice Date	Currency	Relationship Manager
10756349	Feb-01-2008	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2008 - Jan-01-2009	Mar-01-2008	Renewal - Service Fee	
				Service Fee
				62,513.00
				Consulting Expense
				5,000.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>67,513.00</b>

**Comments**

Installment 3 of 12

**TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.**  
For Wire instructions, contact your Relationship Manager.

Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

Please detach here. Top portion is for your records, bottom portion to be returned with your payment.

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000062650	Feb-01-2008	US DOLLAR	67,513.00

Iowa Comprehensive Petroleum  
Underground Storage Tank Fund  
2700 Westown Pkwy, #320  
West Des Moines IA 50266

**Send remittance to:**

Aon Risk Services Central, Inc.  
Aon Risk Services Companies, Inc.  
75 Remittance Drive - Suite 1943  
Chicago IL 60675-1943

## Iowa Comprehensive Petroleum

Invoice No. 9500000062651

Iowa Comprehensive Petroleum  
Underground Storage Tank Fund  
2700 Westown Pkwy, #320  
West Des Moines IA 50266

Aon Risk Services Central, Inc.  
fka Aon Risk Services, Inc. of Nebraska  
Insurance Services CA License No OE16975  
2700 Westown Parkway  
Suite 320  
West Des Moines IA 50266  
(515) 267-9101 FAX (515) 267-9045

Client Account No.	Invoice Date	Currency	Relationship Manager
10756349	Feb-01-2008	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2008 - Jan-01-2009	Mar-01-2008	Renewal - Service Fee	
			Service Fee	0.00
			Consulting Expense	55,213.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>55,213.00</b>

## Comments

Installment 3 of 12

**TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.**  
For Wire instructions, contact your Relationship Manager.

Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

Please detach here. Top portion is for your records, bottom portion to be returned with your payment.

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000062651	Feb-01-2008	US DOLLAR	55,213.00

Iowa Comprehensive Petroleum  
Underground Storage Tank Fund  
2700 Westown Pkwy, #320  
West Des Moines IA 50266

## Send remittance to:

Aon Risk Services Central, Inc.  
Aon Risk Services Companies, Inc.  
75 Remittance Drive - Suite 1943  
Chicago IL 60675-1943

IOWA ATTORNEY GENERAL'S OFFICE  
Hoover State Office Bldg - 2nd Floor  
Des Moines, Iowa 50319-0141



Invoice Date: 02/12/08

**Buyer:** Aon Risk Services  
2700 Westown Pkwy, Ste 320  
West Des Moines, IA 50266  
Attn: Scott Scheidel

**Seller:** Iowa Attorney General's Office  
Hoover State Office Bldg - 2nd Floor  
Des Moines, IA 50319-0141

Services For: Assistant Attorneys General  
Period of Service: January

---

Please use the following accounting information for (II) transfer/payment:

Document Number	Account Coding					Description	Amount
	Fund	Agency	Org	Sub Org	Rev Source		
112AG043027	0001	112	2301		0285		\$ 9,896.22

---

Please direct billing questions to Karen Redmond at (515)281-6362.



Attach supporting documentation to the back of this form

# STATE OF IOWA

**GAX (NON-EMP)**

OFFICIAL DOMICILE	<b>NON-EMPLOYEE EXPENSES</b>	DOCUMENT NUMBER
-------------------	------------------------------	-----------------

PURPOSE OF TRAVEL	<input checked="" type="checkbox"/> NORMAL JOB DUTIES <input checked="" type="checkbox"/> MEETING <input type="checkbox"/> TRAINING	<input type="checkbox"/> CONFERENCE/SEMINAR <input type="checkbox"/> STAFF DEVELOPMENT <input type="checkbox"/> REQUIRED BY FEDERAL GOVERNMENT	<input checked="" type="checkbox"/> OTHER (SPECIFY) Iowa UST Board Meeting
-------------------	---	--	---

NAME AND HOME ADDRESS Nancy Lincoln	ALTERNATE ADDRESS (send warrant to)	ACCOUNTING USE ONLY-REFERENCE ALL OTHER RELATED DOCUMENTS			
		DOC #	DATE PAID	DOC #	DATE PAID

YEAR 2008	TIME		TRAVEL		STATE VEHICLE			MEALS				LODGING		TRANSPORTATION AND OTHER EXPENSES			
	TO-AM	LEFT	RETURNED	FROM	TO	MILES	RATE	CHARGE	BREAKFAST	LUNCH	DINNER	TOTAL	REMB	TOTAL	ACTUAL	REMB	TOTAL
	1/25	7:00 AM	1:00 PM	Glenwood Iowa	Des Moines Iowa	288	39	112.32									
<b>TOTALS</b>						288		112.32									

TRANS/OTHER EXPENSE	A-AIR B-BUS/CAB D-LD PHONE	F-LOCAL PHONE L-LAUNDRY P-PARKING	R-REGISTRATION S-SUPPLIES T-TOLLS	O-OTHER SPECIFY HERE															
												<b>DOCUMENT TOTAL</b>	<b>112.32</b>						
												<b>REIMBURSEMENT REQUESTED</b>	<b>112.32</b>						

<b>CLAIMANT'S CERTIFICATION</b> I CERTIFY THAT THE ITEMS FOR WHICH PAYMENT/REIMBURSEMENT IS CLAIMED WERE FURNISHED FOR STATE BUSINESS UNDER THE AUTHORITY OF THE LAW AND THAT THE CHARGES ARE REASONABLE, PROPER, AND CORRECT, AND NO PART OF THIS CLAIM HAS BEEN REIMBURSED OR PAID BY THE STATE, EXCEPT ADVANCES SHOWN, AND I UNDERSTAND THE ROUTINE USES OF THIS FORM.	<b>DEPARTMENT CERTIFICATION</b> I CERTIFY THAT THE ABOVE EXPENSES WERE INCURRED AND THE AMOUNTS ARE CORRECT AND SHOULD BE PAID FROM THE FUNDS APPROPRIATED BY: <b>CODE OR CHAPTER SECTIONS(S)</b>
COMMUTING MILES EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N TRAVEL INCLUDES VICINITY MILES? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N DIRECT DEPOSIT? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N WARRANT TO ALT ADDR? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	TRAVEL AUTHORITY # / BLANKET TRAVEL #
TITLE Board Member	DEPARTMENT TO BE CHARGED Iowa UST Fund (Agency 656) Fund 0450
VENDOR #	TRAVEL APPROVAL (SUPERVISOR'S SIGNATURE)
CLAIMANT'S SIGNATURE <i>Nancy Lincoln</i>	DATE 1/31/08

	<b>DOCUMENT TOTAL</b>
	<b>112.32</b>

**GAX (NON-EMP)**
WARRANT #
PAID DATE

## **Monthly Activity Report and Financials Reviewed**

## **A. January Activity Report**

Iowa UST Fund  
Monthly Activities Report

January 2008

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	December Ending	Monthly Net Changes	January Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	73	(2)	71	443
reserve	\$3,078,934.28	(\$11,696.27)	\$3,067,238.01	\$3,067,238.01
paid	\$8,246,027.81	(\$246,303.73)	\$7,999,724.08	\$14,414,834.17
total	\$11,324,962.09	(\$258,000.00)	\$11,066,962.09	\$17,482,072.18

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	December Ending	Monthly Net Changes	January Ending	Totals since Inception
<b>REMEDIAL</b>				
number	906	(4)	902	4,435
reserve	\$47,811,509.19	(\$646,231.45)	\$47,165,277.74	\$47,165,277.74
paid	\$92,254,440.36	\$202,076.69	\$92,456,517.05	\$177,793,592.51
total	\$140,065,949.55	(\$444,154.76)	\$139,621,794.79	\$224,958,870.25

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	December Ending	Monthly Net Changes	January Ending	Totals since Inception
<b>INNOCENT LANDOWNER</b>				
number	241	4	245	1,044
reserve	\$8,883,975.42	(\$1,161.59)	\$8,882,813.83	\$8,882,813.83
paid	\$12,024,590.90	\$56,162.59	\$12,080,753.49	\$21,693,998.41
total	\$20,908,566.32	\$55,001.00	\$20,963,567.32	\$30,576,812.24

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	December Ending	Monthly Net Changes	January Ending	Totals since Inception
<b>GLOBAL OPT-IN</b>				
number	254	(3)	251	1,255
reserve	\$1,520,865.55	(\$23,633.22)	\$1,497,232.33	\$1,497,232.33
paid	\$2,002,332.25	(\$18,366.78)	\$1,983,965.47	\$8,776,269.07
total	\$3,523,197.80	(\$42,000.00)	\$3,481,197.80	\$10,273,501.40

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	December Ending	Monthly Net Changes	January Ending	Totals since Inception
<b>UNASSIGNED PROJECTS</b>				
number	21	1	22	178
reserve	\$205,609.80	\$6,700.00	\$212,309.80	\$212,309.80
paid	\$364,390.20	\$3,300.00	\$367,690.20	\$2,649,674.43
total	\$570,000.00	\$10,000.00	\$580,000.00	\$2,861,984.23

Corrective Action Meetings	
Scheduled:	91
Completed:	801
MOA's	406

RT Claims	#
New	0
Reopened	1
Closed	3

RM Claims	#
New	0
Reopened	0
Closed	4

ILO Claims	#
New	4
Reopened	0
Closed	0

GS Claims	#
New	0
Reopened	0
Closed	3

PROJ Clms	#
New	1
Reopened	0
Closed	0

Invoice Type Totals	January	FYTD	Program to Date
American Soils	0.00	0.00	\$5,678,423
AST Removal	0.00	0.00	\$2,121,490
AST Upgrade	0.00	0.00	\$5,460,479
CADR Charges	20,787.98	(211,777.97)	\$4,069,140
Corrective Action	12,028.55	1,450,589.64	\$49,972,363
Free Prod Recover	77,219.02	365,442.12	\$6,973,580
Monitoring	191,099.69	1,348,188.61	\$18,267,113
New UST Pull 2004	5,869.16	246,033.22	\$764,520
Operations/Maint	63,862.29	321,291.92	\$6,354,453
Over-excavation	81,195.49	1,336,108.26	\$20,997,892
Plastic Water Lines	58,899.02	142,230.29	\$1,473,427
Post RBCA Evals	1,000.00	11,605.04	\$111,095
RBCA	8,390.70	131,004.45	\$24,477,610
Remed Imp/Const.	53,989.95	(27,408.71)	\$21,759,133
SCR Charges	0.00	90.00	\$54,138,906
Site Check	0.00	0.00	\$122,809
Soil Disposal	0.00	0.00	\$607,332
Tank (UST) Pull	0.00	19,767.08	\$4,901,962
Tank (UST) Upgrade	0.00	0.00	\$5,883,408
Tier III	1,538.14	13,509.78	\$1,070,804
Utilities	25,448.49	146,911.24	\$713,455
Well Closure	12,853.95	126,402.60	\$2,325,376
<b>Total Invoice Types</b>	<b>614,182.43</b>	<b>5,419,987.57</b>	<b>\$238,244,769</b>

Budgets Approved to Date		
January	2	\$134,670
Trailing 12 mos	46	\$2,532,858
Prev Trail 12 mos	106	\$5,587,385
<b>Total Since Jan 2003</b>	<b>886</b>	<b>\$32,710,044</b>

Project Claims	Open	Closed	Pending
CRP's	30	63	0
Tank Closure	2	3	0
Plastic Water Line	2	0	0

## **B. January Financial Report**

**C. Fiscal Year to Date Financial Report as of  
January 31, 2008**

## **D. January Opt-In Report**

**OPT-IN PROGRAM SUMMARY REPORT**  
**February 29, 2008**  
**For the Period January 1 to January 31, 2008**

**GENERAL PROGRAM SUMMARY:**

Notices to potential claimants:	3
Eligible claims referred to GAB this period:	0
Number of 90-Day Notices sent this period:	2
Settlement Agreements outstanding at major oil company for execution:	0
Settlement Agreements forwarded to GAB for processing warrants or co-payment credit:	1
Number of claimants receiving warrants or co-payment credit this period:	
Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):	0/88

**WARRANTS MAILED THIS PERIOD SUMMARY:**

	Number	Total
First Warrant	3	\$ 33,644.75
Additional Warrants	21	\$ 10,228.91
Co-Payment Credit	0	-
<b>TOTALS:</b>	<b>24</b>	<b>\$ 43,873.66</b>

**PROGRAM PAYMENT DISBURSEMENT TO DATE:**

Oil Company	Total Claims to Date	New Claims this Period	Payments Made to Date	Payments Made this Period
ARCO	56	1	\$ 425,913.87	\$ 14,896.33
PHILLIPS	264	1	\$ 1,746,953.14	\$ 13,540.93
AMOCO	306	0	\$ 2,266,093.94	\$ 2,802.16
CONOCO	110	0	\$ 688,925.14	\$ 331.43
SOUTHLAND	18	0	\$ 89,901.25	\$ 105.21
FINA	14	0	\$ 109,154.99	-
SUN/SUNOCO	180	1	\$ 1,228,491.21	\$ 10,329.63
TEXACO	156	0	\$ 1,066,118.95	\$ 1,867.97
CHAMPLIN	23	0	\$ 124,016.74	-
KERR-McGEE	78	0	\$ 526,967.35	-
CHEVRON	24	0	\$ 166,305.64	-
OXY	0	0	-	-
T.P.I. INC.	15	0	\$ 130,309.06	-
<b>TOTAL:</b>	<b>1244</b>	<b>3</b>	<b>\$ 8,569,151.28</b>	<b>\$ 43,873.66</b>

**ADDITIONAL WARRANT SUMMARY:**

Arco	\$ 896.33	Sunoco	\$ 3,453.56
Phillips	\$ 772.25	Texaco	\$ 1,867.97
Amoco	\$ 2,802.16	Champlin	-
Conoco	\$ 331.43	Chevron	-
Southland	\$ 105.21	Kerr-McGee	-
Fina	-	TPI, Inc.	-

## **Attorney General's Report**

## **Claim Payment Approval**

Claim Payment Authority Reports

	Site #	Site Name	1st Bd Rpt	2nd Bd Rpt	3rd Bd Rpt	4th Bd Rpt	Paid to Date	Recommended Authority	Approved Authority	Pd Since Last Bd Report	Comments
1	8600894	Casey's Marketing Co	08/23/07				\$76,963	\$200,000	\$200,000		
2	9016721	Kutcher Welding	08/23/07				\$88,191	\$120,000	\$120,000		
3	8604079	Bluff Service Center	08/23/07				\$74,357	\$210,000	\$210,000		
4	8607462	Daniel Grothus	08/23/07				\$84,481	\$150,000	\$150,000		dww in Scott Cty
5	8603249	Al's Corner Oil Co	08/23/07				\$82,813	\$75,500	\$75,500		
6	8607406	Messer Oil Co	08/23/07				\$82,763	\$130,000	\$130,000		
7	8608909	Jerry Roney	08/23/07				\$83,068	\$225,000	\$225,000		potential PGS
8	8811292	Robert E Cummings	09/26/07				\$46,834	\$275,000	\$275,000		
9	8606587	Casey's General Store	09/26/07				\$84,451	\$104,000	\$104,000		
10	8601125	Seeley Oil Co	09/26/07				\$74,313	\$350,000	\$350,000		
11	8603897	James Oil Co	01/20/06	09/26/07			\$156,410	\$360,000	\$360,000	\$83,837	2 dww and PGS
12	8609543	Madrid Body Shop	03/22/05	10/25/07			\$78,591	\$221,000	\$221,000	\$10,120	
13	8600044	Krause Gentle Corp	04/06/00	10/25/07			\$319,228	\$700,000	\$700,000	\$254,851	
14	8609078	Wood Oil Co	10/25/07				\$85,216	\$125,000	\$125,000		PGS
15	8605033	Pottawattamie Cty Dev	02/13/01	10/25/07			\$128,681	\$418,813	\$418,813	\$99,868	
16	8609040	Spratt Oil Sales Inc	05/08/02	10/25/07			\$366,747	\$450,000	\$450,000	\$325,736	dww receptors
17	8609394	Moorhead Coop	10/25/07				\$89,252	\$360,000	\$360,000		City dww
18	8601178	Six W. Ampride Inc.	01/25/08				\$81,599	\$115,000	\$115,000		
19	8607914	Louisa County	09/16/03	01/05/06	1/25/2008		\$375,978	\$460,000	\$460,000	\$216,528	Repl City dww installed
20	8710744	Seaton's Jack & Jill	01/25/08				\$48,511	\$309,000	\$309,000		
21	8606584	Casey's General Store	02/29/08				\$32,458	\$150,000			
22	8606630	West Branch Oil Co., In	03/24/04	02/29/08			\$145,934	\$185,000		\$90,333	
23	8610198	Koch's 66	02/29/08				\$85,037	\$135,000			4 dww receptors
24											

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 FIRST BOARD REPORT  
 FEBRUARY 5, 2008  
 CASEY'S GENERAL STORE  
 200 S ELM  
 CRESTON  
 SITE REGISTRATION NUMBER: 8606584  
 LUST NUMBER: 7LTF70**

**RISK CLASSIFICATION:**

HIGH       LOW       UNDETERMINED

**PRESENT CLAIM RESERVE:**      \$ 125,000.00

**ELIGIBILITY:** The contamination was reported to the IDNR September 18, 1989. The claim was filed on August 7, 1990. This is an eligible remedial claim.

**COST INCURRED TO DATE:**

1. Site clean-up report	\$ 8,950.71
2. RBCA Tier II report	7,133.18
3. Site monitoring reports	15373.74
4. Post RBCA evaluation	<u>1,000.00</u>
TOTAL COSTS INCURRED TO DATE:	\$ 32,457.63

**PROJECTED COSTS:**

<input type="checkbox"/> Risked Based Corrective Action Tier I & II Report	<input checked="" type="checkbox"/> Tank Pull/Up-Grade.
<input type="checkbox"/> Site Monitoring Report (SMR)	<input type="checkbox"/> Free Product Recovery (FPR)
<input type="checkbox"/> Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/> Implementation of Over-excavation

TOTAL PROJECTED COSTS:      \$ 80,000 to 125,000.00

*Approved.*

**TOTAL AUTHORITY RECOMMENDED:**

\$ 150,000.00

**COMMENTS:** The site is high risk for a PVC waterline for both groundwater and soil leaching pathways. It is low risk for soil leaching to groundwater vapor and soil vapor.

*- Casey's decision v OE would close down store.  
 ↳ on-hold*



**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 FIRST BOARD REPORT  
 FEBRUARY 5, 2008  
 KOCH'S 66  
 111 W DIKE RD  
 DIKE  
 SITE REGISTRATION NUMBER: 8610198  
 LUST NUMBER: 7LTF49**

**RISK CLASSIFICATION:**

HIGH            LOW            UNDETERMINED     

**PRESENT CLAIM RESERVE:**      \$ 109,000.00

**ELIGIBILITY:** The contamination was discovered during a site investigation and was reported to the IDNR on August 17, 1989. A timely claim was filed. This is an eligible remedial claim.

**COST INCURRED TO DATE:**

- |  |                  |
|--|------------------|
| 1. Site clean-up reports and investigation | \$ 39,490.17     |
| 2. Tank pull                               | 6,603.78         |
| 3. Corrective action design report         | 5,543.00         |
| 4. RBCA Tier II report                     | 8,665.50         |
| 5. Site monitoring reports                 | <u>24,735.00</u> |

TOTAL COSTS INCURRED TO DATE:      \$ 85,037.45

**PROJECTED COSTS:**

- |  |  |
|--|--|
| <input type="checkbox"/> Risked Based Corrective Action Tier I & II Report<br><br><input checked="" type="checkbox"/> Site Monitoring Report (SMR)<br><br><input checked="" type="checkbox"/> Corrective Action Design Report (CADR) | <input type="checkbox"/> Tank Pull/Up-Grade.<br><br><input type="checkbox"/> Free Product Recovery (FPR)<br><br><input checked="" type="checkbox"/> Implementation of CADR |
|--|--|

**TOTAL PROJECTED COSTS:**      \$ 50,000.00

*Approved*

**TOTAL AUTHORITY RECOMMENDED:**

**\$ 135,000.00**

**COMMENTS:** The site is high risk for the groundwater ingestion pathway for four drinking water wells. The site is also low risk for the protected ground source pathway and potential enclosed space pathways. The site target levels are nearly met for the high risk pathways, and expensive corrective action seems unlikely. However, monitoring will continue for many more years.



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members: Michael L. Fitzgerald      Jeff W. Robinson      Jacqueline A. Johnson      James M. Holcomb  
Richard A. Leopold      Nancy A. Lincoln      Douglas M. Beech

TO: UST Board

FROM: Scott M. Scheidel

SUBJECT: Contract No. CRPCA 0312-35: SEXTON & WESLEY  
Contract Extension Request

DATE: February 15, 2008

---

This state lead project was awarded to Array Environmental in March 2004 to address contamination at two individual sites in the Kossuth County communities of Wesley and Sexton. The sites were originally assessed under the State Lead Closure Contract project.

The facilities were each classified high risk due to plastic water lines, vapor receptors, and nearby private water wells. Corrective actions completed to date for each site have included a soil excavation and replacement of the plastic water lines within the actual plumes. Plastic water lines do remain in the simulated plume and are still considered at-risk. Further evaluations are needed to determine the risk to nearby water wells and vapor receptors.

The original agreement for this project was written as a 2-year agreement, with the option of four 1-year extensions. The current Agreement term will expire on April 20, 2008. It is requested that the Board authorize the 3rd extension of the consultant agreement for an additional one-year period to allow continued activity on the project.

### Funding

Both of the sites are now eligible for UST Fund benefits.

The current Board authority is anticipated to be sufficient at this time. No change to the Board's funding authorization is recommended.

Original Contract (4/1/04)	\$145,500.00
Total Invoiced / Paid	\$163,644.00
Current Authority (7/13/04):	\$200,000.00

c: Sandi Porter, GAB Robins

*These sites are fund eligible*

*request for 3rd extension  
Approved.*

Carry In: CRP Coin/College Springs  
Contract Ext Request (1-yr)  
- These sites are not fund-eligible  
✓ Approved

Carry In: - Ron's Car Wash / Ft. Dodge  
- NFA (199)  
- Carbon Trt System put on sump discharge (NPDES permit issued)  
- Fund has been paying engineer to collect discharge samples.  
- Motion to authorize \$10K - approved  
- Motion to pay <sup>\$</sup>150; and seek settlement of pymt. w/ RP.

Jim Holcomb

Discussion - don't want to agree to settlement until Board makes decision.

**Contracts Entered Into  
Since January 25, 2008 Board Meeting**



# IOWA UNDERGROUND STORAGE TANK

## *Financial Responsibility Program*

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:* Michael L. Fitzgerald      Jeff W. Robinson      Jacqueline A. Johnson      James M. Holcomb      Richard A. Leopold  
Nancy A. Lincoln      Douglas M. Beech

---

### ΦΦΦ *MEMO* ΦΦΦ

---

**TO:**            **UST Board**

**FROM:**        Scott Scheidel

**DATE:**        February 22, 2008

**RE:**            Contracts Entered Into Since January 25, 2008

---

Since the January 25, 2008 Board meeting, the Board has entered into one new agreement. The Board entered a settlement agreement and release with Coastal Mart, Inc. for 94 UST sites.

## **Other Issues as Presented**

## **Correspondence and Attachments**



Waterloo-Cedar  
Falls Courier  
Waterloo, IA  
Circ. 51795  
From Page:  
3  
11/30/2007  
41354



51-120P-2A  
Q. How long can abandoned  
filling stations sit empty  
before the underground  
tanks have to be pulled?  
  
A. Tanks need to be removed  
in 12 months, although own-  
ers can request an extension,  
according to the Iowa  
Department of Natural  
Resources.



Hampton  
Chronicle  
Hampton, IA  
Circ. 2851  
From Page:  
1  
11/14/2007  
44805



V. 120P

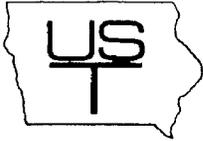
## Owners of leaking tanks could get help

Owners of leaking underground gasoline, diesel fuel or waste oil tanks may be eligible to have those tanks removed free of charge, said Franklin County Development Director Karen Mitchell.

According to Mitchell, the Iowa Underground Storage Tank Fund is available to offset the costs of removing the tank, cleaning up the site and filling it back in. The fund is available for privately owned tanks whose owners reported leaking prior to 1990, but it does not apply to farm tanks or private heating oil tanks. Mitchell wants property owners to know about the fund because there are properties such as old gas and abandoned gas stations in the county that might be made commercially attractive and more sellable if the site were cleaned up. For more information, contact Karen Mitchell at 641-456-5668.

County:  
Franklin

44805-11-14\_1001



# IOWA UNDERGROUND STORAGE TANK

## *Financial Responsibility Program*

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members: Michael L. Fitzgerald

Jeff W. Robinson

Jacqueline A. Johnson

James M. Holcomb

Richard Leopold

Nancy A. Lincoln

Douglas M. Beech

### Φ Φ Φ *MEMO* Φ Φ Φ

---

**TO:** Iowa UST Board

**FROM:** Scott Scheidel

**DATE:** February 28, 2008

**RE:** 2008 Legislative Session

---

As we near the first funnel, a few bills of interest have been introduced at the Legislature.

#### Bills of Interest

HSB 714--This bill's main intent is to constitutionally protect monies collected for road use. Since the Board's funding is provided from the Road Use Fund the changes could have a direct impact on the Board. As drafted (the copy attached) there are two problems created for the Board. The first is that the drafted bill would deposit the collected EPC directly into the UST Fund. This would be in violation of the state Constitution since the EPC could be viewed as a gas tax and therefore required to be used for roads in the Constitution.

The second, and more difficult to solve, problem is that changes to the pool of money from which the Board may be paid are a change to the security behind the bonds issued by the Board. This change could create dissatisfied bondholders, change in rating of the bonds, changes in the secondary market and possibly lawsuits as a result.

HSB746/SSB 3198--These bills both would make several changes to the renewable fuel infrastructure laws, including the Renewable Fuel Infrastructure Board. The change that would affect the Board in both of these bills is the removal of the UST Fund Board's authority to require that applications to the RFIB be forwarded to the UST Fund Board for review and recommendation.

#### Action

The subcommittee met today on HSB 714. I attended with the Board's bond counsel to alert the subcommittee to the two problems noted. The constitutional issue can be addressed by changing language and having the EPC continue to be deposited into the Road Use Fund. The investor confidence/bond issue is a little more difficult to address since any change to that funding flow creates the issue of change in security. The bill will be moving forward and we were tasked with offering a solution. One solution is to

place the amount necessary to retire the bonds through maturity into a protected esgrow account to remove any risk from the bondholders. I have attached behind this memo a schedule and sum of payments remaining on the Board's debt for discussion. This solution would likely require a change in the funding flow to the Board since debt service would be covered by that protected esgrow account.

With regard to the RFIB changes, the Board needs to decide if they want to try and retain that authority or not. The Board has not required any of the applications be forwarded to it to date. However, the funding of that program was taken, in large part, from UST Fund monies.



"David VanSickel"  
<DavidVanSickel@davisbrownlaw.com>

02/27/2008 03:52 PM

To "Scott Scheidel" <Scott\_Scheidel@ars.aon.com>

cc

bcc

Subject Re: HSB 714

History:

This message has been replied to and forwarded.

Scott,

You have asked us, as bond counsel for the Underground Storage Tank program, to review the provisions of HSB 714 (the "Bill") as they relate to the Iowa Underground Storage Tank Fund Revenue Bonds (the "Bonds"). As background, under current law up to a maximum of four million two hundred fifty thousand dollars per quarter from the Motor Vehicle Use Tax (the "Use Tax") is deposited into the Iowa Comprehensive Petroleum Underground Storage Tank Fund (the "UST Fund"). These amounts, together with the Tax Management Fee allocated to the UST Fund, are pledged as security for the Bonds. This security and structure was established after extensive discussions when the UST program was originally conceived and the Bonds have been sold to investors on the basis of this security.

A portion of the discussions concerning the use of the Use Tax revolved around the original proposed security for the Bonds. This proposal was to implement and use the Environmental Protection Charge ("EPC") imposed under Chapter 424. However, the EPC is imposed on the deposit of petroleum into a tank at a retail motor vehicle fuel outlet and is based on a percentage of the petroleum deposited. Thus, the EPC is equivalent to a tax on motor vehicle fuel and is subject to the constitutional restrictions imposed under Section 8 of Article VII of the Iowa Constitution. This provision mandates that taxes on motor vehicle fuel be used exclusively for construction, maintenance and supervision of the public highways. To devote the EPC to remediation of underground storage tanks would therefore be unconstitutional. As a result, Chapter 424 provides that the EPC is deposited in the road use tax fund and Chapter 423 provides that a portion of the Use Tax (which is not subject to a constitutional mandate) be deposited in the UST Fund.

The Bill would reverse this by depositing the EPC in the UST Fund and depositing the portion of the Use Tax currently allocated to the UST Fund in the general fund. This would be unconstitutional under Section 8 of Article VII of the Iowa Constitution, would jeopardize the security pledged to the repayment of the Bonds and would potentially result in a default by the State on its obligations under the Bonds.

Please let me know if there is anything else you need on this matter.

---

David VanSickel, Attorney  
Davis, Brown, Koehn, Shors & Roberts, P.C.  
The Financial Center  
666 Walnut Street, Suite 2500

Des Moines, Iowa 50309-3993  
phone: 515-246-7808  
fax: 515-243-0654  
e-mail: [dbv@lawiowa.com](mailto:dbv@lawiowa.com)  
or [DavidVanSickel@davisbrownlaw.com](mailto:DavidVanSickel@davisbrownlaw.com)

---

**Davis Brown** is committed to providing Exceptional Client Service. For a review of the supporting principles, go to [www.davisbrownlaw.com/about/exceptional](http://www.davisbrownlaw.com/about/exceptional)

To ensure compliance with requirements imposed by the IRS in Circular 230, we inform you that, unless we expressly state otherwise in this communication (including any attachments), any tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or other matter addressed herein.

This electronic transmission and any documents accompanying this electronic transmission contain confidential information belonging to the sender. This information may be legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on or regarding the contents of this electronically transmitted information is strictly prohibited.

Underground Storage Tank Bonds (All - includes 1997, 2004 Series A)

Fiscal Year	Coupon Date	Total Principal	Total Interest	Total Payment	FY Payment
2005	7/1/2004	\$6,695,000.00	\$1,516,421.26	\$8,211,421.26	
	1/1/2005		\$1,336,884.41	\$1,336,884.41	\$9,548,305.67
2006	7/1/2005	\$7,170,000.00	\$1,337,790.77	\$8,507,790.77	
	1/1/2006		\$1,088,449.38	\$1,088,449.38	\$9,596,240.15
2007	7/1/2006	\$6,915,000.00	\$1,088,449.38	\$8,003,449.38	
	1/1/2007		\$924,788.12	\$924,788.12	\$8,928,237.50
2008	7/1/2007	\$7,245,000.00	\$924,788.12	\$8,169,788.12	
	1/1/2008		\$773,615.63	\$773,615.63	\$8,943,403.75
2009	7/1/2008	\$7,545,000.00	\$773,615.63	\$8,318,615.63	
	1/1/2009		\$584,990.63	\$584,990.63	\$8,903,606.26
2010	7/1/2009	\$7,925,000.00	\$584,990.63	\$8,509,990.63	
	1/1/2010		\$411,687.50	\$411,687.50	\$8,921,678.13
2011	7/1/2010	\$8,295,000.00	\$411,687.50	\$8,706,687.50	
	1/1/2011		\$204,312.50	\$204,312.50	\$8,911,000.00
2012	7/1/2011	\$2,090,000.00	\$204,312.50	\$2,294,312.50	
	1/1/2012		\$152,062.50	\$152,062.50	\$2,446,375.00
2013	7/1/2012	\$2,115,000.00	\$152,062.50	\$2,267,062.50	
	1/1/2013		\$99,187.50	\$99,187.50	\$2,366,250.00
2014	7/1/2013	\$2,220,000.00	\$99,187.50	\$2,319,187.50	
	1/1/2014		\$43,687.50	\$43,687.50	\$2,362,875.00
2015	7/1/2014	\$2,330,000.00	\$43,687.50	\$2,373,687.50	
					<u>Remaining Sum 2/29/08</u>
					\$36,285,471.89
		<u>\$60,545,000.00</u>	<u>\$12,756,658.96</u>	<u>\$73,301,658.96</u>	<u>\$73,301,658.96</u>

## House Study Bill 714

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON  
 TRANSPORTATION BILL BY  
 CHAIRPERSON HUSER)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved

## A BILL FOR

1 An Act relating to the crediting of fees collected by the  
 2 department of transportation, repealing the use tax on  
 3 vehicles subject to registration and the use tax on certain  
 4 leased motor vehicles, and establishing a fee for new  
 5 registration of vehicles, making penalties applicable, and  
 6 providing an effective date.  
 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
 8 TL5B 5396YC 82  
 9 dea/nh/14

PAG LIN

1 1 DIVISION I  
 1 2 ROAD USE TAX FUND  
 1 3 Section 1. Section 312.1, Code 2007, is amended to read as  
 1 4 follows:  
 1 5 312.1 FUND CREATED.  
 1 6 1. There is hereby created, in the state treasury, a road  
 1 7 use tax fund. ~~Said~~ The road use tax fund shall ~~embrace and~~  
 1 8 include all of the following:  
 1 9 ~~1-~~ a. All the net proceeds of the registration of motor  
 1 10 vehicles under chapter 321.  
 1 11 ~~2-~~ b. All the net proceeds of the motor fuel tax or  
 1 12 license fees under chapter 452A.  
 1 13 ~~3-~~ c. Revenue derived from the excise tax imposed upon  
 1 14 the rental of automobiles, under chapter 423C, ~~as to the~~  
 1 15 extent provided by section 423C.5.  
 1 16 ~~4. To the extent provided in section 423.43, subsection 1,~~  
 1 17 ~~paragraph "b", from revenue derived from the use tax, under~~  
 1 18 ~~chapter 423 on motor vehicles, trailers, and motor vehicle~~  
 1 19 ~~accessories and equipment.~~  
 1 20 ~~5-~~ d. Any other funds which may by law be credited to the  
 1 21 road use tax fund.  
 1 22 2. Notwithstanding section 12C.7, subsection 2, interest  
 1 23 or earnings on investments or time deposits of the moneys in  
 1 24 the road use tax fund and the funds to which moneys from the  
 1 25 road use tax fund are credited shall be credited to the road  
 1 26 use tax fund.  
 1 27 Sec. 2. Section 312.2, subsections 14 and 16, Code  
 1 28 Supplement 2007, are amended by striking the subsections.  
 1 29 Sec. 3. Section 312.2, Code Supplement 2007, is amended by

1 30 adding the following new subsection:

1 31 NEW SUBSECTION. 19. The treasurer of state, before making  
 1 32 the allotments provided for in this section, shall credit  
 1 33 monthly from the road use tax fund to the state department of  
 1 34 transportation an amount equal to twenty percent of the  
 1 35 revenues collected from the operation of section 321.105A, to  
 2 1 be credited and deposited as follows: one-half to the road  
 2 2 use tax fund and one-half to the primary road fund to be used  
 2 3 for the commercial and industrial highway network.

2 4 Sec. 4. Section 321.52A, Code 2007, is amended to read as  
 2 5 follows:

2 6 321.52A CERTIFICATE OF TITLE SURCHARGE == ALLOCATION OF  
 2 7 MONEYS.

2 8 ~~1.~~ In addition to the fee required for the issuance of a  
 2 9 certificate of title under section 321.20, 321.20A, 321.23,  
 2 10 321.42, 321.46, 321.47, 321.48, 321.50, or 321.52, a surcharge  
 2 11 of five dollars shall be required. Of each surcharge  
 2 12 collected under those sections, the county treasurer shall  
 2 13 remit five dollars to the office of treasurer of state for  
 2 14 deposit as set forth in section 321.145, subsection 2.

2 15 ~~2. For the fiscal year beginning July 1, 2002, through the  
 2 16 fiscal year beginning July 1, 2006, the treasurer of state  
 2 17 shall deposit twenty percent of the moneys received under  
 2 18 subsection 1 in the waste tire management fund and deposit the  
 2 19 remainder in the road use tax fund. For the fiscal year  
 2 20 beginning July 1, 2007, and each subsequent fiscal year, the  
 2 21 treasurer of state shall deposit the entire amount of moneys  
 2 22 received under subsection 1 in the road use tax fund.~~

2 23 Sec. 5. Section 321.145, Code 2007, is amended to read as  
 2 24 follows:

2 25 321.145 DISPOSITION OF MONEYS AND FEES.

2 26 1. Except for fines, forfeitures, court costs, and the  
 2 27 collection fees retained by the county treasurer pursuant to  
 2 28 section 321.152, and except as provided in subsections 2 and  
 2 29 3, moneys and motor vehicle license registration fees  
 2 30 collected under this chapter shall be credited by the  
 2 31 treasurer of state to the road use tax fund.

2 32 2. a. Revenues derived from fees charged for driver's  
 2 33 licenses and nonoperator's identification cards, fees charged  
 2 34 for the issuance of a certificate of title, and the  
 2 35 certificate of title surcharge collected pursuant to section  
 3 1 321.52A, shall be credited as follows:

3 2 (1) An amount equal to one-twentieth of eighty percent of  
 3 3 the revenue from the operation of section 321.105A shall be  
 3 4 credited to the department, to be used for purposes of public  
 3 5 transit assistance under chapter 324A.

3 6 (2) An amount equal to one dollar per year of license  
 3 7 validity for each issued or renewed driver's license which is  
 3 8 valid for the operation of a motorcycle shall be credited to  
 3 9 the motorcycle education fund established under section  
 3 10 321.180B.

3 11 (3) The amounts required to be transferred pursuant to  
 3 12 section 321.34 from revenues available under this subsection  
 3 13 shall be transferred and credited as provided in section  
 3 14 321.34, subsections 7, 10, 10A, 11, 11A, 11B, 13, 16, 17, 18,  
 3 15 19, 20, 20A, 20B, 21, 22, 23, and 24 for the various purposes  
 3 16 specified in those subsections.

3 17 b. Any such revenues remaining shall be credited to the  
 3 18 road use tax fund.

3 19 3. The department may direct the treasurer of state to

3 20 credit to the primary road fund any amount of revenues derived  
 3 21 from trailer registration fees collected pursuant to sections  
 3 22 321.105 and 321.105A to the extent necessary to reimburse that  
 3 23 fund for the expenditures not otherwise eligible to be made  
 3 24 from the primary road fund, which are made for repairing,  
 3 25 improving, and maintaining bridges over the rivers bordering  
 3 26 the state. Expenditures for those portions of bridges within  
 3 27 adjacent states may be included when they are made pursuant to  
 3 28 an agreement entered into under section 313.63, 313A.34, or  
 3 29 314.10.

3 30 Sec. 6. Section 423C.5, Code 2007, is amended to read as  
 3 31 follows:

3 32 423C.5 DEPOSIT OF REVENUE.

3 33 The department, at the direction of the department of  
 3 34 transportation, shall credit the revenue arising from the  
 3 35 operation of this chapter ~~shall be credited~~, as necessary to  
 4 1 supplement the funds available for the purposes specified in  
 4 2 section 321.145, subsection 2, paragraph "a". Any such  
 4 3 revenue remaining shall be credited to the road use tax fund.

4 4 Sec. 7. Section 424.7, subsection 4, Code 2007, is amended  
 4 5 to read as follows:

4 6 4. Upon receipt of a payment pursuant to this chapter, the  
 4 7 department shall deposit the moneys as follows:

4 8 a. Up to a maximum of four million two hundred fifty  
 4 9 thousand dollars per quarter shall be deposited into and  
 4 10 credited to the Iowa comprehensive petroleum underground  
 4 11 storage tank fund created in section 455G.3, and the moneys so  
 4 12 deposited are a continuing appropriation for expenditure under  
 4 13 chapter 455G, and moneys so appropriated shall not be used for  
 4 14 other purposes.

4 15 b. Any such moneys remaining shall be deposited into the  
 4 16 road use tax fund created in section 312.1.

#### 4 17 DIVISION II

#### 4 18 FEE FOR NEW VEHICLE REGISTRATION

4 19 Sec. 8. Section 321.1, Code 2007, is amended by adding the  
 4 20 following new subsection:

4 21 NEW SUBSECTION. 59A. "Registration fees", unless  
 4 22 otherwise specified, means both the annual vehicle  
 4 23 registration fee and the fee for new registration, to the  
 4 24 extent applicable, for purposes of administering the  
 4 25 provisions of this chapter concerning vehicle registration  
 4 26 fees.

4 27 Sec. 9. Section 321.2, Code 2007, is amended to read as  
 4 28 follows:

4 29 321.2 DEPARTMENT.

4 30 1. ~~The~~ Except as otherwise provided by law, the state  
 4 31 department of transportation shall administer and enforce the  
 4 32 provisions of this chapter.

4 33 2. The division of state patrol of the department of  
 4 34 public safety shall enforce the provisions of this chapter  
 4 35 relating to traffic on the public highways of the state,  
 5 1 including those relating to the safe and legal operation of  
 5 2 passenger cars, motorcycles, motor trucks and buses, and to  
 5 3 see that proper safety rules are observed.

5 4 3. The state department of transportation and the  
 5 5 department of public safety shall cooperate to insure the  
 5 6 proper and adequate enforcement of the provisions of this  
 5 7 chapter.

5 8 4. The director of revenue shall administer and enforce  
 5 9 the collection of the fee for new registration as provided in

5 10 section 321.105A.

5 11 Sec. 10. NEW SECTION. 321.105A FEE FOR NEW REGISTRATION.

5 12 1. DEFINITIONS. The following terms, when used in this  
5 13 section, shall have the following meanings, except in those  
5 14 instances where the context clearly indicates otherwise:

5 15 a. "Department" means the department of revenue.

5 16 b. "Director" means the director of revenue.

5 17 c. "Owner" means as defined in section 321.1. For  
5 18 purposes of the fee for new registration imposed on leased  
5 19 vehicles under subsection 3, "owner" means the "lessor".

5 20 d. "Purchase" means any transfer, exchange, or barter,  
5 21 conditional or otherwise, in any manner or by any means  
5 22 whatsoever, for consideration.

5 23 2. In addition to the annual registration fee required  
5 24 under section 321.105, a "fee for new registration" is imposed  
5 25 in the amount of five percent of the purchase price for each  
5 26 vehicle subject to registration. The fee for new registration  
5 27 shall be paid by the owner of the vehicle to the county  
5 28 treasurer at the time application is made for original  
5 29 registration for a vehicle. A new registration receipt shall  
5 30 not be issued until the fee has been paid. The county  
5 31 treasurer or the department of transportation shall require  
5 32 every applicant for a new registration receipt for a vehicle  
5 33 subject to registration to supply information as the county  
5 34 treasurer or the director deems necessary as to the time of  
5 35 purchase, the purchase price, and other information relative  
6 1 to the purchase of the vehicle. On or before the tenth day of  
6 2 each month, the county treasurer or the department of  
6 3 transportation shall remit to the department of revenue the  
6 4 amount of the fees for new registration collected during the  
6 5 preceding month.

6 6 a. For purposes of this subsection, "purchase price"  
6 7 applies to the measure subject to the fee for new  
6 8 registration. "Purchase price" shall be determined in the  
6 9 same manner as "sales price" is determined for purposes of  
6 10 computing the tax imposed upon the sales price of tangible  
6 11 personal property under chapter 423, pursuant to the  
6 12 definition in section 423.1, subsection 47, subject to the  
6 13 following exemptions:

6 14 (1) Exempted from the purchase price of any vehicle  
6 15 subject to registration is the amount of any cash rebate which  
6 16 is provided by a motor vehicle manufacturer to the purchaser  
6 17 of the vehicle subject to registration so long as the rebate  
6 18 is applied to the purchase price of the vehicle.

6 19 (2) (a) In transactions, except those subject to  
6 20 subparagraph subdivision (b), in which a vehicle subject to  
6 21 registration is traded toward the purchase price of another  
6 22 vehicle subject to registration, the purchase price is only  
6 23 that portion of the purchase price which is valued in money,  
6 24 whether received in money or not, if the following conditions  
6 25 are met:

6 26 (i) The vehicle traded to the retailer is the type of  
6 27 vehicle normally sold in the regular course of the retailer's  
6 28 business.

6 29 (ii) The vehicle traded to the retailer is intended by the  
6 30 retailer to be ultimately sold at retail or is intended to be  
6 31 used by the retailer or another in the remanufacturing of a  
6 32 like vehicle.

6 33 (b) In a transaction between persons, neither of which is  
6 34 a retailer of vehicles subject to registration, in which a

6 35 vehicle subject to registration is traded toward the purchase  
 7 1 price of another vehicle subject to registration, the amount  
 7 2 of the trade-in value allowed on the vehicle subject to  
 7 3 registration traded is exempted from the purchase price.

7 4 (c) In order for the trade-in value to be excluded from  
 7 5 the purchase price, the name or names on the title and  
 7 6 registration of the vehicle being purchased must be the same  
 7 7 name or names on the title and registration of the vehicle  
 7 8 being traded. The following trades qualify under this  
 7 9 subparagraph subdivision (c):

7 10 (i) A trade involving spouses, if the traded vehicle and  
 7 11 the acquired vehicle are titled in the name of one or both of  
 7 12 the spouses, with no outside party named on the title.

7 13 (ii) A trade involving a grandparent, parent, or child,  
 7 14 including adopted and step relationships, if the name of one  
 7 15 of the family members from the title of the traded vehicle is  
 7 16 also on the title of the newly acquired vehicle.

7 17 (iii) A trade involving a business, if one of the owners  
 7 18 listed on the title of the traded vehicle is a business, and  
 7 19 the names on the title are separated by "or".

7 20 (iv) A trade in which the vehicle being purchased is  
 7 21 titled in the name of an individual other than the owner of  
 7 22 the traded vehicle due to the cosigning requirements of a  
 7 23 financial institution.

7 24 (3) Exempted from the purchase price of a replacement  
 7 25 motor vehicle owned by a motor vehicle dealer licensed under  
 7 26 chapter 322 which is being registered by that dealer and is  
 7 27 not otherwise exempt from the fee for new registration is the  
 7 28 fair market value of a replaced motor vehicle if all of the  
 7 29 following conditions are met:

7 30 (a) The motor vehicle being registered is being placed in  
 7 31 service as a replacement motor vehicle for a motor vehicle  
 7 32 registered by the motor vehicle dealer.

7 33 (b) The motor vehicle being registered is taken from the  
 7 34 motor vehicle dealer's inventory.

7 35 (c) The fee for new registration on the motor vehicle  
 8 1 being replaced was paid by the motor vehicle dealer when that  
 8 2 motor vehicle was registered.

8 3 (d) The replaced motor vehicle is returned to the motor  
 8 4 vehicle dealer's inventory for sale.

8 5 (e) The application for registration and title of the  
 8 6 motor vehicle being registered is filed with the county  
 8 7 treasurer within two weeks of the date the replaced motor  
 8 8 vehicle is returned to the motor vehicle dealer's inventory.

8 9 (f) The motor vehicle being registered is placed in the  
 8 10 same or substantially similar service as the replaced motor  
 8 11 vehicle.

8 12 b. For purposes of this subsection, the fee for new  
 8 13 registration on a vehicle registered in this state by the  
 8 14 manufacturer of that vehicle from a manufacturer's statement  
 8 15 of origin is calculated on the base value of fifty percent of  
 8 16 the retail list price of the vehicle.

8 17 c. The following are exempt from the fee for new  
 8 18 registration imposed under this subsection, as long as a valid  
 8 19 affidavit is filed with the county treasurer at the time of  
 8 20 application for registration:

8 21 (1) Entities listed in section 423.3, subsections 17, 18,  
 8 22 19, 20, 21, 22, 26, 27, 28, 31, and 79, to the extent that  
 8 23 those entities are exempt from the tax imposed on the sale of  
 8 24 tangible personal property, consisting of goods, wares, or

8 25 merchandise, sold at retail in the state to consumers or  
8 26 users.

8 27 (2) Vehicles as defined in section 321.1, subsections 41,  
8 28 64A, 71, 85, and 88, except such vehicles subject to  
8 29 registration which are designed primarily for carrying  
8 30 persons, when purchased for lease and actually leased to a  
8 31 lessee for use outside the state of Iowa and the subsequent  
8 32 sole use in Iowa is in interstate commerce or interstate  
8 33 transportation.

8 34 (3) (a) Vehicles subject to registration which are  
8 35 transferred from a business or individual conducting a  
9 1 business within this state as a sole proprietorship,  
9 2 partnership, or limited liability company to a corporation  
9 3 formed by the sole proprietorship, partnership, or limited  
9 4 liability company for the purpose of continuing the business  
9 5 when all of the stock of the corporation so formed is owned by  
9 6 the sole proprietor and the sole proprietor's spouse, by all  
9 7 the partners in the case of a partnership, or by all the  
9 8 members in the case of a limited liability company. This  
9 9 exemption is equally available where the vehicles subject to  
9 10 registration are transferred from a corporation to a sole  
9 11 proprietorship, partnership, or limited liability company  
9 12 formed by that corporation for the purpose of continuing the  
9 13 business when all of the incidents of ownership are owned by  
9 14 the same person or persons who were stockholders of the  
9 15 corporation.

9 16 (b) This exemption also applies where the vehicles subject  
9 17 to registration are transferred from a corporation as part of  
9 18 the liquidation of the corporation to its stockholders if  
9 19 within three months of such transfer the stockholders  
9 20 retransfer those vehicles subject to registration to a sole  
9 21 proprietorship, partnership, or limited liability company for  
9 22 the purpose of continuing the business of the corporation when  
9 23 all of the incidents of ownership are owned by the same person  
9 24 or persons who were stockholders of the corporation.

9 25 (c) This exemption applies to corporations that have been  
9 26 in existence for not longer than twenty-four months.

9 27 (4) Vehicles subject to registration which are transferred  
9 28 from a corporation that is primarily engaged in the business  
9 29 of leasing vehicles subject to registration to a corporation  
9 30 that is primarily engaged in the business of leasing vehicles  
9 31 subject to registration when the transferor and transferee  
9 32 corporations are part of the same controlled group for federal  
9 33 income tax purposes.

9 34 (5) (a) Vehicles registered or operated under chapter 326  
9 35 and used substantially in interstate commerce. For purposes  
10 1 of this subparagraph (5), "substantially in interstate  
10 2 commerce" means that a minimum of twenty-five percent of the  
10 3 miles operated by the vehicle accrues in states other than  
10 4 Iowa. This subparagraph (5) applies only to vehicles which  
10 5 are registered for a gross weight of thirteen tons or more.

10 6 (b) For purposes of this subparagraph (5), trailers and  
10 7 semitrailers registered or operated under chapter 326 are  
10 8 deemed to be used substantially in interstate commerce and to  
10 9 be registered for a gross weight of thirteen tons or more.

10 10 (c) For the purposes of this subparagraph (5), if a  
10 11 vehicle meets the requirement that twenty-five percent of the  
10 12 miles operated accrues in states other than Iowa in each year  
10 13 of the first four-year period of operation, the exemption from  
10 14 the fee for new registration shall continue until the vehicle

10 15 is sold or transferred. If the vehicle is found to have not  
10 16 met the exemption requirements or the exemption was revoked,  
10 17 the value of the vehicle upon which the fee for new  
10 18 registration shall be imposed is based on the original  
10 19 purchase price if revocation or nonqualification for this  
10 20 exemption occurs during the first year following registration.  
10 21 If revocation or nonqualification for this exemption occurs  
10 22 after the first year following registration, the value of the  
10 23 vehicle upon which the fee shall be imposed is the book or  
10 24 market value, whichever is less, at the time the exemption  
10 25 requirements were not met or the exemption was revoked.

10 26 (6) Vehicles subject to registration in any state when  
10 27 purchased for rental or registered and titled by a motor  
10 28 vehicle dealer licensed pursuant to chapter 322 for rental  
10 29 use, and held for rental for a period of one hundred twenty  
10 30 days or more and actually rented for periods of sixty days or  
10 31 less by a person regularly engaged in the business of renting  
10 32 vehicles including but not limited to motor vehicle dealers  
10 33 licensed pursuant to chapter 322 who rent automobiles to  
10 34 users, if the rental of the vehicles is subject to taxation  
10 35 under chapter 423C.

11 1 (7) Vehicles subject to registration in this state for  
11 2 which the applicant for registration has paid to another state  
11 3 a state sales, use, or occupational tax. However, if the tax  
11 4 paid to another state is less than the fee for new  
11 5 registration calculated for the vehicle, the difference shall  
11 6 be the amount to be collected as the fee for new registration.

11 7 (8) A vehicle subject to registration in this state which  
11 8 is owned by a person who has moved from another state with the  
11 9 intention of changing residency to Iowa, provided that the  
11 10 vehicle was purchased for use in the state from which the  
11 11 applicant moved and was not, at or near the time of purchase,  
11 12 purchased for use in Iowa.

11 13 (9) A vehicle that was previously registered in this state  
11 14 and was subsequently registered in another state is not  
11 15 subject to the fee for new registration when it is again  
11 16 registered in this state, provided that the applicant for  
11 17 registration has maintained ownership of the vehicle since its  
11 18 initial registration in this state and has previously paid the  
11 19 use tax or fee for new registration for the vehicle in this  
11 20 state.

11 21 (10) Vehicles transferred by operation of law as provided  
11 22 in section 321.47.

11 23 (11) Vehicles for which ownership is transferred to or  
11 24 from a revocable or irrevocable trust, if no consideration is  
11 25 present.

11 26 (12) Vehicles transferred to the surviving corporation for  
11 27 no consideration as a result of a corporate merger according  
11 28 to the laws of this state in which the merging corporation is  
11 29 immediately extinguished and dissolved.

11 30 (13) Vehicles purchased in this state by a nonresident for  
11 31 removal to the nonresident's state of residence if the  
11 32 purchaser applies to the county treasurer for a transit plate  
11 33 under section 321.109.

11 34 (14) Vehicles purchased by a licensed motor vehicle dealer  
11 35 for resale.

12 1 (15) Homemade vehicles built from parts purchased at  
12 2 retail, upon which the consumer paid a tax to the seller, but  
12 3 only on such vehicles never before registered. This exemption  
12 4 does not apply for vehicles subject to registration which are

12 5 made by a manufacturer engaged in the business for purpose of  
12 6 sales or rental.

12 7 (16) Vehicles title under a salvage certificate of title.  
12 8 However, when such a vehicle has been repaired and a regular  
12 9 certificate of title is applied for, the fee for new  
12 10 registration is due as follows:

12 11 (a) If the owner of the vehicle is a licensed recycler,  
12 12 unless the applicant is licensed as a vehicle dealer, the fee  
12 13 for new registration applies based on the fair market value of  
12 14 the vehicle, with deduction allowed for the cost of parts,  
12 15 supplies, and equipment for which sales tax was paid and which  
12 16 were used to rebuild the vehicle.

12 17 (b) If the owner is a person who is not licensed as a  
12 18 recycler or vehicle dealer, the fee for new registration  
12 19 applies based on the fair market value of the vehicle, with  
12 20 deduction allowed for the cost of parts, frames, chassis, auto  
12 21 bodies, or supplies that were purchased to rebuild the vehicle  
12 22 and for which sales tax was paid.

12 23 (17) A vehicle delivered to a resident Native American  
12 24 Indian on the reservation.

12 25 (18) A vehicle transferred from one individual to another  
12 26 as a gift in a transaction in which no consideration is  
12 27 present.

12 28 (19) A vehicle given by a corporation as a gift to a  
12 29 retiring employee.

12 30 (20) A vehicle sold by an entity where the profits from  
12 31 the sale are used by or donated to a nonprofit entity which is  
12 32 exempt from federal income taxation pursuant to section  
12 33 501(c)(3) of the Internal Revenue Code, a government entity,  
12 34 or a nonprofit private educational institution, and where the  
12 35 entire proceeds from the sale of the vehicle are expended for  
13 1 any of the following purposes:

13 2 (a) Educational.

13 3 (b) Religious.

13 4 (c) Charitable. A charitable act is an act done out of  
13 5 goodwill, benevolence, and a desire to add to or to improve  
13 6 the good of humankind in general or any class or portion of  
13 7 humankind, with no pecuniary profit inuring to the person  
13 8 performing the service or giving the gift.

13 9 (21) A vehicle given or sold to be subsequently awarded as  
13 10 a raffle prize under chapter 99B.

13 11 (22) A vehicle won as a raffle prize under chapter 99B.

13 12 (23) A vehicle that is directly and primarily used in the  
13 13 recycling or reprocessing of waste products.

13 14 (24) Vehicles purchased by a person who will rebuild those  
13 15 vehicles into ambulances, rescue, or fire vehicles, provided  
13 16 the person is a licensed wholesaler of new motor vehicles.

13 17 (25) A vehicle repossessed by a vehicle dealer pursuant to  
13 18 the uniform commercial code, chapter 554, provided there is a  
13 19 valid lien on the title and the dealer anticipates reselling  
13 20 the vehicle.

13 21 (26) A vehicle repossessed by a financial institution or  
13 22 an individual by means of a foreclosure affidavit pursuant to  
13 23 the uniform commercial code, chapter 554, provided there is a  
13 24 valid lien on the vehicle and the foreclosure affidavit is  
13 25 used for the sole purpose of retaining possession of the  
13 26 vehicle until a new buyer is found. However, if the financial  
13 27 institution or individual uses the foreclosure affidavit to  
13 28 take title to the vehicle and register the vehicle, the new  
13 29 registration fee shall be due based on the outstanding loan

13 30 amount on the vehicle.

13 31 (27) A damaged vehicle acquired by an insurance company  
13 32 from a client or financial institution, provided the insurance  
13 33 company has a vehicle dealers license.

13 34 (28) A vehicle returned to a manufacturer and titled in  
13 35 the manufacturer's name under section 322G.12.

14 1 (29) A vehicle purchased directly by a federal, state, or  
14 2 local governmental agency and titled in an individual's name  
14 3 pursuant to a governmental program authorized by law.

14 4 3. LEASED VEHICLES.

14 5 a. A fee for new registration is imposed in an amount  
14 6 equal to five percent of the leased price for each vehicle  
14 7 subject to registration with a gross vehicle weight rating of  
14 8 less than sixteen thousand pounds, excluding motorcycles and  
14 9 motorized bicycles, which is leased by a lessor licensed  
14 10 pursuant to chapter 321F for a period of twelve months or  
14 11 more. The fee for new registration shall be paid by the owner  
14 12 of the vehicle to the county treasurer from whom the  
14 13 registration receipt or certificate of title is obtained. A  
14 14 registration receipt for a vehicle subject to registration or  
14 15 issuance of a certificate of title shall not be issued until  
14 16 the fee for new registration is paid in the initial instance.

14 17 b. The amount of the lease price subject to the fee for  
14 18 new registration shall be computed on each separate lease  
14 19 transaction by taking the total of the lease payments, plus  
14 20 the down payment, and excluding the following charges, if  
14 21 included as part of the lease payment:

14 22 (1) Title fee.

14 23 (2) Annual registration fees.

14 24 (3) Fee for new registration.

14 25 (4) Federal excise taxes attributable to the sale of the  
14 26 vehicle to the owner or to the lease of the vehicle by the  
14 27 owner.

14 28 (5) Optional service or warranty contracts subject to tax  
14 29 pursuant to section 423.2, subsection 1.

14 30 (6) Insurance.

14 31 (7) Manufacturer's rebate.

14 32 (8) Refundable deposit.

14 33 (9) Finance charges, if any, on items listed in  
14 34 subparagraphs (1) through (8).

14 35 c. If any or all of the items in paragraph "b",  
15 1 subparagraphs (1) through (8), are excluded from the lease  
15 2 price subject to the fee for new registration, the owner shall  
15 3 maintain adequate records of the amounts of those items. If  
15 4 the parties to a lease enter into an agreement providing that  
15 5 the fee for new registration is to be paid by the lessee or  
15 6 included in the monthly lease payments to be paid by the  
15 7 lessee, the total cost of the fee for new registration shall  
15 8 not be included in the computation of the lease price for the  
15 9 purpose of the fee for new registration under this section.  
15 10 The county treasurer or the department of transportation shall  
15 11 require every applicant for a registration receipt for a  
15 12 vehicle subject to a fee for new registration to supply  
15 13 information as the county treasurer or the director deems  
15 14 necessary as to the date of the lease transaction, the lease  
15 15 price, and other information relative to the lease of the  
15 16 vehicle.

15 17 d. On or before the tenth day of each month, the county  
15 18 treasurer or the department of transportation shall remit to  
15 19 the department of revenue the amount of the fees for new

15 20 registration collected during the preceding month.

15 21 e. If the lease is terminated prior to the termination  
15 22 date contained in the lease agreement, no refund shall be  
15 23 allowed for a fee for new registration previously paid under  
15 24 this section, except as provided in section 322G.4.

15 25 4. ADMINISTRATION AND ENFORCEMENT == DIRECTOR OF REVENUE.

15 26 a. The director of revenue in consultation with the  
15 27 department of transportation shall administer and enforce the  
15 28 fee for new registration as nearly as possible in conjunction  
15 29 with the administration and enforcement of the state use tax  
15 30 law, except that portion of the law which implements the  
15 31 streamlined sales and use tax agreement. The director shall  
15 32 provide appropriate forms, or provide on the annual  
15 33 registration forms provided by the department of  
15 34 transportation, for reporting the fee for new registration  
15 35 liability.

16 1 b. Section 422.25, subsection 4, sections 422.30, 422.67,  
16 2 and 422.68, section 422.69, subsection 1, sections 422.70,  
16 3 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection  
16 4 2, and sections 423.23, 423.24, 423.25, 423.32, 423.33,  
16 5 423.35, 423.37 through 423.42, 423.45, and 423.47, consistent  
16 6 with the provisions of this section, apply with respect to the  
16 7 fees for new registration authorized under this section in the  
16 8 same manner and with the same effect as if the fees for new  
16 9 registration were retail use taxes within the meaning of those  
16 10 statutes.

16 11 5. COLLECTIONS BY LICENSED DEALERS.

16 12 a. A licensed vehicle dealer maintaining a place of  
16 13 business in this state who sells a vehicle subject to  
16 14 registration for use in this state shall collect the fee for  
16 15 new registration at the time of making the sale. A dealer  
16 16 required to collect the fee for new registration shall give to  
16 17 the purchaser a receipt for the fee in the manner and form  
16 18 prescribed by the director. Fees collected by a dealer under  
16 19 this section shall be forwarded to the county treasurer in the  
16 20 same manner as annual registration fees.

16 21 b. If an amount of the fee for new registration  
16 22 represented by a dealer to the purchaser of a vehicle is  
16 23 computed upon a purchase price that is not subject to the fee  
16 24 for new registration or the amount represented is in excess of  
16 25 the actual amount subject to the fee and the amount  
16 26 represented is actually paid by the purchaser to the dealer,  
16 27 the excess amount of fee for new registration paid shall be  
16 28 returned to the purchaser upon notification to the dealer by  
16 29 the department that an excess payment exists.

16 30 c. If an amount of the fee for new registration  
16 31 represented by a dealer to a purchaser is computed upon a  
16 32 purchase price that is not subject to the fee for new  
16 33 registration or the amount represented is in excess of the  
16 34 actual amount subject to the fee and the amount represented is  
16 35 actually paid by the purchaser to the dealer, the excess  
17 1 amount of fee for new registration paid shall be returned to  
17 2 the purchaser upon proper notification to the dealer by the  
17 3 purchaser that an excess payment exists. "Proper"  
17 4 notification is written notification which allows a dealer at  
17 5 least sixty days to respond and which contains enough  
17 6 information to allow a dealer to determine the validity of a  
17 7 purchaser's claim that an excess amount of fee for new  
17 8 registration has been paid. No cause of action shall accrue  
17 9 against a dealer for excess fee for new registration paid

17 10 until sixty days after proper notice has been given the dealer  
17 11 by the purchaser.

17 12 d. In the circumstances described in paragraphs "b" and  
17 13 "c", a dealer has the option to either return any excess  
17 14 amount of fee for new registration paid to a purchaser, or to  
17 15 remit the amount which a purchaser has paid to the dealer to  
17 16 the department.

17 17 6. REFUNDS.

17 18 a. A fee for new registration is not refundable, except in  
17 19 the following circumstances:

17 20 (1) If a vehicle is sold and later returned to the seller  
17 21 and the entire purchase price is refunded by the seller, the  
17 22 purchaser is entitled to a refund of the fee for new  
17 23 registration paid. To obtain a refund, the purchaser shall  
17 24 make application on forms provided by the department and show  
17 25 proof that the entire purchase price was returned and that the  
17 26 fee for new registration had been paid.

17 27 (2) If a vehicle manufacturer reimburses a purchaser for  
17 28 the fee for new registration paid on a returned defective  
17 29 vehicle, the manufacturer may obtain a refund from the  
17 30 department by providing proof that the fee was paid and the  
17 31 purchaser reimbursed in accordance with the provisions of  
17 32 chapter 322G.

17 33 (3) If the department determines that, as a result of  
17 34 mistake, an amount of the fee for new registration has been  
17 35 paid which was not due, such amount shall be refunded to the  
18 1 vehicle owner by the department.

18 2 b. A claim for refund under this subsection that has not  
18 3 been filed with the department within one year after the fee  
18 4 for new registration was paid shall not be allowed by the  
18 5 director.

18 6 7. PENALTY FOR FALSE STATEMENT. A person who willfully  
18 7 makes a false statement in regard to the purchase price of a  
18 8 vehicle subject to a fee for new registration is guilty of a  
18 9 fraudulent practice. A person who willfully makes a false  
18 10 statement in regard to the purchase price of such a vehicle  
18 11 with the intent to evade payment of the fee for new  
18 12 registration shall be assessed a penalty of seventy-five  
18 13 percent of the amount of the fee unpaid and required to be  
18 14 paid on the actual purchase price less trade-in allowance.

#### 18 15 DIVISION III

#### 18 16 MOTOR VEHICLE USE TAX == REPEAL

18 17 Sec. 11. Section 423.6, subsections 8, 10, 11, 12, 16, 17,  
18 18 18, 24, and 25, Code 2007, are amended by striking the  
18 19 subsections.

18 20 Sec. 12. Section 423.14, subsection 2, paragraph a, Code  
18 21 2007, is amended to read as follows:

18 22 a. The tax upon the use of all vehicles ~~subject to~~  
18 23 ~~registration or~~ subject only to the issuance of a certificate  
18 24 of title or the tax upon the use of manufactured housing shall  
18 25 be collected by the county treasurer or the state department  
18 26 of transportation pursuant to ~~sections~~ section 423.26 ~~and~~  
18 27 ~~423.27~~, subsection 1. The county treasurer shall retain one  
18 28 dollar from each tax payment collected, to be credited to the  
18 29 county general fund.

18 30 Sec. 13. Section 423.26, Code 2007, is amended to read as  
18 31 follows:

18 32 423.26 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE  
18 33 ISSUANCE OF TITLE == MANUFACTURED HOUSING == VEHICLE LEASE  
18 34 TRANSACTIONS NOT REQUIRING TITLE OR REGISTRATION.

18 35 1. a. The use tax imposed upon the use of vehicles  
 19 1 ~~subject to registration or~~ subject only to the issuance of a  
 19 2 certificate of title or imposed upon the use of manufactured  
 19 3 housing shall be paid by the owner of the vehicle or of the  
 19 4 manufactured housing to the county treasurer or the state  
 19 5 department of transportation from whom the ~~registration~~  
~~19 6 receipt or~~ certificate of title is obtained. A ~~registration~~  
~~19 7 receipt for a vehicle subject to registration or~~ certificate  
 19 8 of title shall not be issued until the tax has been paid. The  
 19 9 county treasurer or the state department of transportation  
 19 10 shall require every applicant for a ~~registration receipt for a~~  
~~19 11 vehicle subject to registration or~~ certificate of title to  
 19 12 supply information as the county treasurer or the director  
 19 13 deems necessary as to the time of purchase, the purchase  
 19 14 price, installed purchase price, and other information  
 19 15 relative to the purchase of the vehicle or manufactured  
 19 16 housing. On or before the tenth day of each month, the county  
 19 17 treasurer or the state department of transportation shall  
 19 18 remit to the department the amount of the taxes collected  
 19 19 during the preceding month.

19 20 b. A person who willfully makes a false statement in  
 19 21 regard to the purchase price of a vehicle subject to taxation  
 19 22 under this ~~section~~ subsection is guilty of a fraudulent  
 19 23 practice. A person who willfully makes a false statement in  
 19 24 regard to the purchase price of such a vehicle with the intent  
 19 25 to evade the payment of tax shall be assessed a penalty of  
 19 26 seventy-five percent of the amount of tax unpaid and required  
 19 27 to be paid on the actual purchase price less trade-in  
 19 28 allowance.

19 29 2. a. The use tax imposed upon the use of leased vehicles  
19 30 if the lease transaction does not require titling or  
19 31 registration of the vehicle shall be remitted to the  
19 32 department. Tax and the reporting of tax due to the  
19 33 department shall be remitted on or before fifteen days from  
19 34 the last day of the month that the tax becomes due. Failure  
19 35 to timely report or remit any of the tax when due shall result  
20 1 in a penalty and interest being imposed on the tax due  
20 2 pursuant to section 423.40, subsection 1, and section 423.42,  
20 3 subsection 1.

20 4 b. The amount subject to tax shall be computed on each  
20 5 separate lease transaction by taking the total of the lease  
20 6 payments, plus the down payment, and excluding all of the  
20 7 following:

- 20 8 (1) Title fee.
- 20 9 (2) Registration fees.
- 20 10 (3) Use tax pursuant to this subsection.
- 20 11 (4) Federal excise taxes attributable to the sale of the  
 20 12 vehicle to the owner or to the lease of the vehicle by the  
 20 13 owner.
- 20 14 (5) Optional service or warranty contracts subject to tax  
 20 15 pursuant to section 423.2, subsection 1.
- 20 16 (6) Insurance.
- 20 17 (7) Manufacturer's rebate.
- 20 18 (8) Refundable deposit.
- 20 19 (9) Finance charges, if any, on items listed in  
 20 20 subparagraphs (1) through (8).

20 21 c. If any or all of the items in paragraph "b",  
 20 22 subparagraphs (1) through (8) are excluded from the taxable  
 20 23 lease price, the owner shall maintain adequate records of the  
 20 24 amounts of those items. If the parties to a lease enter into

20 25 an agreement providing that the tax imposed under this  
 20 26 subsection is to be paid by the lessee or included in the  
 20 27 monthly lease payments to be paid by the lessee, the total  
 20 28 cost of the tax shall not be included in the computation of  
 20 29 lease price for the purpose of taxation under this subsection.

20 30 Sec. 14. Section 423.43, Code Supplement 2007, is amended  
 20 31 by striking the section and inserting in lieu thereof the  
 20 32 following:

20 33 423.43 DEPOSIT OF REVENUES.

20 34 1. Except as provided in subsection 2, all revenue arising  
 20 35 under the operation of the use tax under subchapter III shall  
 21 1 be deposited into the general fund of the state.

21 2 2. All revenue derived from the use tax imposed pursuant  
 21 3 to section 423.26 shall be deposited into the road use tax  
 21 4 fund.

21 5 Sec. 15. Section 423.27, Code 2007, is repealed.

21 6 DIVISION IV

21 7 CONFORMING AMENDMENTS

21 8 Sec. 16. Section 29A.101A, subsection 5, Code Supplement  
 21 9 2007, is amended to read as follows:

21 10 5. Rents or lease amounts unpaid for the period preceding  
 21 11 the effective date of the lease termination shall be paid on a  
 21 12 prorated basis. In the case of a vehicle lease, the lessor  
 21 13 shall not impose an early termination charge, but any ~~taxes,~~  
 21 14 ~~summons,~~ ~~and~~ title and registration fees, including the fee  
 21 15 for new registration, and any other obligation and liability  
 21 16 of the lessee in accordance with the terms of the lease,  
 21 17 including reasonable charges to the lessee for excess wear,  
 21 18 use, and mileage, that are due and unpaid at the time of  
 21 19 termination of the lease shall be paid by the lessee.

21 20 Sec. 17. Section 321.17, Code 2007, is amended to read as  
 21 21 follows:

21 22 321.17 MISDEMEANOR TO VIOLATE REGISTRATION PROVISIONS.

21 23 It is a simple misdemeanor punishable as a scheduled  
 21 24 violation under section 805.8A, subsection 2, paragraph "b",  
 21 25 for any person to drive or move or for an owner knowingly to  
 21 26 permit to be driven or moved upon the highway a vehicle of a  
 21 27 type required to be registered under this chapter which is not  
 21 28 registered, or for which the appropriate ~~fee has~~ fees have not  
 21 29 been paid, except as provided in section 321.109, subsection  
 21 30 3.

21 31 Sec. 18. Section 321.19, subsection 1, unnumbered  
 21 32 paragraph 1, Code 2007, is amended to read as follows:

21 33 All vehicles owned or leased for a period of sixty days or  
 21 34 more by the government and used in the transaction of official  
 21 35 business by the representatives of foreign governments or by  
 22 1 officers, boards, or departments of the government of the  
 22 2 United States, and by the state, counties, municipalities and  
 22 3 other political subdivisions of the state including vehicles  
 22 4 used by an urban transit company operated by a municipality or  
 22 5 a regional transit system, and self-propelling vehicles used  
 22 6 neither for the conveyance of persons for hire, pleasure, or  
 22 7 business nor for the transportation of freight other than  
 22 8 those used by an urban transit company operated by a  
 22 9 municipality or a regional transit system, all fire trucks,  
 22 10 providing they are not owned and operated for a pecuniary  
 22 11 profit, and authorized emergency vehicles used only in  
 22 12 disaster relief owned and operated by an organization not  
 22 13 operated for pecuniary profit, are exempted from the payment  
 22 14 of the registration fees imposed by this chapter, except as

22 15 provided for urban transit companies in subsection 2, but are  
22 16 not exempt from the penalties provided in this chapter.

22 17 Sec. 19. Section 321.20, subsection 1, paragraph a, Code  
22 18 2007, is amended to read as follows:

22 19 a. The full legal name; social security number or Iowa  
22 20 driver's license number or Iowa nonoperator's identification  
22 21 card number; date of birth; bona fide residence; and mailing  
22 22 address of the owner and of the lessee if the vehicle is being  
22 23 leased. If the owner or lessee is a firm, association, or  
22 24 corporation, the application shall contain the bona fide  
22 25 business address and federal employer identification number of  
22 26 the owner or lessee. Up to three owners' names may be listed  
22 27 on the application. If the vehicle is a leased vehicle, the  
22 28 application shall state whether the notice of registration  
22 29 renewal shall be sent to the lessor or to the lessee and  
22 30 whether the lessor or the lessee shall receive the  
22 31 ~~registration fee~~ refund of the annual registration fee, if  
22 32 any. Information relating to the lessee of a vehicle shall  
22 33 not be required on an application for registration and a  
22 34 certificate of title for a vehicle with a gross vehicle weight  
22 35 rating of ten thousand pounds or more.

23 1 Sec. 20. Section 321.20, subsection 1, paragraph e, Code  
23 2 2007, is amended to read as follows:

23 3 e. The amount of the fee for new registration to be paid  
23 4 under section 321.105A or the amount of tax to be paid under  
23 5 section 423.26, subsection 1.

23 6 Sec. 21. Section 321.20A, Code 2007, is amended to read as  
23 7 follows:

23 8 321.20A CERTIFICATE OF TITLE AND REGISTRATION FEES ==  
23 9 COMMERCIAL VEHICLES.

23 10 1. Notwithstanding other provisions of this chapter, the  
23 11 owner of a commercial vehicle subject to the proportional  
23 12 registration provisions of chapter 326 may make application to  
23 13 the department or the appropriate county treasurer for a  
23 14 certificate of title. The application for certificate of  
23 15 title shall be made within thirty days of purchase or transfer  
23 16 and shall be accompanied by a ten dollar title fee and the  
23 17 appropriate ~~use tax fee~~ for new registration. The department  
23 18 or the county treasurer shall deliver the certificate of title  
23 19 to the owner if there is no security interest. If there is a  
23 20 security interest, the title, when issued, shall be delivered  
23 21 to the first secured party. Delivery may be made using  
23 22 electronic means.

23 23 2. An owner of more than fifty commercial vehicles subject  
23 24 to the proportional registration provisions of chapter 326 who  
23 25 is issued a certificate of title under this section shall not  
23 26 be subject to annual registration fees until the commercial  
23 27 vehicle is driven or moved upon the highways. The annual  
23 28 registration fee due shall be prorated for the remaining  
23 29 unexpired months of the registration year. Ownership of the  
23 30 commercial vehicle shall not be transferred until annual  
23 31 registration fees have been paid to the department.

23 32 Sec. 22. Section 321.23, subsection 3, Code 2007, is  
23 33 amended to read as follows:

23 34 3. In the event an applicant for registration of a foreign  
23 35 vehicle for which a certificate of title has been issued is  
24 1 able to furnish evidence of being the registered owner of the  
24 2 vehicle to the county treasurer of the owner's residence,  
24 3 although unable to surrender such certificate of title, the  
24 4 county treasurer may issue a registration receipt and plates

24 5 upon receipt of the required annual registration fee and the  
 24 6 fee for new registration fee but shall not issue a certificate  
 24 7 of title thereto. Upon surrender of the certificate of title  
 24 8 from the foreign state, the county treasurer shall issue a  
 24 9 certificate of title to the owner, or person entitled thereto,  
 24 10 of such vehicle as provided in this chapter. The owner of a  
 24 11 vehicle registered under this subsection shall not be required  
 24 12 to obtain a certificate of title in this state and may  
 24 13 transfer ownership of the vehicle to a motor vehicle dealer  
 24 14 licensed under chapter 322 if, at the time of the transfer,  
 24 15 the certificate of title is held by a secured party and the  
 24 16 dealer has forwarded to the secured party the sum necessary to  
 24 17 discharge the security interest pursuant to section 321.48,  
 24 18 subsection 1.

24 19 Sec. 23. Section 321.24, subsections 1, 3, and 10, Code  
 24 20 Supplement 2007, are amended to read as follows:

24 21 1. Upon receipt of the application for title and payment  
 24 22 of the required fees for a motor vehicle, trailer, or  
 24 23 semitrailer, the county treasurer or the department shall,  
 24 24 when satisfied as to the application's genuineness and  
 24 25 regularity, and, in the case of a mobile home or manufactured  
 24 26 home, that taxes are not owing under chapter 423 or 435, issue  
 24 27 a certificate of title and, except for a mobile home or  
 24 28 manufactured home, a registration receipt, and shall file the  
 24 29 application, the manufacturer's or importer's certificate, the  
 24 30 certificate of title, or other evidence of ownership, as  
 24 31 prescribed by the department. The registration receipt shall  
 24 32 be delivered to the owner and shall contain upon its face the  
 24 33 date issued, the name and address of the owner, the  
 24 34 registration number assigned to the vehicle, the amount of the  
 24 35 fee paid, ~~the amount of tax paid pursuant to section 423.26,~~  
 25 1 the type of fuel used, a description of the vehicle as  
 25 2 determined by the department, and a form for notice of  
 25 3 transfer of the vehicle. The name and address of any lessee  
 25 4 of the vehicle shall not be printed on the registration  
 25 5 receipt or certificate of title. Up to three owners may be  
 25 6 listed on the registration receipt and certificate of title.

25 7 3. The certificate of title shall contain upon its face  
 25 8 the identical information required upon the face of the  
 25 9 registration receipt. In addition, the certificate of title  
 25 10 shall contain a statement of the owner's title, the title  
 25 11 number assigned to the owner or owners of the vehicle, ~~the~~  
 25 12 ~~amount of tax paid pursuant to section 423.26,~~ the name and  
 25 13 address of the previous owner, and a statement of all security  
 25 14 interests and encumbrances as shown in the application, upon  
 25 15 the vehicle described, including the nature of the security  
 25 16 interest, date of perfection, and name and address of the  
 25 17 secured party.

25 18 10. A vehicle shall be registered for the registration  
 25 19 year. A vehicle registered for the first time in this state  
 25 20 shall be registered for the remaining unexpired months of the  
 25 21 registration year and pay ~~a~~ an annual registration fee  
 25 22 prorated for the remaining unexpired months of the  
 25 23 registration year plus a fee for new registration if  
 25 24 applicable pursuant to section 321.105A. Except for a vehicle  
 25 25 registered under chapter 326, a vehicle registered for the  
 25 26 first time during the eleventh month of the owner's  
 25 27 registration year may be registered for the remaining  
 25 28 unexpired months of the registration year as provided in this  
 25 29 paragraph or for the remaining unexpired months of the

25 30 registration year and for the next registration year, upon  
25 31 payment of the applicable registration fees.

25 32 Sec. 24. Section 321.26, subsection 2, Code 2007, is  
25 33 amended to read as follows:

25 34 2. The county treasurer may adjust the renewal or  
25 35 expiration date of vehicles when deemed necessary to equalize  
26 1 the number of vehicles registered in each twelve-month period  
26 2 or for the administrative efficiency of the county treasurer's  
26 3 office. The adjustment shall be accomplished by delivery of a  
26 4 written notice to the vehicle owner of the adjustment and  
26 5 allowance of a credit for the remaining months of the unused  
26 6 portion of the annual registration fee, rounded to the nearest  
26 7 whole dollar, which amount shall be deducted from the annual  
26 8 registration fee due at the time of registration. Upon  
26 9 receipt of the notification the owner shall, within thirty  
26 10 days, surrender the registration card and registration plates  
26 11 to the county treasurer of the county where the vehicle is  
26 12 registered, except that the registration plates shall not be  
26 13 surrendered if validation stickers or other emblems are used  
26 14 to designate the month and year of expiration of registration.  
26 15 Upon payment of the annual registration fee, less the credit  
26 16 allowed for the remaining months of the unused portion of the  
26 17 annual registration fee, the county treasurer shall issue a  
26 18 new registration card and registration plates, validation  
26 19 stickers, or emblems which indicate the month and year of  
26 20 expiration of registration.

26 21 Sec. 25. Section 321.30, subsection 1, paragraphs e and f,  
26 22 Code Supplement 2007, are amended to read as follows:

26 23 e. That the required ~~fee has~~ registration fees have not  
26 24 been paid except as provided in section 321.48.

26 25 f. ~~That~~ For a vehicle subject only to a certificate of  
26 26 title or a manufactured home, that the required use tax has  
26 27 not been paid.

26 28 Sec. 26. Section 321.30, subsection 3, paragraph b, Code  
26 29 Supplement 2007, is amended to read as follows:

26 30 b. If the applicant for registration of the vehicle has  
26 31 failed to pay the required annual registration ~~fees~~ fee or the  
26 32 fee for new registration of any vehicle owned or previously  
26 33 owned when the ~~registration~~ fee was required to be paid by the  
26 34 applicant, and for which vehicle the registration was  
26 35 suspended or revoked under section 321.101, subsection 1,  
27 1 paragraph "d", or section 321.101A, until the ~~fees are~~ fee is  
27 2 paid together with any accrued penalties.

27 3 Sec. 27. Section 321.34, subsection 2, unnumbered  
27 4 paragraph 1, Code Supplement 2007, is amended to read as  
27 5 follows:

27 6 In lieu of issuing new registration plates each  
27 7 registration year for a vehicle renewing registration, the  
27 8 department may reassign the registration plates previously  
27 9 issued to the vehicle and may adopt and prescribe an annual  
27 10 validation sticker indicating payment of annual registration  
27 11 fees. The department shall issue one validation sticker for  
27 12 each set of registration plates. The sticker shall specify  
27 13 the month and year of expiration of the registration plates.  
27 14 The sticker shall be displayed only on the rear registration  
27 15 plate, except that the sticker shall be displayed on the front  
27 16 registration plate of a truck tractor.

27 17 Sec. 28. Section 321.34, subsection 5, paragraphs b and c,  
27 18 Code Supplement 2007, is amended to read as follows:

27 19 b. The county treasurer shall validate personalized

27 20 registration plates in the same manner as regular registration  
 27 21 plates are validated under this section at an annual fee of  
 27 22 five dollars in addition to the regular annual registration  
 27 23 fee. A person renewing a personalized registration plate  
 27 24 within one month following the time requirements under section  
 27 25 321.40 may renew the personalized plate without paying the  
 27 26 additional registration fee under paragraph "a" but shall pay  
 27 27 the five-dollar fee in addition to the regular annual  
 27 28 registration fee and any penalties subject to regular  
 27 29 registration plate holders for late renewal.

27 30 c. The fees collected by the director under this ~~section~~  
 27 31 subsection shall be paid to the treasurer of state and  
 27 32 credited by the treasurer of state as provided in section  
 27 33 321.145.

27 34 Sec. 29. Section 321.34, subsection 7, paragraph c, Code  
 27 35 Supplement 2007, is amended to read as follows:

28 1 c. (1) The fees for a collegiate registration plate are  
 28 2 as follows:

28 3 ~~(1)~~ (a) A registration fee of twenty-five dollars.

28 4 ~~(2)~~ (b) A special collegiate registration fee of  
 28 5 twenty-five dollars.

28 6 (2) These fees are in addition to the regular annual  
 28 7 registration fee. The fees collected by the director under  
 28 8 this subsection shall be paid monthly to the treasurer of  
 28 9 state and ~~credited by the treasurer of state to deposited in~~  
 28 10 ~~the road use tax fund. Notwithstanding section 423.43 and~~  
 28 11 ~~prior to the revenues being credited to the road use tax fund~~  
 28 12 ~~under section 423.43, subsection 1, paragraph "b", the~~  
 28 13 ~~treasurer of state shall credit monthly from those revenues~~  
 28 14 ~~respectively the revenues available for purposes of this~~  
 28 15 ~~subsection under section 321.145, subsection 2, to Iowa state~~  
 28 16 ~~university of science and technology, the university of~~  
 28 17 ~~northern Iowa, and the state university of Iowa respectively,~~  
 28 18 ~~the amount of the special collegiate registration fees~~  
 28 19 ~~collected in the previous month for collegiate registration~~  
 28 20 ~~plates designed for the university. The moneys credited are~~  
 28 21 ~~appropriated to the respective universities to be used for~~  
 28 22 ~~scholarships for students attending the universities.~~

28 23 Sec. 30. Section 321.34, subsection 10, paragraph c, Code  
 28 24 Supplement 2007, is amended to read as follows:

28 25 c. The special fees collected by the director under this  
 28 26 subsection shall be paid monthly to the treasurer of state and  
 28 27 ~~credited to deposited in the road use tax fund.~~

28 28 ~~Notwithstanding section 423.43, and prior to the crediting of~~  
 28 29 ~~revenues to the road use tax fund under section 423.43,~~  
 28 30 ~~subsection 1, paragraph "b", the~~ The treasurer of state shall  
 28 31 transfer monthly from ~~those revenues~~ the revenues available  
 28 32 for purposes of this subsection under section 321.145,  
 28 33 subsection 2, to the Paul Ryan memorial fire fighter safety  
 28 34 training fund created pursuant to section 100B.12 the amount  
 28 35 of the special fees collected in the previous month for the  
 29 1 fire fighter plates.

29 2 Sec. 31. Section 321.34, subsection 10A, paragraph b, Code  
 29 3 Supplement 2007, is amended to read as follows:

29 4 b. The special fees collected by the director under this  
 29 5 subsection shall be paid monthly to the treasurer of state and  
 29 6 ~~credited to deposited in the road use tax fund.~~

29 7 ~~Notwithstanding section 423.43, and prior to the crediting of~~  
 29 8 ~~revenues to the road use tax fund under section 423.43,~~  
 29 9 ~~subsection 1, paragraph "b", the~~ The treasurer of state shall

29 10 transfer monthly from ~~those revenues~~ the revenues available  
 29 11 for purposes of this subsection under section 321.145,  
 29 12 subsection 2, to the emergency medical services fund created  
 29 13 in section 135.25 the amount of the special fees collected in  
 29 14 the previous month for issuance of emergency medical services  
 29 15 plates.

29 16 Sec. 32. Section 321.34, subsection 11, paragraph c, Code  
 29 17 Supplement 2007, is amended to read as follows:

29 18 c. (1) The special natural resources fee for letter  
 29 19 number designated natural resources plates is forty=five  
 29 20 dollars. The fee for personalized natural resources plates is  
 29 21 forty=five dollars which shall be paid in addition to the  
 29 22 special natural resources fee of forty=five dollars. The fees  
 29 23 collected by the director under this subsection shall be paid  
 29 24 monthly to the treasurer of state and ~~credited to deposited in~~  
 29 25 the road use tax fund. ~~Notwithstanding section 423.43, and~~  
~~29 26 prior to the crediting of revenues to the road use tax fund~~  
~~29 27 under section 423.43, subsection 1, paragraph "b", the~~ The  
 29 28 treasurer of state shall credit monthly from ~~those revenues~~  
 29 29 the revenues available for purposes of this subsection under  
 29 30 section 321.145, subsection 2, to the Iowa resources  
 29 31 enhancement and protection fund created pursuant to section  
 29 32 455A.18, the amount of the special natural resources fees  
 29 33 collected in the previous month for the natural resources  
 29 34 plates.

29 35 (2) From the moneys credited to the Iowa resources  
 30 1 enhancement and protection fund under ~~this paragraph "c",~~  
 30 2 subparagraph (1), ten dollars of the fee collected for each  
 30 3 natural resources plate issued, and fifteen dollars from each  
 30 4 renewal fee, shall be allocated to the department of natural  
 30 5 resources wildlife bureau to be used for nongame wildlife  
 30 6 programs.

30 7 Sec. 33. Section 321.34, subsection 11A, paragraph c, Code  
 30 8 Supplement 2007, is amended to read as follows:

30 9 c. The special fee for letter number designated love our  
 30 10 kids plates is thirty=five dollars. The fee for personalized  
 30 11 love our kids plates is twenty=five dollars, which shall be  
 30 12 paid in addition to the special love our kids fee of  
 30 13 thirty=five dollars. The fees collected by the director under  
 30 14 this subsection shall be paid monthly to the treasurer of  
 30 15 state and ~~credited to deposited in the road use tax fund.~~  
 30 16 ~~Notwithstanding section 423.43, and prior to the crediting of~~  
~~30 17 revenues to the road use tax fund under section 423.43,~~  
~~30 18 subsection 1, paragraph "b", the~~ The treasurer of state shall  
 30 19 transfer monthly from ~~those revenues~~ the revenues available  
 30 20 for purposes of this subsection under section 321.145,  
 30 21 subsection 2, to the Iowa department of public health the  
 30 22 amount of the special fees collected in the previous month for  
 30 23 the love our kids plates. Notwithstanding section 8.33,  
 30 24 moneys transferred under this subsection shall not revert to  
 30 25 the general fund of the state.

30 26 Sec. 34. Section 321.34, subsection 11B, paragraph c, Code  
 30 27 Supplement 2007, is amended to read as follows:

30 28 c. The special fee for letter number designated motorcycle  
 30 29 rider education plates is thirty=five dollars. The fee for  
 30 30 personalized motorcycle rider education plates is twenty=five  
 30 31 dollars, which shall be paid in addition to the special  
 30 32 motorcycle rider education fee of thirty=five dollars. The  
 30 33 fees collected by the director under this subsection shall be  
 30 34 paid monthly to the treasurer of state and ~~credited to~~

30 35 deposited in the road use tax fund. ~~Notwithstanding section~~  
~~31 1 423.43, and prior to the crediting of revenues to the road use~~  
~~31 2 tax fund under section 423.43, subsection 1, paragraph "b",~~  
~~31 3 the~~ The treasurer of state shall transfer monthly from ~~those~~  
~~31 4 revenues~~ the revenues available for purposes of this  
31 5 subsection under section 321.145, subsection 2, to the  
31 6 department for use in accordance with section 321.180B,  
31 7 subsection 6, the amount of the special fees collected in the  
31 8 previous month for the motorcycle rider education plates.

31 9 Sec. 35. Section 321.34, subsection 13, paragraph d, Code  
31 10 Supplement 2007, is amended to read as follows:

31 11 d. A state agency may submit a request to the department  
31 12 recommending a special registration plate. The alternate fee  
31 13 for letter number designated plates is thirty-five dollars  
31 14 with a ten dollar annual special renewal fee. The fee for  
31 15 personalized plates is twenty-five dollars which is in  
31 16 addition to the alternative fee of thirty-five dollars with an  
31 17 annual personalized plate renewal fee of five dollars which is  
31 18 in addition to the special renewal fee of ten dollars. The  
31 19 alternate fees are in addition to the regular annual  
31 20 registration fee. The alternate fees collected under this  
31 21 paragraph shall be paid monthly to the treasurer of state and  
31 22 ~~credited to~~ deposited in the road use tax fund.

~~31 23 Notwithstanding section 423.43, and prior to the crediting of~~  
~~31 24 the revenues to the road use tax fund under section 423.43,~~  
~~31 25 subsection 1, paragraph "b", the~~ The treasurer of state shall  
31 26 credit monthly from the revenues available for purposes of  
31 27 this subsection under section 321.145, subsection 2, the  
31 28 amount of the alternate fees collected in the previous month  
31 29 to the state agency that recommended the special registration  
31 30 plate.

31 31 Sec. 36. Section 321.34, subsection 16, unnumbered  
31 32 paragraph 1, Code Supplement 2007, is amended to read as  
31 33 follows:

31 34 An owner referred to in subsection 12 who is a member of  
31 35 the national guard, as defined in chapter 29A, may, upon  
32 1 written application to the department, order special  
32 2 registration plates with a national guard processed emblem  
32 3 with the emblem designed by the department in cooperation with  
32 4 the adjutant general which emblem signifies that the applicant  
32 5 is a member of the national guard. The application shall be  
32 6 approved by the department in consultation with the adjutant  
32 7 general. The special plate fees collected by the director  
32 8 under subsection 12, paragraph "a", from the issuance and  
32 9 annual validation of letter=number designated and personalized  
32 10 national guard plates shall be paid monthly to the treasurer  
32 11 of state and ~~credited to~~ deposited in the road use tax fund.

~~32 12 Notwithstanding section 423.43, and prior to the crediting of~~  
~~32 13 revenues to the road use tax fund under section 423.43,~~  
~~32 14 subsection 1, paragraph "b", the~~ The treasurer of state shall  
32 15 transfer monthly from ~~those revenues~~ the revenues available  
32 16 for purposes of this subsection under section 321.145,  
32 17 subsection 2, to the veterans license fee fund created in  
32 18 section 35A.11 the amount of the special fees collected in the  
32 19 previous month for national guard plates. Special  
32 20 registration plates with a national guard processed emblem  
32 21 shall be surrendered, as provided in subsection 12, in  
32 22 exchange for regular registration plates upon termination of  
32 23 the owner's membership in the active national guard.

32 24 Sec. 37. Section 321.34, subsection 17, unnumbered

32 25 paragraph 1, Code Supplement 2007, is amended to read as  
32 26 follows:

32 27 An owner referred to in subsection 12 who was at Pearl  
32 28 Harbor, Hawaii, as a member of the armed services of the  
32 29 United States on December 7, 1941, may, upon written  
32 30 application to the department, order special registration  
32 31 plates with a Pearl Harbor processed emblem. The emblem shall  
32 32 be designed by the department in consultation with service  
32 33 organizations. The application is subject to approval by the  
32 34 department. The special plate fees collected by the director  
32 35 under subsection 12, paragraph "a", from the issuance and  
33 1 annual validation of letter=number designated and personalized  
33 2 Pearl Harbor plates shall be paid monthly to the treasurer of  
33 3 state and ~~credited to deposited in~~ the road use tax fund.  
33 4 ~~Notwithstanding section 423.43, and prior to the crediting of~~  
~~33 5 revenues to the road use tax fund under section 423.43,~~  
~~33 6 subsection 1, paragraph "b", the~~ The treasurer of state shall  
33 7 transfer monthly from ~~those revenues~~ the revenues available  
33 8 for purposes of this subsection under section 321.145,  
33 9 subsection 2, to the veterans license fee fund created in  
33 10 section 35A.11 the amount of the special fees collected in the  
33 11 previous month for Pearl Harbor plates.

33 12 Sec. 38. Section 321.34, subsection 18, unnumbered  
33 13 paragraph 1, Code Supplement 2007, is amended to read as  
33 14 follows:

33 15 An owner referred to in subsection 12 who was awarded a  
33 16 purple heart medal by the United States government for wounds  
33 17 received in military or naval combat against an armed enemy of  
33 18 the United States may, upon written application to the  
33 19 department and presentation of satisfactory proof of the award  
33 20 of the purple heart medal, order special registration plates  
33 21 with a purple heart processed emblem. The design of the  
33 22 emblem shall include a representation of a purple heart medal  
33 23 and ribbon. The application is subject to approval by the  
33 24 department in consultation with the adjutant general. The  
33 25 special plate fees collected by the director under subsection  
33 26 12, paragraph "a", from the issuance and annual validation of  
33 27 letter=number designated and personalized purple heart plates  
33 28 shall be paid monthly to the treasurer of state and ~~credited~~  
~~33 29 to deposited in~~ the road use tax fund. ~~Notwithstanding~~  
~~33 30 section 423.43, and prior to the crediting of revenues to the~~  
~~33 31 road use tax fund under section 423.43, subsection 1,~~  
~~33 32 paragraph "b", the~~ The treasurer of state shall transfer  
33 33 monthly from ~~those revenues~~ the revenues available for  
33 34 purposes of this subsection under section 321.145, subsection  
33 35 2, to the veterans license fee fund created in section 35A.11  
34 1 the amount of the special fees collected in the previous month  
34 2 for purple heart plates.

34 3 Sec. 39. Section 321.34, subsection 19, unnumbered  
34 4 paragraph 1, Code Supplement 2007, is amended to read as  
34 5 follows:

34 6 An owner referred to in subsection 12 who is a retired  
34 7 member of the United States armed forces may, upon written  
34 8 application to the department and upon presentation of  
34 9 satisfactory proof of membership, order special registration  
34 10 plates with a United States armed forces retired processed  
34 11 emblem. The emblem shall be designed by the department in  
34 12 consultation with service organizations. The application is  
34 13 subject to approval by the department. For purposes of this  
34 14 subsection, a person is considered to be retired if the person

34 15 is recognized by the United States armed forces as retired  
 34 16 from the United States armed forces. The special plate fees  
 34 17 collected by the director under subsection 12, paragraph "a",  
 34 18 from the issuance and annual validation of letter=number  
 34 19 designated and personalized armed forces retired plates shall  
 34 20 be paid monthly to the treasurer of state and ~~credited to~~  
 34 21 ~~deposited~~ in the road use tax fund. ~~Notwithstanding section~~  
~~34 22 423.43, and prior to the crediting of revenues to the road use~~  
~~34 23 tax fund under section 423.43, subsection 1, paragraph "b",~~  
~~34 24 the~~ The treasurer of state shall transfer monthly from ~~those~~  
~~34 25 revenues~~ the revenues available for purposes of this  
 34 26 subsection under section 321.145, subsection 2, to the  
 34 27 veterans license fee fund created in section 35A.11 the amount  
 34 28 of the special fees collected in the previous month for armed  
 34 29 forces retired plates.

34 30 Sec. 40. Section 321.34, subsection 20, unnumbered  
 34 31 paragraph 1, Code Supplement 2007, is amended to read as  
 34 32 follows:

34 33 An owner referred to in subsection 12 who was awarded a  
 34 34 silver or a bronze star by the United States government, may,  
 34 35 upon written application to the department and presentation of  
 35 1 satisfactory proof of the award of the silver or bronze star,  
 35 2 order special registration plates with a silver or bronze star  
 35 3 processed emblem. The emblem shall be designed by the  
 35 4 department in consultation with the adjutant general. The  
 35 5 special plate fees collected by the director under subsection  
 35 6 12, paragraph "a", from the issuance and annual validation of  
 35 7 letter=number designated and personalized silver star and  
 35 8 bronze star plates shall be paid monthly to the treasurer of  
 35 9 state and ~~credited to~~ deposited in the road use tax fund.  
 35 10 ~~Notwithstanding section 423.43, and prior to the crediting of~~  
~~35 11 revenues to the road use tax fund under section 423.43,~~  
~~35 12 subsection 1, paragraph "b", the~~ The treasurer of state shall  
 35 13 transfer monthly from ~~those revenues~~ the revenues available  
 35 14 for purposes of this subsection under section 321.145,  
 35 15 subsection 2, to the veterans license fee fund created in  
 35 16 section 35A.11 the amount of the special fees collected in the  
 35 17 previous month for silver star and bronze star plates.

35 18 Sec. 41. Section 321.34, subsection 20A, unnumbered  
 35 19 paragraph 1, Code Supplement 2007, is amended to read as  
 35 20 follows:

35 21 An owner referred to in subsection 12 who was awarded a  
 35 22 distinguished service cross, a navy cross, or an air force  
 35 23 cross by the United States government may, upon written  
 35 24 application to the department and presentation of satisfactory  
 35 25 proof of the award, order special registration plates with a  
 35 26 distinguished service cross, navy cross, or air force cross  
 35 27 processed emblem. The emblem shall be designed by the  
 35 28 department in consultation with the adjutant general. The  
 35 29 special plate fees collected by the director under subsection  
 35 30 12, paragraph "a", from the issuance and annual validation of  
 35 31 letter=number designated and personalized distinguished  
 35 32 service cross, navy cross, and air force cross plates shall be  
 35 33 paid monthly to the treasurer of state and ~~credited to~~  
 35 34 ~~deposited~~ in the road use tax fund. ~~Notwithstanding section~~  
~~35 35 423.43, and prior to the crediting of revenues to the road use~~  
~~36 1 tax fund under section 423.43, subsection 1, paragraph "b",~~  
~~36 2 the~~ The treasurer of state shall transfer monthly from ~~those~~  
~~36 3 revenues~~ the revenues available for purposes of this  
 36 4 subsection under section 321.145, subsection 2, to the

36 5 veterans license fee fund created in section 35A.11 the amount  
 36 6 of the special fees collected in the previous month for  
 36 7 distinguished service cross, navy cross, and air force cross  
 36 8 plates.

36 9 Sec. 42. Section 321.34, subsection 20B, unnumbered  
 36 10 paragraph 1, Code Supplement 2007, is amended to read as  
 36 11 follows:

36 12 An owner referred to in subsection 12 who was awarded a  
 36 13 soldier's medal, a navy and marine corps medal, or an airman's  
 36 14 medal by the United States government may, upon written  
 36 15 application to the department and presentation of satisfactory  
 36 16 proof of the award, order special registration plates with a  
 36 17 soldier's medal, navy and marine corps medal, or airman's  
 36 18 medal processed emblem. The emblem shall be designed by the  
 36 19 department in consultation with the adjutant general. The  
 36 20 special plate fees collected by the director under subsection  
 36 21 12, paragraph "a", from the issuance and annual validation of  
 36 22 letter=number designated and personalized soldier's medal,  
 36 23 navy and marine corps medal, and airman's medal plates shall  
 36 24 be paid monthly to the treasurer of state and ~~credited to~~  
 36 25 deposited in the road use tax fund. ~~Notwithstanding section~~  
~~36 26 423.43, and prior to the crediting of revenues to the road use~~  
~~36 27 tax fund under section 423.43, subsection 1, paragraph "b",~~  
~~36 28 the~~ The treasurer of state shall transfer monthly from ~~those~~  
~~36 29 revenues~~ the revenues available for purposes of this  
 36 30 subsection under section 321.145, subsection 2, to the  
 36 31 veterans license fee fund created in section 35A.11 the amount  
 36 32 of the special fees collected in the previous month for  
 36 33 soldier's medal, navy and marine corps medal, and airman's  
 36 34 medal plates.

36 35 Sec. 43. Section 321.34, subsection 21, paragraph c, Code  
 37 1 Supplement 2007, is amended to read as follows:

37 2 c. The special fees collected by the director under this  
 37 3 subsection shall be paid monthly to the treasurer of state and  
 37 4 ~~credited to deposited in~~ the road use tax fund.  
 37 5 ~~Notwithstanding section 423.43, and prior to the crediting of~~  
~~37 6 revenues to the road use tax fund under section 423.43,~~  
~~37 7 subsection 1, paragraph "b", the~~ The treasurer of state shall  
 37 8 credit monthly from the revenues available for purposes of  
 37 9 this subsection under section 321.145, subsection 2, to the  
 37 10 Iowa heritage fund created under section 303.9A the amount of  
 37 11 the special fees collected in the previous month for the Iowa  
 37 12 heritage plates.

37 13 Sec. 44. Section 321.34, subsection 22, paragraph b, Code  
 37 14 Supplement 2007, is amended to read as follows:

37 15 b. The special school transportation fee for letter number  
 37 16 designated education plates is thirty=five dollars. The fee  
 37 17 for personalized education plates is twenty=five dollars,  
 37 18 which shall be paid in addition to the special school  
 37 19 transportation fee of thirty=five dollars. The annual special  
 37 20 school transportation fee is ten dollars for letter number  
 37 21 designated registration plates and is fifteen dollars for  
 37 22 personalized registration plates which shall be paid in  
 37 23 addition to the regular annual registration fee. The fees  
 37 24 collected by the director under this subsection shall be paid  
 37 25 monthly to the treasurer of state and ~~credited to deposited in~~  
 37 26 the road use tax fund. ~~Notwithstanding section 423.43, and~~  
~~37 27 prior to the crediting of revenues to the road use tax fund~~  
~~37 28 under section 423.43, subsection 1, paragraph "b", the~~ The  
 37 29 treasurer of state shall transfer monthly from ~~those revenues~~

37 30 the revenues available for purposes of this subsection under  
 37 31 section 321.145, subsection 2, to the school budget review  
 37 32 committee in accordance with section 257.31, subsection 17,  
 37 33 the amount of the special school transportation fees collected  
 37 34 in the previous month for the education plates.

37 35 Sec. 45. Section 321.34, subsection 23, paragraph c, Code  
 38 1 Supplement 2007, is amended to read as follows:

38 2 c. The special fee for letter number designated breast  
 38 3 cancer awareness plates is thirty=five dollars. The fee for  
 38 4 personalized breast cancer awareness plates is twenty=five  
 38 5 dollars, which shall be paid in addition to the special breast  
 38 6 cancer awareness fee of thirty=five dollars. The fees  
 38 7 collected by the director under this subsection shall be paid  
 38 8 monthly to the treasurer of state and ~~credited to deposited in~~  
 38 9 the road use tax fund. ~~Notwithstanding section 423.43, and~~  
 38 10 ~~prior to the crediting of revenues to the road use tax fund~~  
 38 11 ~~under section 423.43, subsection 1, paragraph "b", the~~ The  
 38 12 treasurer of state shall transfer monthly from ~~those revenues~~  
 38 13 the revenues available for purposes of this subsection under  
 38 14 section 321.145, subsection 2, to the Iowa department of  
 38 15 public health the amount of the special fees collected in the  
 38 16 previous month for the breast cancer awareness plates and such  
 38 17 funds are appropriated to the Iowa department of public  
 38 18 health. The Iowa department of public health shall distribute  
 38 19 one hundred percent of the funds received monthly in the form  
 38 20 of grants to support breast cancer screenings for both men and  
 38 21 women who meet eligibility requirements like those established  
 38 22 by the Susan G. Komen foundation. In the awarding of grants,  
 38 23 the Iowa department of public health shall give first  
 38 24 consideration to affiliates of the Susan G. Komen foundation  
 38 25 and similar nonprofit organizations providing for breast  
 38 26 cancer screenings at no cost in Iowa. Notwithstanding section  
 38 27 8.33, moneys transferred under this subsection shall not  
 38 28 revert to the general fund of the state.

38 29 Sec. 46. Section 321.34, subsection 24, Code Supplement  
 38 30 2007, is amended to read as follows:

38 31 24. GOLD STAR PLATES. An owner referred to in subsection  
 38 32 12 who is the surviving spouse, parent, child, or sibling of a  
 38 33 deceased member of the United States armed forces who died  
 38 34 while serving on active duty during a time of military  
 38 35 conflict may order special registration plates bearing a gold  
 39 1 star emblem upon written application to the department  
 39 2 accompanied by satisfactory supporting documentation as  
 39 3 determined by the department. The gold star emblem shall be  
 39 4 designed by the department in cooperation with the commission  
 39 5 of veterans affairs. The special plate fees collected by the  
 39 6 director under subsection 12, paragraph "a", from the issuance  
 39 7 and annual validation of letter=number designated and  
 39 8 personalized gold star plates shall be paid monthly to the  
 39 9 treasurer of state and ~~credited to deposited in~~ the road use  
 39 10 tax fund. ~~Notwithstanding section 423.43, and prior to the~~  
 39 11 ~~crediting of revenues to the road use tax fund under section~~  
 39 12 ~~423.43, subsection 1, paragraph "b", the~~ The treasurer of  
 39 13 state shall transfer monthly from ~~those revenues~~ the revenues  
 39 14 available for purposes of this subsection under section  
 39 15 321.145, subsection 2, to the veterans license fee fund  
 39 16 created in section 35A.11 the amount of the special fees  
 39 17 collected in the previous month for gold star plates.

39 18 Sec. 47. Section 321.39, subsections 3 and 4, Code 2007,  
 39 19 are amended to read as follows:

39 20 3. For vehicles on which the first installment of an  
39 21 annual registration fee has been paid, at midnight on the last  
39 22 day of June or the first business day of July when June 30  
39 23 falls on Saturday, Sunday, or a holiday; for vehicles on which  
39 24 the second installment of an annual registration fee has been  
39 25 paid, at midnight on the last day of December or the first  
39 26 business day of January when December 31 falls on Saturday,  
39 27 Sunday, or a holiday.

39 28 4. For vehicles registered without payment of annual  
39 29 registration fees as provided in section 321.19, when  
39 30 designated by the department.

39 31 5. Registration for every vehicle registered by the county  
39 32 treasurer shall expire upon transfer of ownership.

39 33 Sec. 48. Section 321.40, subsection 1, Code Supplement  
39 34 2007, is amended to read as follows:

39 35 1. Application for renewal of a vehicle registration shall  
40 1 be made on or after the first day of the month prior to the  
40 2 month of expiration of registration and up to and including  
40 3 the last day of the month following the month of expiration of  
40 4 registration. The registration shall be renewed upon payment  
40 5 of the appropriate annual registration fee. Application for  
40 6 renewal for a vehicle registered under chapter 326 shall be  
40 7 made on or after the first day of the month of expiration of  
40 8 registration and up to and including the last day of the month  
40 9 following the month of expiration of registration.

40 10 Sec. 49. Section 321.46, subsections 2, 3, 4, 6, and 7,  
40 11 Code 2007, are amended to read as follows:

40 12 2. Upon filing the application for a new registration and  
40 13 a new title, the applicant shall pay a title fee of ten  
40 14 dollars ~~and a~~, an annual registration fee prorated for the  
40 15 remaining unexpired months of the registration year, and a fee  
40 16 for new registration if applicable. A manufacturer applying  
40 17 for a certificate of title pursuant to section 322G.12 shall  
40 18 pay a title fee of two dollars. However, a title fee shall  
40 19 not be charged to a manufactured or mobile home retailer  
40 20 applying for a certificate of title for a used mobile home or  
40 21 manufactured home, titled in Iowa, as required under section  
40 22 321.45, subsection 4. The county treasurer, if satisfied of  
40 23 the genuineness and regularity of the application, and in the  
40 24 case of a mobile home or manufactured home, that taxes are not  
40 25 owing under chapter 435, and that applicant has complied with  
40 26 all the requirements of this chapter, shall issue a new  
40 27 certificate of title and, except for a mobile home,  
40 28 manufactured home, or a vehicle returned to and accepted by a  
40 29 manufacturer as described in section 322G.12, a registration  
40 30 card to the purchaser or transferee, shall cancel the prior  
40 31 registration for the vehicle, and shall forward the necessary  
40 32 copies to the department on the date of issuance, as  
40 33 prescribed in section 321.24. Mobile homes or manufactured  
40 34 homes titled under chapter 448 that have been subject under  
40 35 section 446.18 to a public bidder sale in a county shall be  
41 1 titled in the county's name, with no fee, and the county  
41 2 treasurer shall issue the title.

41 3 3. The applicant shall be entitled to a credit for that  
41 4 portion of the annual registration fee of the vehicle sold,  
41 5 traded, or junked which had not expired prior to the transfer  
41 6 of ownership of the vehicle. The annual registration fee for  
41 7 the new registration for the vehicle acquired shall be reduced  
41 8 by the amount of the credit. The credit shall be computed on  
41 9 the basis of the number of months remaining in the

41 10 registration year, rounded to the nearest whole dollar. The  
41 11 credit shall be subject to the following limitations:

41 12 a. The credit shall be claimed within thirty days from the  
41 13 date the vehicle for which credit is granted was sold,  
41 14 transferred, or junked. After thirty days, all credits shall  
41 15 be disallowed.

41 16 b. Any credit granted to the owner of a vehicle which has  
41 17 been sold, traded, or junked may only be claimed by that  
41 18 person toward the annual registration fee for another vehicle  
41 19 purchased and the credit may not be sold, transferred, or  
41 20 assigned to any other person.

41 21 c. When the amount of the credit is computed to be an  
41 22 amount of less than ten dollars, a credit shall be disallowed.

41 23 d. To claim a credit for the unexpired annual registration  
41 24 fee on a junked vehicle, the county treasurer shall disallow  
41 25 any claim for credit unless the owner presents a junking  
41 26 certificate or other evidence as required by the department to  
41 27 the county treasurer.

41 28 e. A credit shall not be allowed to any person who has  
41 29 made claim to receive a refund under section 321.126.

41 30 f. If the credit allowed exceeds the amount of the annual  
41 31 registration fee for the vehicle acquired, the owner may claim  
41 32 a refund under section 321.126, subsection 6, for the balance  
41 33 of the credit.

41 34 g. The credit shall be computed on the unexpired number of  
41 35 months computed from the date of purchase of the vehicle  
42 1 acquired.

42 2 4. If the annual registration fee upon application is  
42 3 delinquent, the applicant shall be required to pay the  
42 4 delinquent fee from the first day the annual registration fee  
42 5 was due prorated to the month of application for new title.

42 6 6. An applicant for a new registration for a vehicle  
42 7 transferred to the applicant by a spouse, parent, or child of  
42 8 the applicant, or by operation of law upon inheritance, devise  
42 9 or bequest, from the applicant's spouse, parent, or child, or  
42 10 by a former spouse pursuant to a decree of dissolution of  
42 11 marriage, is entitled to a credit to be applied to the annual  
42 12 registration fee for the transferred vehicle. A credit shall  
42 13 not be allowed unless the vehicle to which the credit applies  
42 14 is registered within the time specified under subsection 1.  
42 15 The credit shall be computed on the basis of the number of  
42 16 unexpired months remaining in the registration year of the  
42 17 former owner computed from the date the vehicle was  
42 18 transferred, computed to the nearest whole dollar. The credit  
42 19 may exceed the amount of the annual registration fee for the  
42 20 transferred vehicle. When the amount of the credit is  
42 21 computed to be an amount of less than ten dollars, the credit  
42 22 shall be disallowed. The credit shall not be sold,  
42 23 transferred, or assigned to any other person.

42 24 7. If a motor vehicle is leased and the lessee purchases  
42 25 the vehicle upon termination of the lease, the lessor shall,  
42 26 upon claim by the lessee with the lessor within thirty days of  
42 27 the purchase, assign the annual registration fee credit and  
42 28 registration plates for the leased motor vehicle to the  
42 29 lessee. Credit shall be applied as provided in subsection 3.

42 30 Sec. 50. Section 321.46A, Code 2007, is amended to read as  
42 31 follows:

42 32 321.46A CHANGE FROM PROPORTIONAL REGISTRATION == CREDIT.

42 33 An owner changing a vehicle's registration from  
42 34 proportional registration under chapter 326 to registration

42 35 under this chapter shall be entitled to a credit on the  
43 1 vehicle's annual registration fees under this chapter. The  
43 2 credit shall be allowed when the owner surrenders to the  
43 3 county treasurer proof of proportional registration provided  
43 4 by the department. The amount of the credit shall be  
43 5 calculated based on the unexpired complete calendar months  
43 6 remaining in the registration year from the date the  
43 7 application is filed with the county treasurer.

43 8 Sec. 51. Section 321.52, subsections 1 and 3, Code  
43 9 Supplement 2007, are amended to read as follows:

43 10 1. When a vehicle is sold outside the state for purposes  
43 11 other than for junk, the owner, dealer or otherwise, shall  
43 12 detach the registration plates and registration card and shall  
43 13 indicate on the registration card the name and address of the  
43 14 foreign purchaser or transferee over the person's signature.  
43 15 Unless the registration plates are legally attached to another  
43 16 vehicle, the owner shall surrender the registration plates and  
43 17 registration card to the county treasurer, who shall cancel  
43 18 the records, destroy the registration plates, and forward the  
43 19 registration card to the department. The department shall  
43 20 make a notation on the records of the out-of-state sale and,  
43 21 after a reasonable period, may destroy the files for that  
43 22 particular vehicle. The department is not authorized to make  
43 23 a refund of annual registration fees on a vehicle sold out of  
43 24 state unless it receives the registration card completed as  
43 25 provided in this section.

43 26 3. When a vehicle for which a certificate of title is  
43 27 issued is junked or dismantled by the owner, the owner shall  
43 28 detach the registration plates and surrender the plates to the  
43 29 county treasurer, unless the plates are properly assigned to  
43 30 another vehicle. The owner shall also surrender the  
43 31 certificate of title to the county treasurer. Upon  
43 32 surrendering the certificate of title and application for  
43 33 junking certificate, the county treasurer shall issue to the  
43 34 person, without fee, a junking certificate, which shall  
43 35 authorize the holder to possess, transport or transfer  
44 1 ownership of the junked vehicle by endorsement of the junking  
44 2 certificate. The county treasurer shall hold the surrendered  
44 3 certificate of title, registration receipt, application for  
44 4 junking certificate, and, if applicable, the registration  
44 5 plates for a period of fourteen days following the issuance of  
44 6 a junking certificate under this subsection. Within the  
44 7 fourteen-day period the person who was issued the junking  
44 8 certificate and to whom the vehicle was titled or assigned may  
44 9 surrender to the county treasurer the junking certificate, and  
44 10 upon the person's payment of appropriate fees and taxes and  
44 11 payment of any credit for annual registration fees received by  
44 12 the person for the vehicle under section 321.46, subsection 3,  
44 13 the county treasurer shall issue to the person a certificate  
44 14 of title for the vehicle. After the expiration of the  
44 15 fourteen-day period, a county treasurer shall not issue a  
44 16 certificate of title for a junked vehicle for which a junking  
44 17 certificate is issued. The county treasurer shall cancel the  
44 18 record of the vehicle and forward the certificate of title to  
44 19 the department.

44 20 However, upon application the department upon a showing of  
44 21 good cause may issue a certificate of title after the  
44 22 fourteen-day period for a junked vehicle for which a junking  
44 23 certificate has been issued. For purposes of this subsection,  
44 24 "good cause" means that the junking certificate was obtained

44 25 by mistake or inadvertence. If a person's application to the  
44 26 department is denied, the person may make application for a  
44 27 certificate of title under the bonding procedure as provided  
44 28 in section 321.24, if the vehicle qualifies as an antique  
44 29 vehicle under section 321.115, subsection 1, or the person may  
44 30 seek judicial review as provided under sections 17A.19 and  
44 31 17A.20.

44 32 Sec. 52. Section 321.70, Code 2007, is amended to read as  
44 33 follows:

44 34 321.70 DEALER VEHICLES.

44 35 A dealer registered under this chapter shall not be  
45 1 required to register any vehicle owned by the dealer which is  
45 2 being held for sale or trade, provided the annual registration  
45 3 fee was not delinquent at the time the vehicle was acquired by  
45 4 the dealer. When a dealer ceases to hold any vehicle for sale  
45 5 or trade or the vehicle otherwise becomes subject to  
45 6 registration under this chapter the annual registration fee  
45 7 and delinquent annual registration fee, if any, shall be due  
45 8 for the registration year.

45 9 Sec. 53. Section 321.101, subsection 1, paragraph d, Code  
45 10 Supplement 2007, is amended to read as follows:

45 11 d. When the department determines that the required annual  
45 12 registration fee has not been paid and the fee is not paid  
45 13 upon reasonable notice and demand.

45 14 Sec. 54. Section 321.101A, Code 2007, is amended to read  
45 15 as follows:

45 16 321.101A REVOCATION OF REGISTRATION BY COUNTY TREASURER.

45 17 The county treasurer may revoke the registration and  
45 18 registration plates of a vehicle if the annual registration  
45 19 ~~fees are~~ fee or the fee for new registration is paid by check,  
45 20 electronic payment, or credit card and the check, electronic  
45 21 payment, or credit card is not honored by the payer's  
45 22 financial institution or credit card company, upon reasonable  
45 23 notice and demand. The owner of the vehicle or person in  
45 24 possession of the registration and registration plates for the  
45 25 vehicle shall immediately return the revoked registration and  
45 26 registration plates to the appropriate county treasurer's  
45 27 office.

45 28 Sec. 55. Section 321.105, Code 2007, is amended to read as  
45 29 follows:

45 30 321.105 ANNUAL REGISTRATION FEE REQUIRED.

45 31 1. An annual registration fee shall be paid for each  
45 32 vehicle operated upon the public highways of this state unless  
45 33 the vehicle is specifically exempted under this chapter. If a  
45 34 vehicle, which has been registered for the current  
45 35 registration year, is transferred during the registration  
46 1 year, the transferee shall reregister the vehicle as provided  
46 2 in section 321.46.

46 3 2. The annual registration fee shall be paid to the county  
46 4 treasurer at the same time the application is made for the  
46 5 registration or reregistration of the motor vehicle or  
46 6 trailer. An owner may, when applying for registration or  
46 7 reregistration of a motor vehicle or trailer, request that the  
46 8 plates be mailed to the owner's post-office address. The  
46 9 owner's request shall be accompanied by a mailing fee as  
46 10 determined annually by the director in consultation with the  
46 11 Iowa county treasurers association.

46 12 3. Upon application by a financial institution, as defined  
46 13 in section 422.61, and approval of the application by the  
46 14 county treasurer, the county treasurer in any county may

46 15 authorize the financial institution to receive applications  
46 16 for renewal of vehicle registrations and payment of the annual  
46 17 registration fees. The annual registration fees shall be  
46 18 delivered to the county treasurer at the time the county  
46 19 treasurer has processed the vehicle registration application.  
46 20 ~~Registration~~ Annual registration fees received with vehicle  
46 21 registration applications shall be designated as public funds  
46 22 only upon receipt of such funds by the county treasurer from  
46 23 the financial institution.

46 24 4. In addition to the payment of an annual registration  
46 25 fee for each trailer and semitrailer to be issued an annual  
46 26 registration plate, an additional registration fee may be paid  
46 27 for a period of two or four subsequent registration years.

46 28 5. Seriously disabled veterans who have been provided with  
46 29 an automobile or other vehicle by the United States government  
46 30 under the provisions of sections 1901 to 1903, Title 38 of the  
46 31 United States Code, 38 U.S.C. } 1901 et seq. (1970), shall be  
46 32 exempt from payment of any automobile registration fee  
46 33 provided in this chapter, and shall be provided, without fee,  
46 34 with a registration plate. The disabled veteran, to be able  
46 35 to claim the above benefit, must be a resident of the state of  
47 1 Iowa. The disabled veteran may obtain a special or  
47 2 personalized plate under section 321.34 by paying the  
47 3 difference between the fee for a regular registration plate  
47 4 and the fee for the special or personalized registration  
47 5 plate.

47 6 Sec. 56. Section 321.106, subsections 1, 2, and 4, Code  
47 7 2007, are amended to read as follows:

47 8 1. When a vehicle is registered under chapter 326 or a  
47 9 motor truck, truck tractor, or road tractor is registered for  
47 10 a combined gross weight exceeding five tons and there is no  
47 11 delinquency and the registration is made in February or  
47 12 succeeding months through November, the annual registration  
47 13 fee shall be prorated for the remaining unexpired months of  
47 14 the registration year. A fee shall not be required for the  
47 15 month of December for a vehicle registered on a calendar year  
47 16 basis on which there is no delinquency. However, except for a  
47 17 vehicle registered under chapter 326, when such a vehicle is  
47 18 registered in November, the vehicle may be registered for the  
47 19 remaining unexpired months of the registration year or for the  
47 20 remaining unexpired months of the registration year and for  
47 21 the next registration year, upon payment of the applicable  
47 22 registration fees.

47 23 2. When a vehicle is registered on a birth month basis and  
47 24 there is no delinquency and the registration is made in the  
47 25 month after the beginning of the registration year or  
47 26 succeeding months, the annual registration fee shall be  
47 27 prorated for the remaining unexpired months of the  
47 28 registration year. A fee shall not be required for the month  
47 29 of the owner's birthday for a vehicle on which there is no  
47 30 delinquency. However, when a vehicle registered on a birth  
47 31 month basis is registered during the eleventh month of the  
47 32 registration year, the vehicle may be registered for the  
47 33 remaining unexpired months of the registration year or for the  
47 34 remaining unexpired months of the registration year and for  
47 35 the next registration year, upon payment of the applicable  
48 1 registration fees.

48 2 4. A reduction in the annual registration fee shall not be  
48 3 allowed by the department until the applicant files  
48 4 satisfactory evidence to prove that there is no delinquency in

48 5 registration.

48 6 Sec. 57. Section 321.109, subsection 3, Code 2007, is  
48 7 amended to read as follows:

48 8 3. The owner of an unregistered motor vehicle or motor  
48 9 vehicle for which the registration is delinquent may make  
48 10 application to the county treasurer of the county of residence  
48 11 or, if the unregistered or delinquent motor vehicle is  
48 12 purchased by a nonresident of the state, to the county  
48 13 treasurer in the county of purchase, for a temporary  
48 14 thirty-day permit for a fee of twenty-five dollars. The  
48 15 permit shall authorize the motor vehicle to be driven or towed  
48 16 upon the highway, but shall not authorize a motor truck or  
48 17 truck tractor to haul or tow a load. The permit fee shall not  
48 18 be considered a registration fee or exempt the owner from  
48 19 payment of all other fees, registration fees, and penalties  
48 20 due. If the annual registration fee for the motor vehicle is  
48 21 delinquent, the annual registration fee and penalty shall  
48 22 continue to accrue until paid. The permit fee shall not be  
48 23 prorated, refunded, or used as credit as provided under  
48 24 section 321.46. The permit shall be displayed in the upper  
48 25 left-hand corner of the rear window of all motor vehicles,  
48 26 except motorcycles. Permits issued for a motorcycle shall be  
48 27 attached to the rear of the motorcycle.

48 28 Sec. 58. Section 321.110, Code 2007, is amended to read as  
48 29 follows:

48 30 321.110 REJECTING FRACTIONAL DOLLARS.

48 31 When the annual registration fee, computed according to  
48 32 section 321.109, subsection 1, totals a fraction over a  
48 33 certain number of dollars the fee shall be arrived at by  
48 34 computing to the nearest even dollar.

48 35 Sec. 59. Section 321.113, Code 2007, is amended to read as  
49 1 follows:

49 2 321.113 AUTOMATIC REDUCTION.

49 3 1. The annual registration fee for a motor vehicle shall  
49 4 not be automatically reduced under this section unless the  
49 5 ~~registration~~ fee is based on the value and weight of the motor  
49 6 vehicle as provided in section 321.109, subsection 1.

49 7 2. If a motor vehicle is more than five model years old,  
49 8 the part of the annual registration fee that is based on the  
49 9 value of the vehicle shall be seventy-five percent of the rate  
49 10 as fixed when the motor vehicle was new.

49 11 3. If a motor vehicle is more than six model years old,  
49 12 the part of the annual registration fee that is based on the  
49 13 value of the vehicle shall be fifty percent of the rate as  
49 14 fixed when the motor vehicle was new.

49 15 4. If a 1994 model year or newer motor vehicle is nine  
49 16 model years old or older the annual registration fee is  
49 17 thirty-five dollars. For purposes of determining the portion  
49 18 of the annual registration fee under this subsection that is  
49 19 based upon the value of the motor vehicle, sixty percent of  
49 20 the annual registration fee is attributable to the value of  
49 21 the vehicle.

49 22 5. a. If a 1993 model year or older motor vehicle has  
49 23 been titled in the same person's name since the vehicle was  
49 24 new or the title to the vehicle was transferred prior to  
49 25 January 1, 2002, the part of the annual registration fee that  
49 26 is based on the value of the vehicle shall be ten percent of  
49 27 the rate as fixed when the motor vehicle was new.

49 28 b. If the title of a 1993 model year or older motor  
49 29 vehicle is transferred to a new owner or if such a motor

49 30 vehicle is brought into the state on or after January 1, 2002,  
 49 31 the annual registration fee shall not be based on the weight  
 49 32 and list price of the motor vehicle, but shall be as follows:

49 33 (1) For a motor vehicle that is model year  
 49 34 1969 or older:..... \$ 16.00  
 49 35 (2) For a motor vehicle that is model year  
 50 1 1970 through 1989:..... \$ 23.00  
 50 2 (3) For a motor vehicle that is model year  
 50 3 1990 through 1993:..... \$ 27.00

50 4 For purposes of determining the portion of the annual  
 50 5 registration fee under this paragraph "b" that is based upon  
 50 6 the value of the motor vehicle, sixty percent of the annual  
 50 7 registration fee is attributable to the value of the vehicle.

50 8 Sec. 60. Section 321.117, Code 2007, is amended to read as  
 50 9 follows:

50 10 321.117 MOTORCYCLE, AMBULANCE, AND HEARSE FEES.

50 11 For all motorcycles the annual registration fee shall be  
 50 12 twenty dollars. For all motorized bicycles the annual  
 50 13 registration fee shall be seven dollars. When the motorcycle  
 50 14 is more than five model years old, the annual registration fee  
 50 15 shall be ten dollars. The annual registration fee for  
 50 16 ambulances and hearses shall be fifty dollars. Passenger car  
 50 17 plates shall be issued for ambulances and hearses.

50 18 Sec. 61. Section 321.119, Code 2007, is amended to read as  
 50 19 follows:

50 20 321.119 CHURCH BUSES.

50 21 For motor vehicles designed to carry nine passengers or  
 50 22 more which are owned and used exclusively by a church or  
 50 23 religious organization to transport passengers to and from  
 50 24 activities of or sponsored by the church or religious  
 50 25 organization and not operated for rent or hire for purposes  
 50 26 unrelated to the activities of the church or religious  
 50 27 organization, the annual registration fee shall be twenty=five  
 50 28 dollars.

50 29 Sec. 62. Section 321.121, Code 2007, is amended to read as  
 50 30 follows:

50 31 321.121 SPECIAL TRUCKS FOR FARM USE.

50 32 1. The annual registration fee for a special truck shall  
 50 33 be eighty dollars for a gross weight of six tons, one hundred  
 50 34 dollars for a gross weight of seven tons, one hundred twenty  
 50 35 dollars for a gross weight of eight tons, and in addition,  
 51 1 fifteen dollars for each ton over eight tons and not exceeding  
 51 2 eighteen tons. The annual registration fee for a special  
 51 3 truck with a gross weight registration exceeding eighteen tons  
 51 4 but not exceeding nineteen tons shall be three hundred  
 51 5 twenty=five dollars and for a gross weight registration  
 51 6 exceeding nineteen tons but not exceeding twenty tons the  
 51 7 annual registration fee shall be three hundred seventy=five  
 51 8 dollars. The additional annual registration fee for a special  
 51 9 truck for a gross weight registration in excess of twenty tons  
 51 10 is twenty=five dollars for each ton over twenty tons and not  
 51 11 exceeding thirty=two tons.

51 12 2. A person convicted of or found by audit to be using a  
 51 13 motor vehicle registered as a special truck for any purpose  
 51 14 other than permitted by section 321.1, subsection 76, shall,  
 51 15 in addition to any other penalty imposed by law, be required  
 51 16 to pay regular annual motor vehicle registration fees ~~upon~~ for  
 51 17 such motor vehicle.

51 18 Sec. 63. Section 321.123, unnumbered paragraph 1, Code  
 51 19 2007, is amended to read as follows:

51 20 All trailers except farm trailers, mobile homes, and  
 51 21 manufactured homes, unless otherwise provided in this section,  
 51 22 are subject to ~~a~~ an annual registration fee of ten dollars.  
 51 23 Trailers for which the empty weight is two thousand pounds or  
 51 24 less are exempt from the certificate of title and lien  
 51 25 provisions of this chapter. Fees collected under this section  
 51 26 shall not be reduced or prorated under chapter 326.

51 27 Sec. 64. Section 321.123, subsection 1, unnumbered  
 51 28 paragraph 1, Code 2007, is amended to read as follows:

51 29 Travel trailers and fifth-wheel travel trailers, except  
 51 30 those in manufacturer's or dealer's stock, shall be subject to  
 51 31 an annual registration fee of twenty cents per square foot of  
 51 32 floor space computed on the exterior overall measurements, but  
 51 33 excluding three feet occupied by any trailer hitch as provided  
 51 34 by and certified to by the owner, to the nearest whole dollar.  
 51 35 When a travel trailer or fifth-wheel travel trailer is  
 52 1 registered in Iowa for the first time or when title is  
 52 2 transferred, the annual registration fee shall be prorated on  
 52 3 a monthly basis. The annual registration fee shall be reduced  
 52 4 to seventy-five percent of the full fee after the vehicle is  
 52 5 more than six model years old.

52 6 Sec. 65. Section 321.125, Code 2007, is amended to read as  
 52 7 follows:

52 8 321.125 EFFECT OF EXEMPTION.

52 9 The exemption of a motor vehicle from ~~a~~ an annual  
 52 10 registration fee or a fee for new registration shall not  
 52 11 exempt the operator of such vehicle from the performance of  
 52 12 any other duty imposed on the operator by this chapter.

52 13 Sec. 66. Section 321.126, Code 2007, is amended to read as  
 52 14 follows:

52 15 321.126 REFUNDS OF ANNUAL REGISTRATION FEES.

52 16 Refunds of unexpired annual vehicle registration fees shall  
 52 17 be allowed in accordance with this section, except that no  
 52 18 refund shall be allowed and paid if the unused portion of the  
 52 19 fee is less than ten dollars. Subsections 1 and 2 do not  
 52 20 apply to vehicles registered by the county treasurer. The  
 52 21 refunds shall be made as follows:

52 22 1. If the vehicle is destroyed by fire or accident, or  
 52 23 junked and its identity as a vehicle entirely eliminated, the  
 52 24 owner in whose name the vehicle was registered at the time of  
 52 25 destruction or dismantling shall return the plates to the  
 52 26 department and within thirty days thereafter make a statement  
 52 27 of such destruction or dismantling and make claim for refund.  
 52 28 With reference to the destruction or dismantling of a vehicle,  
 52 29 no refund shall be allowed unless a junking certificate has  
 52 30 been issued, as provided in section 321.52.

52 31 2. If the vehicle is stolen, the owner shall give notice  
 52 32 of the theft to the department within five days. If the  
 52 33 vehicle is not recovered by the owner thirty days prior to the  
 52 34 end of the current registration year, the owner shall make a  
 52 35 statement of the theft and make claim for refund.

53 1 3. If the vehicle is placed in storage by the owner upon  
 53 2 the owner's entry into the military service of the United  
 53 3 States, the owner shall return the plates to the county  
 53 4 treasurer or the department and make a statement regarding the  
 53 5 storage and military service and make claim for refund.  
 53 6 Whenever the owner of a vehicle so placed in storage desires  
 53 7 to again register the vehicle, the county treasurer or  
 53 8 department shall compute and collect the fees for registration  
 53 9 for the registration year commencing in the month the vehicle

53 10 is removed from storage.

53 11 4. If the vehicle is registered by the county treasurer  
53 12 during the current registration year and the owner or lessee  
53 13 registers the vehicle for proportional registration under  
53 14 chapter 326, the owner of the registered vehicle shall  
53 15 surrender the registration plates to the county treasurer and  
53 16 may file a claim for refund. In lieu of a refund, a credit  
53 17 for the annual registration fees paid to the county treasurer  
53 18 may be applied by the department to the owner or lessee's  
53 19 proportional registration fees upon the surrender of the  
53 20 county plates and registration.

53 21 5. A refund for trailers and semitrailers issued a  
53 22 multiyear registration plate shall be paid by the department  
53 23 upon application.

53 24 6. If a vehicle is sold or junked, the owner in whose name  
53 25 the vehicle was registered may make claim to the county  
53 26 treasurer or department for a refund of the sold or junked  
53 27 vehicle's annual registration fee. Also if the owner of a  
53 28 vehicle receives a vehicle registration fee credit under  
53 29 section 321.46, subsection 3, and the credit allowed exceeds  
53 30 the amount of the annual registration fee for the vehicle  
53 31 acquired, the owner may claim a refund for the balance of the  
53 32 credit. The refund is subject to the following limitations:

53 33 a. If a vehicle registration fee credit has not been  
53 34 received by the owner of the vehicle under section 321.46,  
53 35 subsection 3, the refund shall be computed on the basis of the  
54 1 number of unexpired months remaining in the registration year  
54 2 at the time the vehicle was sold or junked. The refund shall  
54 3 be rounded to the nearest whole dollar. Section 321.127,  
54 4 subsection 1, does not apply.

54 5 b. The refund shall only be allowed if the owner makes  
54 6 claim for the refund within six months after the date of the  
54 7 vehicle's sale, trade, or junking.

54 8 c. This subsection does not apply to vehicles registered  
54 9 under chapter 326.

54 10 7. If the vehicle was leased and an affidavit was filed by  
54 11 the lessor or the lessee as provided in section 321.46, the  
54 12 lessor or the lessee, as applicable, may make a claim for a  
54 13 refund with the county treasurer of the county where the  
54 14 vehicle was registered within six months of the vehicle's  
54 15 surrender to the lessor. The refund shall be paid to either  
54 16 the lessor or the lessee, as specified on the application for  
54 17 title and registration pursuant to section 321.20.

54 18 8. If the owner of the vehicle moves out of state, the  
54 19 owner may make a claim for a refund by returning the Iowa  
54 20 registration plates, along with evidence of the vehicle's  
54 21 registration in another jurisdiction, to the county treasurer  
54 22 of the county in which the vehicle was registered within six  
54 23 months of the out-of-state registration. For purposes of  
54 24 section 321.127, the unexpired months remaining in the  
54 25 registration year shall be calculated on the basis of the  
54 26 effective date of the out-of-state registration. However, for  
54 27 the purpose of timely issuance of the refund, the claim for a  
54 28 refund under this subsection is considered to be filed on the  
54 29 date the registration documents are received by the county  
54 30 treasurer.

54 31 9. Notwithstanding any provision of this section to the  
54 32 contrary, there shall be no refund of proportional  
54 33 registration fees unless the state which issued the base plate  
54 34 for the vehicle allows such refund. If an owner subject to

54 35 proportional registration leases the vehicle for which the  
55 1 refund is sought, the claim shall be filed in the names of  
55 2 both the lessee and the lessor and the refund payment made  
55 3 payable to both the lessor and the lessee. The term "owner"  
55 4 for purposes of this section shall include a person in whom is  
55 5 vested right of possession or control of a vehicle which is  
55 6 subject to a lease, contract, or other legal arrangement  
55 7 vesting right of possession or control in addition to the term  
55 8 as defined in section 321.1, subsection 49.

55 9 Sec. 67. Section 321.127, subsection 1, Code 2007, is  
55 10 amended to read as follows:

55 11 1. The refund of the annual registration fee for vehicles  
55 12 shall be computed on the basis of the number of unexpired  
55 13 months remaining in the registration year from date of filing  
55 14 of the claim for refund with the county treasurer, computed to  
55 15 the nearest dollar.

55 16 Sec. 68. Section 321.132, Code 2007, is amended to read as  
55 17 follows:

55 18 321.132 WHEN LIEN ATTACHES.

55 19 The lien of the original annual registration fee attaches,  
55 20 at the time the fee is first payable, as provided by law, and  
55 21 the lien of all renewals of registration attach on the first  
55 22 day of each succeeding registration year.

55 23 Sec. 69. Section 321.134, Code Supplement 2007, is amended  
55 24 to read as follows:

55 25 321.134 MONTHLY PENALTY.

55 26 1. On the first day of the second month following the  
55 27 beginning of each registration year a penalty of five percent  
55 28 of the annual registration fee shall be added to the annual  
55 29 registration fees not paid by that date and an additional  
55 30 penalty of five percent shall be added the first day of each  
55 31 succeeding month, until the fee is paid. A penalty shall not  
55 32 be less than five dollars. If the owner of a vehicle  
55 33 surrenders the registration plates for a vehicle prior to the  
55 34 plates becoming delinquent, to the county treasurer of the  
55 35 county where the vehicle is registered, or to the department  
56 1 if the vehicle is registered under chapter 326, the owner may  
56 2 register the vehicle any time thereafter upon payment of the  
56 3 annual registration fee for the registration year without  
56 4 penalty. The penalty on vehicles registered under chapter 326  
56 5 shall accrue February 1 of each year. To avoid a penalty or  
56 6 an additional penalty in the case of a delinquent  
56 7 registration, if the last calendar day of a month falls on  
56 8 Saturday, Sunday, or a holiday, the payment deadline is  
56 9 extended to include the first business day of the following  
56 10 month. For payments made through a county treasurer's  
56 11 authorized website only, if the last day of the month falls on  
56 12 a Saturday, Sunday, or a holiday, the electronic payment must  
56 13 be initiated by midnight on the first business day of the next  
56 14 month. All other electronic payments must be initiated by  
56 15 midnight on the last day of the month preceding the delinquent  
56 16 date.

56 17 2. The annual registration fee for trucks, truck tractors,  
56 18 and road tractors, as provided in sections 321.121 and  
56 19 321.122, may be payable in two equal semiannual installments  
56 20 if the annual registration fee exceeds the annual registration  
56 21 fee for a vehicle with a gross weight exceeding five tons.  
56 22 The penalties provided in subsection 1 shall be computed on  
56 23 the amount of the first installment only and on the first day  
56 24 of the seventh month of the registration period the same rate

56 25 of penalty shall apply to the second installment, until the  
 56 26 fee is paid. Semiannual installments do not apply to  
 56 27 commercial vehicles, as defined under section 326.2, subject  
 56 28 to proportional registration, with a base state other than the  
 56 29 state of Iowa, as defined in section 326.2, subsection 1. The  
 56 30 penalty on vehicles registered under chapter 326 accrues  
 56 31 August 1 of each year except as provided in section 326.6.  
 56 32 The department shall not allow the annual registration fee for  
 56 33 a commercial vehicle registered under chapter 326 to be paid  
 56 34 in two equal semiannual installments for five years after the  
 56 35 registrant has paid the annual registration fee late for two  
 57 1 consecutive years.

57 2 3. If a penalty applies to ~~a~~ an annual vehicle  
 57 3 registration fee provided for in sections 321.121 and 321.122,  
 57 4 the same penalty shall be assessed on the fees collected to  
 57 5 increase the registered gross weight of the vehicle, if the  
 57 6 increased gross weight is requested within forty-five days  
 57 7 from the date the delinquent vehicle is registered for the  
 57 8 current registration period.

57 9 4. Notwithstanding subsections 1 through 3, if a vehicle  
 57 10 registration is delinquent for twenty-four months or more, a  
 57 11 flat penalty and fee shall be assessed for the delinquent  
 57 12 period in addition to the current annual registration fee.  
 57 13 The flat penalty and fee shall be one hundred fifty percent of  
 57 14 the current annual registration fee.

57 15 5. The department shall waive the penalties imposed by  
 57 16 this section for an owner who is in the military service of  
 57 17 the United States and who has been relocated as a result of  
 57 18 being placed on active duty on or after September 11, 2001.  
 57 19 The department shall adopt rules to implement this subsection,  
 57 20 including, if necessary, procedures for refunding penalties  
 57 21 collected prior to March 29, 2004.

57 22 Sec. 70. Section 321.135, Code 2007, is amended to read as  
 57 23 follows:

57 24 321.135 WHEN FEES DELINQUENT.

57 25 Except as otherwise provided, ~~delinquencies begin~~ annual  
 57 26 registration fees become delinquent and penalties accrue the  
 57 27 first of the month following the purchase of a new vehicle,  
 57 28 and thirty days following the date a vehicle is brought into  
 57 29 the state.

57 30 Sec. 71. Section 321.151, Code 2007, is amended to read as  
 57 31 follows:

57 32 321.151 DUTY AND LIABILITY OF TREASURER.

57 33 The county treasurer shall collect the registration fee,  
 57 34 the fee for new registration, and penalties on each vehicle  
 57 35 registered by the county treasurer and shall be responsible on  
 58 1 the county treasurer's bond for such amount. The county  
 58 2 treasurer shall remit such amount to the treasurer of state as  
 58 3 provided in this chapter. Fees collected pursuant to  
 58 4 participation in county issuance of driver's licenses under  
 58 5 chapter 321M shall be governed by the provisions of that  
 58 6 chapter.

58 7 Sec. 72. Section 321.152, subsection 1, Code 2007, is  
 58 8 amended to read as follows:

58 9 1. Four percent of the total collection, excluding the  
 58 10 amount of any fee for new registration, for each annual or  
 58 11 semiannual vehicle registration and each duplicate  
 58 12 registration card or plate issued.

58 13 Sec. 73. Section 321.152, Code 2007, is amended by adding  
 58 14 the following new subsection:

58 15 NEW SUBSECTION. 5. One dollar from each fee for new  
 58 16 registration collected pursuant to section 321.105A.  
 58 17 Sec. 74. Section 321.159, Code 2007, is amended to read as  
 58 18 follows:

58 19 321.159 EXCEPTIONAL CASES == ANNUAL REGISTRATION FEE.  
 58 20 The department shall have the power to fix the annual  
 58 21 registration fee on all makes and models of motor vehicles  
 58 22 which are not now being furnished or upon which the statement  
 58 23 from the factory cannot be obtained.

58 24 For a current year model of a motor vehicle for which the  
 58 25 manufacturer or importer of the motor vehicle has not provided  
 58 26 the weight and list price, the department shall set the annual  
 58 27 registration fee at ten dollars greater than the annual  
 58 28 registration fee for the previous year model. Once the  
 58 29 manufacturer or importer provides the required information,  
 58 30 the information shall be used to set the annual registration  
 58 31 fee or the registration renewal fee for the succeeding  
 58 32 registration or registration renewal time for the motor  
 58 33 vehicle.

58 34 Sec. 75. Section 321.170, Code 2007, is amended to read as  
 58 35 follows:

59 1 321.170 PLATES FOR EXEMPT VEHICLES.  
 59 2 The department shall furnish, on application, free of  
 59 3 charge, distinguishing plates for motor vehicles exempted from  
 59 4 a annual registration fee fees and shall keep a separate  
 59 5 record thereof.

59 6 Sec. 76. Section 322G.4, subsection 2, unnumbered  
 59 7 paragraph 2, Code 2007, is amended to read as follows:

59 8 Refunds shall be made to the consumer and lienholder of  
 59 9 record, if any, as their interests appear. If applicable,  
 59 10 refunds shall be made to the lessor and lessee as follows:  
 59 11 the lessee shall receive the lessee's cost less a reasonable  
 59 12 offset for use, and the lessor shall receive the lease price  
 59 13 less the aggregate deposit and rental payments previously paid  
 59 14 to the lessor for the leased vehicle. If it is determined  
 59 15 that the lessee is entitled to a refund pursuant to this  
 59 16 chapter, the consumer's lease agreement with the lessor is  
 59 17 terminated upon payment of the refund and no penalty for early  
 59 18 termination shall be assessed. The department of revenue  
 59 19 shall refund to the manufacturer any use tax or fee for new  
 59 20 registration which the manufacturer refunded to the consumer,  
 59 21 lessee, or lessor under this section, if the manufacturer  
 59 22 provides to the department of revenue a written request for a  
 59 23 refund and evidence that the use tax or fee for new  
 59 24 registration was paid when the vehicle was purchased and that  
 59 25 the manufacturer refunded the use tax or fee for new  
 59 26 registration to the consumer, lessee, or lessor.

59 27 Sec. 77. Section 322G.12, unnumbered paragraph 1, Code  
 59 28 2007, is amended to read as follows:

59 29 A manufacturer who accepts the return of a motor vehicle  
 59 30 pursuant to a settlement, determination, or decision under  
 59 31 this chapter shall notify the state department of  
 59 32 transportation, report the vehicle identification number of  
 59 33 that motor vehicle within ten days after the acceptance, and  
 59 34 obtain a new certificate of title for the vehicle in the  
 59 35 manufacturer's name pursuant to section 321.46. In obtaining  
 60 1 a new certificate of title, the manufacturer shall title the  
 60 2 vehicle in the county of the transferor's residence and shall  
 60 3 be exempt from the registration fee requirements of section  
 60 4 321.46. ~~For purposes of chapter 423, a manufacturer's~~

~~60 5 acceptance of the return of a motor vehicle, as described in~~  
~~60 6 this section, shall not be considered "use", as defined in~~  
~~60 7 section 423.1 and the fee for new registration under section~~  
60 8 321.105A. The new certificate of title, and all subsequent  
60 9 registration receipts and certificates of title issued for the  
60 10 motor vehicle, shall contain a designation indicating that the  
60 11 motor vehicle was returned to the manufacturer pursuant to  
60 12 this chapter or a similar law of another state. The state  
60 13 department of transportation shall determine the manner in  
60 14 which the designation is to be indicated on registration  
60 15 receipts and certificates of title and may determine that a  
60 16 "REBUILT" or "SALVAGE" designation supersedes the designation  
60 17 required by this paragraph and include the "REBUILT" or  
60 18 "SALVAGE" designation on the registration receipt and  
60 19 certificate of title in lieu of the designation required by  
60 20 this paragraph.

60 21 Sec. 78. Section 326.2, Code 2007, is amended by adding  
60 22 the following new subsection:

60 23 NEW SUBSECTION. 11A. "Registration fee" means the annual  
60 24 motor vehicle registration fee imposed pursuant to section  
60 25 321.105, unless otherwise specified.

60 26 Sec. 79. Section 327I.26, Code 2007, is amended to read as  
60 27 follows:

60 28 327I.26 APPROPRIATION TO AUTHORITY.

60 29 Notwithstanding section 423.43, and prior to the  
60 30 application of section 423.43, subsection ~~1 2, paragraph "b",~~  
60 31 there shall be deposited into the general fund of the state  
60 32 and is appropriated to the authority from ~~eighty percent of~~  
60 33 the revenues derived from the operation of section 423.26, the  
60 34 amounts certified by the authority under section 327I.25.  
60 35 However, the total amount deposited into the general fund and  
61 1 appropriated to the Iowa railway finance authority under this  
61 2 section shall not exceed two million dollars annually. Moneys  
61 3 appropriated to the Iowa railway finance authority under this  
61 4 section are appropriated only for the payment of principal and  
61 5 interest on obligations or the payment of leases guaranteed by  
61 6 the authority as provided under section 327I.25.

61 7 Sec. 80. Section 331.557, subsection 3, Code 2007, is  
61 8 amended to read as follows:

61 9 3. Collect the use tax on vehicles subject to registration  
61 10 only to a certificate of title and on manufactured housing as  
61 11 provided in sections section 423.14, and section 423.26, and  
~~61 12 423.27, subsection 1.~~

61 13 Sec. 81. Section 423.5, subsection 3, Code 2007, is  
61 14 amended to read as follows:

61 15 3. The use of leased vehicles, if the lease transaction  
61 16 does not require titling or registration of the vehicle, on  
61 17 the amount subject to tax as calculated pursuant to section  
61 18 423.27 423.26, subsection 2.

61 19 Sec. 82. Section 423.36, subsection 8, paragraph b,  
61 20 subparagraph (2), Code 2007, is amended to read as follows:

61 21 (2) Taxes imposed under ~~sections section 423.26 and 423.27~~  
61 22 and chapter 423C.

61 23 Sec. 83. Section 423.57, Code Supplement 2007, is amended  
61 24 to read as follows:

61 25 423.57 STATUTES APPLICABLE.

61 26 The director shall administer this subchapter as it relates  
61 27 to the taxes imposed in this chapter in the same manner and  
61 28 subject to all the provisions of, and all of the powers,  
61 29 duties, authority, and restrictions contained in sections

61 30 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21,  
 61 31 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31,  
 61 32 423.32, 423.33, 423.34, 423.35, 423.37, 423.38, 423.39,  
 61 33 423.40, 423.41, and 423.42, section 423.43, subsection 3 1,  
 61 34 and sections 423.45, 423.46, and 423.47.

61 35 Sec. 84. Section 423B.4, unnumbered paragraphs 2 and 3,  
 62 1 Code 2007, are amended to read as follows:

62 2 Payment of a local vehicle tax shall be evidenced by a  
 62 3 notation on the state registration certificate. The director  
 62 4 of the department of transportation shall prescribe by rule  
 62 5 the type of notation. A local vehicle tax shall not be  
 62 6 refunded even when annual state registration fees are  
 62 7 refunded.

62 8 Penalties for late payment which are comparable to the  
 62 9 penalties for late payment of annual state registration fees  
 62 10 shall be imposed by the ordinance imposing a local vehicle  
 62 11 tax. Willful violation of a local vehicle tax ordinance is a  
 62 12 simple misdemeanor.

62 13 Sec. 85. Section 455D.11C, subsection 1, Code 2007, is  
 62 14 amended to read as follows:

62 15 1. A waste tire management fund is created within the  
 62 16 state treasury. ~~Moneys~~ For the fiscal year beginning July 1,  
 62 17 2002, through the fiscal year beginning July 1, 2006, moneys  
 62 18 received from each five dollar surcharge on the issuance of a  
 62 19 certificate of title shall be deposited as provided in section  
 62 20 321.52A, ~~subsection 2~~ Code 2007. Notwithstanding section  
 62 21 8.33, any unexpended balance in the fund at the end of each  
 62 22 fiscal year shall be retained in the fund. Notwithstanding  
 62 23 section 12C.7, any interest or earnings on investments from  
 62 24 moneys in the fund shall be credited to the fund. Moneys from  
 62 25 the fund that are expended by the department in closing or  
 62 26 bringing into compliance a waste tire collection site pursuant  
 62 27 to section 455D.11A and later recouped by the department shall  
 62 28 be credited to the fund.

62 29 Sec. 86. Section 455G.3, subsection 1, Code 2007, is  
 62 30 amended to read as follows:

62 31 1. The Iowa comprehensive petroleum underground storage  
 62 32 tank fund is created as a separate fund in the state treasury,  
 62 33 and any funds remaining in the fund at the end of each fiscal  
 62 34 year shall not revert to the general fund but shall remain in  
 62 35 the Iowa comprehensive petroleum underground storage tank  
 63 1 fund. Interest or other income earned by the fund shall be  
 63 2 deposited in the fund. The fund shall include moneys credited  
 63 3 to the fund under this section, section ~~423.43~~ 424.7,  
 63 4 subsection ~~4~~ 4, paragraph "a", and sections 455G.8, 455G.9,  
 63 5 and 455G.11, Code 2003, and other funds which by law may be  
 63 6 credited to the fund. The moneys in the fund are appropriated  
 63 7 to and for the purposes of the board as provided in this  
 63 8 chapter. Amounts in the fund shall not be subject to  
 63 9 appropriation for any other purpose by the general assembly,  
 63 10 but shall be used only for the purposes set forth in this  
 63 11 chapter. The treasurer of state shall act as custodian of the  
 63 12 fund and disburse amounts contained in it as directed by the  
 63 13 board including automatic disbursements of funds as received  
 63 14 pursuant to the terms of bond indentures and documents and  
 63 15 security provisions to trustees and custodians. The treasurer  
 63 16 of state is authorized to invest the funds deposited in the  
 63 17 fund at the direction of the board and subject to any  
 63 18 limitations contained in any applicable bond proceedings. The  
 63 19 income from such investment shall be credited to and deposited

63 20 in the fund. The fund shall be administered by the board  
 63 21 which shall make expenditures from the fund consistent with  
 63 22 the purposes of the programs set out in this chapter without  
 63 23 further appropriation. The fund may be divided into different  
 63 24 accounts with different depositories as determined by the  
 63 25 board and to fulfill the purposes of this chapter.

63 26 Sec. 87. Section 455G.6, subsection 4, Code 2007, is  
 63 27 amended to read as follows:

63 28 4. Grant a mortgage, lien, pledge, assignment, or other  
 63 29 encumbrance on one or more improvements, revenues, asset of  
 63 30 right, accounts, or funds established or received in  
 63 31 connection with the fund, including revenues derived from the  
 63 32 ~~use tax~~ environmental protection charge under section ~~423.43~~  
 63 33 424.7, subsection ~~1~~ 4, paragraph "a", and deposited in the  
 63 34 fund or an account of the fund.

63 35 Sec. 88. Section 455G.8, subsection 2, Code 2007, is  
 64 1 amended to read as follows:

64 2 2. ~~USE TAX ENVIRONMENTAL PROTECTION CHARGE.~~ The revenues  
 64 3 derived from the ~~use tax~~ environmental protection charge  
 64 4 imposed under chapter ~~423, subchapter III~~ 424. The proceeds  
 64 5 of the ~~use tax~~ environmental protection charge under section  
 64 6 ~~423.43~~ 424.7, subsection ~~1~~ 4, paragraph "a", shall be  
 64 7 allocated, consistent with this chapter, among the fund's  
 64 8 accounts, for debt service and other fund expenses, according  
 64 9 to the fund budget, resolution, trust agreement, or other  
 64 10 instrument prepared or entered into by the board or authority  
 64 11 under direction of the board.

64 12 Sec. 89. Section 321.115, subsection 1, as enacted by 2007  
 64 13 Iowa Acts, chapter 143, section 12, is amended to read as  
 64 14 follows:

64 15 1. A motor vehicle twenty-five years old or older may be  
 64 16 registered as an antique vehicle ~~upon payment of.~~ The annual  
 64 17 registration fee is the fee provided ~~for~~ in section 321.113,  
 64 18 321.122, or 321.124. The owner of a motor vehicle registered  
 64 19 under this subsection may display authentic Iowa registration  
 64 20 plates from the model year of the motor vehicle, furnished by  
 64 21 the person and approved by the department, in lieu of the  
 64 22 current and valid Iowa registration plates issued for the  
 64 23 vehicle, provided that the current and valid Iowa registration  
 64 24 plates and the registration card issued for the vehicle are  
 64 25 simultaneously carried within the vehicle and are available  
 64 26 for inspection to any peace officer upon the officer's  
 64 27 request.

64 28 Sec. 90. 2007 Iowa Acts, chapter 179, section 6, is  
 64 29 amended to read as follows:

64 30 SEC. 6. Section 423.57, Code 2007, as amended by this Act,  
 64 31 is amended to read as follows:

64 32 423.57 STATUTES APPLICABLE.

64 33 The director shall administer this subchapter as it relates  
 64 34 to the taxes imposed in this chapter in the same manner and  
 64 35 subject to all the provisions of, and all of the powers,  
 65 1 duties, authority, and restrictions contained in sections  
 65 2 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21,  
 65 3 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31,  
 65 4 423.32, 423.33, 423.34, 423.34A, 423.35, 423.37, 423.38,  
 65 5 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection  
 65 6 ~~3~~ 1, and sections 423.45, 423.46, and 423.47.

65 7 Sec. 91. Section 423.44, Code 2007, is repealed.

65 8 Sec. 92. PRIOR USE TAX LIABILITY. The enactment of this  
 65 9 Act does not affect a person's liability for any use tax,

65 10 penalty, or interest owed by the person prior to the effective  
65 11 date of this Act.

65 12 Sec. 93. EFFECTIVE DATE. The section of this Act amending  
65 13 2007 Iowa Acts, chapter 179, takes effect January 1, 2009.

65 14 EXPLANATION

65 15 This bill eliminates the imposition of the use tax on motor  
65 16 vehicles subject to registration and the use tax on leased  
65 17 motor vehicles, provides alternate sources of revenue for  
65 18 purposes currently funded from revenues derived from the motor  
65 19 vehicle use tax, and establishes a one-time motor vehicle  
65 20 registration fee called the "fee for new registration".

65 21 DIVISION I == Currently, there are several purposes for  
65 22 which motor vehicle use taxes are allocated which are not  
65 23 eligible under Iowa's constitution for funding from motor  
65 24 vehicle registration fees. The bill addresses those funding  
65 25 needs as follows:

65 26 1. Prior to allocation from the road use tax fund, an  
65 27 amount equal to 20 percent of the revenue collected from the  
65 28 fee for new registration is to be credited one-half to the  
65 29 road use tax fund and one-half to the primary road fund to be  
65 30 used for the commercial and industrial highway network.

65 31 2. An amount equal to 1/20 of 80 percent of the revenue  
65 32 collected from the fee for new registration is to be credited  
65 33 for purposes of public transit assistance from revenues  
65 34 derived from driver's license fees, title fees, and title fee  
65 35 surcharges.

66 1 3. An amount equal to \$1 per year of license validity for  
66 2 each issued or renewed driver's license valid for the  
66 3 operation of a motorcycle shall be credited to the motorcycle  
66 4 rider education fund from revenues derived from driver's  
66 5 license fees, title fees, and title fee surcharges.

66 6 4. Amounts required to be transferred from the sale of  
66 7 special motor vehicle registration plates for the various  
66 8 purposes associated with those plates are to be credited from  
66 9 revenues derived from driver's license fees, title fees, and  
66 10 title fee surcharges.

66 11 5. Amounts required for certain projects on bridges over  
66 12 rivers bordering the state, which are not eligible for funding  
66 13 from the road use tax fund, may be credited to the primary  
66 14 road fund from funds derived from trailer registration fees.

66 15 The bill provides that revenues from the automobile rental  
66 16 excise tax may be used to supplement the funding available to  
66 17 meet the statutory requirements for public transit assistance,  
66 18 the motorcycle rider education fund, and purposes of special  
66 19 registration plates.

66 20 DIVISION II == The bill establishes a new vehicle  
66 21 registration fee, referred to as the "fee for new  
66 22 registration", which amounts to 5 percent of the purchase  
66 23 price of a vehicle subject to registration, or 5 percent of  
66 24 the leased price for each vehicle subject to registration with  
66 25 a gross vehicle weight rating of less than 16,000 pounds,  
66 26 excluding motorcycles and motorized bicycles, which is leased  
66 27 for 12 months or more. The imposition of the fee for new  
66 28 registration is subject to the same exemptions currently  
66 29 applicable to the use tax on vehicles. The bill provides that  
66 30 the computation of a vehicle's purchase price for purposes of  
66 31 the fee for new registration mirrors the computation of "sales  
66 32 price" under current use tax provisions. The director of  
66 33 revenue, in consultation with the department of  
66 34 transportation, shall administer and enforce the fee for new

66 35 registration as nearly as possible in conjunction with the  
67 1 administration and enforcement of the use tax law.  
67 2 The fee for new registration is payable to the county  
67 3 treasurer at the time application is made for a new  
67 4 registration for a vehicle. As is currently the case with the  
67 5 vehicle use tax, the county treasurer shall retain \$1 from the  
67 6 collection of a fee for new registration, to be deposited in  
67 7 the county general fund. The bill provides a mechanism for  
67 8 collection of the fee by licensed vehicle dealers at the time  
67 9 a vehicle is purchased and provisions for obtaining a refund  
67 10 of a fee. The bill provides that a person who makes a false  
67 11 statement regarding the purchase price of a vehicle commits a  
67 12 fraudulent practice and is subject to the same penalties that  
67 13 applied for purposes of the use tax on vehicles.  
67 14 DIVISION III == The bill repeals the use tax on vehicles  
67 15 subject to registration and the motor vehicle lease tax,  
67 16 except for the tax on the use of leased vehicles if the lease  
67 17 transaction does not require titling and registration of the  
67 18 vehicle. The use tax on vehicles subject only to a  
67 19 certificate of title, which applies to mobile homes, and on  
67 20 manufactured homes is retained under the bill. The resulting  
67 21 revenue is deposited into the road use tax fund.  
67 22 DIVISION IV == The bill contains conforming amendments to  
67 23 the Code relating to provisions in the bill.  
67 24 LSB 5396YC 82  
67 25 dea/nh/14



~~1 25 must be~~ to be used to store, blend, or dispense renewable  
 1 26 fuel. The infrastructure shall be ethanol infrastructure or  
 1 27 biodiesel infrastructure.  
 1 28 a. (1) Ethanol infrastructure shall be designed and ~~shall~~  
~~1 29 be~~ used exclusively to ~~store~~ do any of the following:  
 1 30 (a) Store and dispense ~~renewable fuel which is~~ E=85  
 1 31 gasoline.  
 1 32 (b) Store, blend, and dispense motor fuel from a motor  
 1 33 fuel blender pump, as required in this subparagraph  
 1 34 subdivision. The ethanol infrastructure may provide for the  
 1 35 storage of ethanol or ethanol blended gasoline, or for  
 2 1 blending ethanol with gasoline, so long as the ethanol  
 2 2 infrastructure includes a motor fuel blender pump which  
 2 3 dispenses different classifications of ethanol blended  
 2 4 gasoline and which is capable of dispensing E=85 at all times  
 2 5 that the blender pump is operating.  
 2 6 (2) Biodiesel infrastructure shall be designed and used  
 2 7 exclusively to do any of the following:  
 2 8 (a) Store and dispense biodiesel ~~or biodiesel blended~~  
 2 9 fuel.  
 2 10 (b) Blend or dispense biodiesel fuel from a motor fuel  
 2 11 blender pump.  
 2 12 b. The infrastructure must be located on the premises of a  
 2 13 retail motor fuel ~~sites~~ site operated by a retail ~~dealers~~  
 2 14 dealer.  
 2 15 Sec. 5. Section 15G.203, subsection 3, Code Supplement  
 2 16 2007, is amended by striking the subsection.  
 2 17 Sec. 6. Section 15G.203, subsection 4, paragraph b,  
 2 18 subparagraphs (3) and (4), Code Supplement 2007, are amended  
 2 19 to read as follows:  
 2 20 (3) A statement describing how the retail motor fuel site  
 2 21 is to be improved, the total estimated cost of the planned  
 2 22 improvement, and the date when the infrastructure will be  
 2 23 first used ~~to store and dispense the renewable fuel.~~  
 2 24 (4) A statement certifying that the infrastructure shall  
 2 25 ~~not only be used to store or dispense motor fuel other than~~  
~~2 26 E-85 gasoline, biodiesel, or biodiesel blended fuel to comply~~  
 2 27 with the provisions of this section and as specified in the  
 2 28 cost=share agreement, unless granted a waiver by the  
 2 29 infrastructure board pursuant to this section. The  
 2 30 infrastructure board may approve a waiver to store, blend, or  
 2 31 dispense biodiesel fuel for a retail motor fuel site upon the  
 2 32 request of a participating person. The waiver shall be for  
 2 33 any three=consecutive=month period from November through  
 2 34 February to account for temperature=related issues. However,  
 2 35 the cost=share agreement shall be extended for the period of  
 3 1 the waiver.  
 3 2 Sec. 7. Section 15G.203, subsection 6, Code Supplement  
 3 3 2007, is amended by striking the subsection.  
 3 4 Sec. 8. Section 15G.203, subsection 7, Code Supplement  
 3 5 2007, is amended to read as follows:  
 3 6 7. An award of financial incentives to a participating  
 3 7 person shall be on a cost=share basis in the form of a grant.  
 3 8 To  
 3 9 ~~In order to~~ participate in the program, an eligible person  
 3 10 must execute a cost=share agreement with the department as  
 3 11 approved by the infrastructure board in which the person  
 3 12 contributes a percentage of the total costs related to  
 3 13 improving the retail motor fuel site. ~~Except as otherwise~~  
 3 14 provided in this section, a cost=share agreement shall not be

3 15 for more than three years. The infrastructure board may  
 3 16 approve multiple improvements to the same retail motor fuel  
 3 17 site for the full amount available for both ethanol  
 3 18 infrastructure and biodiesel infrastructure so long as the  
 3 19 improvements for ethanol infrastructure and for biodiesel  
 3 20 infrastructure are made under separate cost-share agreements.

3 21 a. Except as provided in paragraph "b", a participating  
 3 22 person may be awarded standard financial incentives. The  
 3 23 standard financial incentives awarded to ~~the~~ a participating  
 3 24 person for ethanol infrastructure improvements shall not  
 3 25 exceed fifty percent of the actual cost of making the  
 3 26 improvement or ~~thirty~~ fifty thousand dollars, whichever is  
 3 27 less. The standard financial incentives awarded to a  
 3 28 participating person for biodiesel infrastructure shall not  
 3 29 exceed fifty percent of the actual cost of making the  
 3 30 improvement or fifty thousand dollars, whichever is less. The  
 3 31 infrastructure board may approve multiple awards of standard  
 3 32 financial incentives to make improvements to a retail motor  
 3 33 fuel site so long as the total amount of the awards does not  
 3 34 exceed the limitations provided in this paragraph.

3 35 b. In addition to any standard financial incentives  
 4 1 awarded to a participating person under paragraph "a", the  
 4 2 participating person may be awarded supplemental financial  
 4 3 incentives to upgrade or replace a dispenser which is part of  
 4 4 gasoline storage and dispensing infrastructure used to store  
 4 5 and dispense E=85 gasoline as provided in section 455G.31.  
 4 6 The participating person is only eligible to receive the  
 4 7 supplemental financial incentives if the person installed the  
 4 8 dispenser not later than sixty days after the date of the  
 4 9 publication in the Iowa administrative bulletin of the state  
 4 10 fire marshal's order providing that a commercially available  
 4 11 dispenser is listed as compatible for use with E=85 gasoline  
 4 12 by an independent testing laboratory as provided in section  
 4 13 455G.31. The supplemental financial incentives awarded to the  
 4 14 participating person shall not exceed seventy-five percent of  
 4 15 the actual cost of making the improvement or thirty thousand  
 4 16 dollars, whichever is less.

4 17 Sec. 9. Section 15G.204, subsection 2, Code Supplement  
 4 18 2007, is amended by striking the subsection.

4 19 Sec. 10. Section 15G.204, subsection 4, Code Supplement  
 4 20 2007, is amended to read as follows:

4 21 4. a. An award of financial incentives to a participating  
 4 22 person shall be in the form of a grant. In order to  
 4 23 participate in the program, an eligible person must execute a  
 4 24 cost-share agreement with the department as approved by the  
 4 25 infrastructure board in which the person contributes a  
 4 26 percentage of the total costs related to improving the  
 4 27 terminal. The financial incentives awarded to the  
 4 28 participating person shall not exceed the following:

4 29 (1) For improvements to store or dispense biodiesel fuel  
 4 30 from B=2 or higher but not as high as B=99, fifty percent of  
 4 31 the actual cost of making the improvements or fifty thousand  
 4 32 dollars, whichever is less.

4 33 (2) For improvements to store or dispense biodiesel fuel  
 4 34 from B=99 to B=100, fifty percent of the actual cost of making  
 4 35 the improvements or one hundred thousand dollars, whichever is  
 5 1 less.

5 2 b. The infrastructure board may approve multiple awards to  
 5 3 make improvements to a terminal so long as the total amount of  
 5 4 the awards does not exceed the limitations provided in this

5 5 subsection.

5 6 Sec. 11. Section 214.1, Code 2007, is amended to read as  
5 7 follows:

5 8 214.1 DEFINITIONS.

5 9 ~~For the purpose of~~ As used in this chapter, unless the  
5 10 context otherwise requires:

5 11 1. "Biodiesel", "biodiesel fuel", "biofuel", "ethanol",  
5 12 "motor fuel", "retail dealer", "retail motor fuel site", and  
5 13 "wholesale dealer" mean the same as defined in section 214A.1.

5 14 2. "Commercial weighing and measuring device" or "device"  
5 15 means the same as defined in section 215.26.

5 16 ~~3. "Motor fuel" means the same as defined in section~~  
5 17 ~~214A.1 fuel blender pump" or "blender pump" means a motor fuel~~  
5 18 ~~pump that dispenses a type of motor fuel that is blended from~~  
5 19 ~~two or more different types of motor fuels and which may~~  
5 20 ~~dispense more than one type of blended motor fuel.~~

5 21 ~~3.~~ 4. "Motor fuel pump" means a pump, meter, or similar  
5 22 commercial weighing and measuring device used to measure and  
5 23 dispense motor fuel on a retail basis.

5 24 ~~4. "Retail dealer" means the same as defined in section~~  
5 25 ~~214A.1.~~

5 26 ~~5. "Wholesale dealer" means the same as defined in section~~  
5 27 ~~214A.1 "Motor fuel storage tank" or "storage tank" means an~~  
5 28 ~~aboveground or belowground container that is a fixture used to~~  
5 29 ~~store an accumulation of motor fuel.~~

5 30 Sec. 12. Section 214.9, Code 2007, is amended to read as  
5 31 follows:

5 32 214.9 SELF-SERVICE MOTOR FUEL PUMPS.

5 33 ~~Self-service~~ A self-service motor fuel ~~pumps~~ pump located  
5 34 at a retail motor ~~vehicle~~ fuel ~~stations~~ site may be equipped  
5 35 with an automatic latch=~~open devices~~ device on the fuel  
6 1 dispensing hose nozzle only if the nozzle valve is the  
6 2 automatic closing type.

6 3 Sec. 13. Section 214A.1, Code 2007, is amended by adding  
6 4 the following new subsection:

6 5 NEW SUBSECTION. 4A. "Biodiesel fuel" means biodiesel or  
6 6 biodiesel blended fuel.

6 7 Sec. 14. Section 214A.1, subsections 9, 14, and 15, Code  
6 8 2007, are amended to read as follows:

6 9 9. "E=85 gasoline" means ethanol blended gasoline  
6 10 formulated with a ~~minimum~~ percentage of between seventy and  
6 11 eighty-five percent by volume of ethanol, if the formulation  
6 12 meets the standards provided in section 214A.2.

6 13 14. "Motor fuel pump" and "motor fuel blender pump" or  
6 14 "blender pump" means the same as defined in section 214.1.

6 15 15. "Motor fuel storage tank" means ~~an aboveground or~~  
6 16 ~~belowground container that is a fixture, used to keep an~~  
6 17 ~~accumulation of motor fuel~~ the same as defined in section  
6 18 214.1.

6 19 Sec. 15. Section 214A.1, Code 2007, is amended by adding  
6 20 the following new subsection:

6 21 NEW SUBSECTION. 21A. "Unleaded gasoline" means gasoline,  
6 22 including ethanol blended gasoline, if all of the following  
6 23 applies:

6 24 a. It has an octane number of not less than eighty-seven  
6 25 as provided in section 214A.2.

6 26 b. Lead or phosphorus compounds have not been  
6 27 intentionally added to it.

6 28 c. It does not contain more than thirteen thousandths  
6 29 grams of lead per liter and not more than thirteen

6 30 ten-thousandths grams of phosphorus per liter.

6 31 Sec. 16. Section 214A.2, subsection 3, paragraph b, Code  
6 32 2007, is amended to read as follows:

6 33 b. If the motor fuel is advertised for sale or sold as  
6 34 ethanol blended gasoline, the motor fuel must comply with  
6 35 departmental standards which shall ~~comply with specifications~~

~~7 1 for ethanol blended gasoline adopted by A.S.T.M.~~

~~7 2 international. For ethanol blended gasoline meet~~ all of the  
7 3 following ~~shall apply~~ requirements:

7 4 (1) Ethanol must be an agriculturally derived ethyl  
7 5 alcohol that meets A.S.T.M. international specification D4806  
7 6 for denatured fuel ethanol for blending with gasoline for use  
7 7 as automotive spark-ignition engine fuel, or a successor  
7 8 A.S.T.M. international specification, as established by rules  
7 9 adopted by the department.

7 10 (2) Gasoline blended with ethanol must meet any of the  
7 11 following requirements:

7 12 (a) For the gasoline, A.S.T.M. international specification  
7 13 D4814.

7 14 (b) For the ethanol blended gasoline, A.S.T.M.  
7 15 international specification D4814.

7 16 (c) For the gasoline, A.S.T.M. international specification  
7 17 D4814 except for distillation, if the ethanol blended gasoline  
7 18 meets the requirements of A.S.T.M. international specification  
7 19 D4814.

7 20 (3) For ethanol blended gasoline other than E=85 gasoline,  
7 21 at least ten percent of the gasoline by volume must be  
7 22 ethanol.

7 23 ~~(3)~~ (4) E=85 gasoline must be an agriculturally derived  
7 24 ethyl alcohol that meets A.S.T.M. international specification  
7 25 D5798, described as a fuel blend for use in ground vehicles  
7 26 with automotive spark-ignition engines, or a successor  
7 27 A.S.T.M. international specification, as established by rules  
7 28 adopted by the department.

7 29 Sec. 17. Section 214A.2, Code 2007, is amended by adding  
7 30 the following new subsection:

7 31 NEW SUBSECTION. 4A. Ethanol blended gasoline shall be  
7 32 designated E=xx where "xx" is the volume percent of ethanol in  
7 33 the ethanol blended gasoline and biodiesel shall be designated  
7 34 B=xx where "xx" is the volume percent of biodiesel.

7 35 Sec. 18. Section 214A.2B, Code Supplement 2007, is amended  
8 1 to read as follows:

8 2 214A.2B LABORATORY FOR MOTOR FUEL AND BIOFUELS.

8 3 A laboratory for motor fuel and biofuels is established at  
8 4 a merged area school which is engaged in biofuels testing on  
8 5 July 1, 2007, and which testing includes but is not limited to  
8 6 ~~B=20~~ B=20 biodiesel fuel testing for motor trucks and the  
8 7 ability of biofuels to meet A.S.T.M. international standards.  
8 8 The laboratory shall conduct testing of motor fuel sold in  
8 9 this state and biofuel which is blended in motor fuel in this  
8 10 state to ensure that the motor fuel or biofuels meet the  
8 11 requirements in section 214A.2.

8 12 Sec. 19. Section 214A.3, subsection 2, paragraph b, Code  
8 13 2007, is amended to read as follows:

8 14 b. (1) Ethanol blended gasoline sold by a dealer shall be  
8 15 designated ~~E=xx where "xx" is the volume percent of ethanol in~~  
~~8 16 the ethanol blended gasoline~~ according to its classification  
8 17 as provided in section 214A.2. However, a person advertising  
8 18 E=10 gasoline may only designate it as ethanol blended  
8 19 gasoline. A person advertising ethanol blended gasoline

8 20 formulated with a percentage of between seventy and  
 8 21 eighty-five percent by volume of ethanol shall designate it as  
 8 22 E=85. A person shall not knowingly falsely advertise ethanol  
 8 23 blended gasoline by using an inaccurate designation in  
 8 24 violation of this subparagraph.

8 25 (2) Biodiesel ~~blended~~ fuel shall be designated ~~B-xx where~~  
~~8 26 "xx" is the volume percent of biodiesel in the biodiesel~~  
~~8 27 blended fuel according to its classification as provided in~~  
 8 28 section 214A.2. A person shall not knowingly falsely  
 8 29 advertise biodiesel blended fuel by using an inaccurate  
 8 30 designation in violation of this subparagraph.

8 31 Sec. 20. Section 455G.31, subsection 1, Code Supplement  
 8 32 2007, is amended by adding the following new paragraph:  
 8 33 NEW PARAGRAPH. 0a. "Dispenser" includes a motor fuel pump  
 8 34 as defined in section 214.1, including but not limited to a  
 8 35 motor fuel blender pump.

9 1 Sec. 21. Section 455G.31, subsection 1, paragraph b, Code  
 9 2 Supplement 2007, is amended to read as follows:

9 3 b. "Gasoline storage and dispensing infrastructure" means  
 9 4 any storage tank located below ground or above ground and any  
 9 5 associated equipment including but not limited to a pipe,  
 9 6 hose, connection, fitting seal, or motor fuel pump, which is  
 9 7 used to store, measure, and dispense gasoline by a retail  
 9 8 dealer.

9 9 Sec. 22. Section 15.401, Code 2007, is repealed.

9 10 Sec. 23. APPLICATIONS == RENEWABLE FUEL INFRASTRUCTURE  
 9 11 PROGRAM FOR BIODIESEL TERMINAL FACILITIES. A person who has  
 9 12 already received an award of financial incentives prior to the  
 9 13 effective date of this Act pursuant to section 15G.204 for the  
 9 14 costs of making improvements to biodiesel terminal facilities  
 9 15 to store or dispense biodiesel fuel from B=99 to B=100 may  
 9 16 receive additional financial incentives for those same  
 9 17 improvements pursuant to section 15G.204 as amended by this  
 9 18 Act. The total amount of financial incentives awarded to the  
 9 19 person for making such improvements shall not exceed in total  
 9 20 fifty percent of the actual cost of making the improvements or  
 9 21 one hundred thousand dollars, whichever is less.

9 22 Sec. 24. LEGISLATIVE INTENT == FUTURE REVENUE SOURCES. It  
 9 23 is the intent of the general assembly that all options be  
 9 24 examined in order to continue the financing of renewable fuel  
 9 25 infrastructure as provided in chapter 15G, subchapter II.

9 26 DIVISION II  
 9 27 INCOME TAX CREDIT

9 28 Sec. 25. Section 422.11N, subsection 4, paragraph b,  
 9 29 subparagraph (3), subparagraph subdivision (b), Code  
 9 30 Supplement 2007, is amended to read as follows:

9 31 (b) A shortage in ~~the~~ available biofuel feedstock  
 9 32 resulting in a dramatic decrease in biofuel inventories.

9 33 (c) A hardship imposed on the state and its driving public  
 9 34 due to shortages of motor fuel or a dramatic increase in the  
 9 35 price of motor fuel.

10 1 Sec. 26. Section 422.11P, subsection 1, paragraph a, Code  
 10 2 Supplement 2007, is amended to read as follows:

10 3 a. "Biodiesel ~~blended~~ fuel", "diesel fuel", and "retail  
 10 4 dealer" mean the same as defined in section 214A.1.

10 5 Sec. 27. Section 422.11P, subsections 2 and 3, Code  
 10 6 Supplement 2007, are amended to read as follows:

10 7 2. a. The taxes imposed under this division, less the  
 10 8 credits allowed under section 422.12, shall be reduced by the  
 10 9 amount of the biodiesel ~~blended~~ fuel tax credit for each tax

10 10 year that the taxpayer is eligible to claim a tax credit under  
10 11 this subsection. For a taxpayer

10 12 ~~a. In order~~ to be eligible, all of the following must  
10 13 apply:

10 14 (1) The taxpayer is a retail dealer who sells and  
10 15 dispenses biodiesel ~~blended~~ fuel through a motor fuel pump in  
10 16 the tax year in which the tax credit is claimed.

~~10 17 (2) Of the total gallons of diesel fuel that the retail  
10 18 dealer sells and dispenses through all motor fuel pumps during  
10 19 the retail dealer's tax year, fifty percent or more is  
10 20 biodiesel blended fuel which meets the requirements of this  
10 21 section.~~

10 22 ~~(3)~~ (2) The retail dealer complies with requirements of  
10 23 the department established to administer this section.

~~10 24 b. The tax credit shall apply to biodiesel blended fuel  
10 25 formulated with a minimum percentage of two percent by volume  
10 26 of biodiesel, if the formulation meets the standards provided  
10 27 in section 214A.2.~~

10 28 b. The tax credit shall be calculated separately for each  
10 29 retail motor fuel site operated by the taxpayer.

10 30 3. The amount of the tax credit is ~~three cents multiplied~~  
10 31 calculated by multiplying a designated rate by the total  
10 32 number of gallons of each class of biodiesel ~~blended~~ fuel sold  
10 33 and dispensed by the retail dealer through all motor fuel  
10 34 pumps operated by the retail dealer during the retail dealer's

10 35 tax year. The biodiesel fuel must meet the standards provided  
11 1 for in section 214A.2. The classes of biodiesel fuel shall be

11 2 the same as provided in that section. The schedule of  
11 3 designated rates for each class of biodiesel fuel is as

11 4 follows:

11 5 a. Three cents for biodiesel fuel which is classified as  
11 6 B=2 or higher, but is not as high as B=5.

11 7 b. Seven and one-half cents for biodiesel fuel which is  
11 8 classified as B=5 or higher, but is not as high as B=10.

11 9 c. Fifteen cents for biodiesel fuel which is classified as  
11 10 B=10 or higher, but is not as high as B=20.

11 11 d. Thirty cents for biodiesel fuel which is classified as  
11 12 B=20 or higher.

11 13 Sec. 28. Section 422.33, subsection 11C, paragraph c, Code  
11 14 Supplement 2007, is amended to read as follows:

11 15 c. The tax credit shall be calculated separately for each  
11 16 retail motor fuel site operated by the taxpayer.

11 17 d. This subsection is repealed on January 1, 2012.

11 18 Sec. 29. ETHANOL BLENDED GASOLINE TAX CREDITS ==  
11 19 TRANSITION. The department of revenue shall to every extent  
11 20 feasible provide for a simple transition for a taxpayer to  
11 21 claim an ethanol blended gasoline tax credit as provided in  
11 22 section 422.11C or section 422.33, subsection 11C, for the  
11 23 taxpayer's last tax year before the section is repealed on  
11 24 January 1, 2009, and then to claim the ethanol promotion tax  
11 25 credit as provided in section 422.11N or section 422.33,  
11 26 subsection 11A, commencing on January 1, 2009, for the  
11 27 taxpayer's succeeding tax year.

11 28 Sec. 30. RETROACTIVE APPLICABILITY DATE. Section 422.11P,  
11 29 as amended in this Act, and section 422.33, subsection 11C, as  
11 30 applied due to the enactment of this Act, shall apply  
11 31 retroactively to the tax year beginning on or after January 1,  
11 32 2008.

11 33

11 34

DIVISION III  
RENEWABLE FUEL REPORTING REQUIREMENTS

11 35 Sec. 31. Section 452A.33, subsection 1, Code 2007, is  
 12 1 amended to read as follows:

12 2 1. a. ~~Each retail dealer shall report its~~ The department  
 12 3 shall monitor the total motor fuel gallonage for each retail  
 12 4 motor fuel site or other permanent or temporary location from  
 12 5 which the retail dealer sells and dispenses motor fuel during  
 12 6 a determination period ~~as follows~~. The department shall  
 12 7 monitor all of the following:

12 8 (1) ~~Its~~ The total gasoline gallonage and ~~its~~ total ethanol  
 12 9 gallonage, including for each classification and  
 12 10 subclassification as provided in section 452A.31.

12 11 (2) ~~Its~~ The total diesel fuel gallonage and ~~its~~ total  
 12 12 biodiesel gallonage, including for each classification and  
 12 13 subclassification as provided in section 452A.31.

12 14 b. ~~The report shall include a breakdown of the information~~  
 12 15 ~~required in paragraph "a" for each retail motor fuel site or~~  
 12 16 ~~other permanent or temporary location from which the retail~~  
 12 17 ~~dealer sells and dispenses motor fuel.~~

12 18 c. ~~The retail dealer shall prepare and submit the report~~  
 12 19 ~~in a manner and according to procedures required by the~~  
 12 20 ~~department. The department may require that retail dealers~~  
 12 21 ~~report to the department on an annual, quarterly, or monthly~~  
 12 22 ~~basis.~~

12 23 d. b. ~~The~~ Any information included in a report submitted  
 12 24 ~~by~~ obtained from a wholesale dealer or a retail dealer by the  
 12 25 department is deemed to be a trade secret, protected as a  
 12 26 confidential record pursuant to section 22.7.

12 27 Sec. 32. Section 452A.33, subsection 2, unnumbered  
 12 28 paragraph 1, Code 2007, is amended to read as follows:

12 29 On or before February 1 the department shall deliver a  
 12 30 report to the governor and the legislative services agency.  
 12 31 The report shall compile ~~any information reported by retail~~  
 12 32 ~~dealers to the~~ obtained by the department as provided in this  
 12 33 section and shall at least which may include all of the  
 12 34 following:

#### DIVISION IV

##### EFFECTIVE DATE

13 1 Sec. 33. EFFECTIVE DATE. This Act, being deemed of  
 13 2 immediate importance, takes effect upon enactment.

##### EXPLANATION

13 3 BACKGROUND. This bill amends Code provisions relating to  
 13 4 renewable fuel and specifically biofuels used in motor fuels,  
 13 5 including ethanol (ethyl alcohol) and biodiesel (derived from  
 13 6 vegetable oils or animal fats). Ethanol is blended into  
 13 7 gasoline and biodiesel used without blending or blending into  
 13 8 diesel fuel. The bill refers to biodiesel and biodiesel  
 13 9 blended fuel and "biodiesel fuel". The bill also refers to  
 13 10 the percentage of biofuel contained in a gallon of motor fuel  
 13 11 as E=xx where "xx" equals the percentage of ethanol by volume  
 13 12 and B=xx equals the percentage of biodiesel by volume.  
 13 13 Generally, motor fuel pumps and motor fuel are regulated by  
 13 14 the department of agriculture and land stewardship.

13 15 DIVISION I == RENEWABLE FUEL INFRASTRUCTURE. The bill  
 13 16 amends provisions relating to infrastructure associated with  
 13 17 the storage, blending, and dispensing of renewable fuel and  
 13 18 specifically programs administered by the renewable fuel  
 13 19 infrastructure board (see Code section 15G.202) established  
 13 20 within the department of economic development and supported by  
 13 21 moneys appropriated from the grow Iowa values fund (see Code  
 13 22 section 15G.111(7)). The programs include the renewable fuel

13 25 infrastructure programs for retail motor fuel sites (see Code  
13 26 section 15G.203) and biodiesel terminal facilities (see Code  
13 27 section 15G.204) which provide grants on a cost=share basis to  
13 28 participating persons.

13 29 BLENDER PUMPS. The bill provides for a new type of motor  
13 30 fuel pump referred to as a motor fuel blender pump (blender  
13 31 pump) which dispenses a blend of two types of motor fuel and  
13 32 may allow a retail customer to select the percent of biofuel,  
13 33 either ethanol (ethyl alcohol) which is blended into gasoline  
13 34 or biodiesel (derived from vegetable oils or animal fats)

13 35 which may dispensed or blended into diesel fuel. The bill  
14 1 expands the renewable fuel infrastructure program to provide  
14 2 financing to support the installation, replacement, or  
14 3 conversion of infrastructure associated with using a blender  
14 4 pump to dispense ethanol blended gasoline or biodiesel fuel.

14 5 COST=SHARE AGREEMENTS. The bill provides that a cost=share  
14 6 agreement executed by the infrastructure board and a  
14 7 participating person receiving financial incentives to improve  
14 8 a retail motor fuel site cannot exceed three years. It  
14 9 provides that the board may waive a requirement that a  
14 10 participating person keep biodiesel fuel during any  
14 11 three=month period during the winter, if the cost=share  
14 12 agreement is extended to cover those waived months.

14 13 A participating person may execute two cost=share  
14 14 agreements: (1) to receive up to the full amount available to  
14 15 improve their retail motor fuel site with ethanol  
14 16 infrastructure, and (2) to receive up to the full amount  
14 17 available to improve the same retail motor fuel site with  
14 18 biodiesel infrastructure.

14 19 For ethanol infrastructure used to improve a motor fuel  
14 20 site, the amount of the financing is increased from \$30,000 to  
14 21 \$50,000, so long as the financing does not exceed 50 percent  
14 22 of the cost of making the improvement. For biodiesel  
14 23 infrastructure used to improve a motor fuel site, the amount  
14 24 of financing shall not exceed 50 percent of the cost of making  
14 25 the improvement or \$50,000, whichever is less.

14 26 The bill amends provisions relating to the renewable fuel  
14 27 infrastructure program for biodiesel terminals, by increasing  
14 28 the amount that a participating person is eligible to receive  
14 29 from \$50,000 to \$100,000 for installing improvements to store  
14 30 and dispense B=99 to B=100. The bill retains the alternative  
14 31 cap of 50 percent of making the improvement. It also provides  
14 32 that a person who has made such improvements under an old  
14 33 cost=share agreement may be reimbursed for the extra amount.

14 34 MOTOR FUEL STANDARDS. The bill provides a definition of  
14 35 unleaded gasoline including by providing that it contains an  
15 1 octane number of 87, and limits the amount of lead or  
15 2 phosphorus. It provides standards for unleaded gasoline  
15 3 blended with ethanol based on A.S.T.M. specifications. It  
15 4 requires that a retail dealer advertising motor fuel  
15 5 containing between 70 and 85 percent ethanol must be  
15 6 advertised as "E=85".

15 7 AUTHORIZATION TO USE BLENDER PUMPS. The bill amends Code  
15 8 section 455G.31 which allows the state fire marshal to approve  
15 9 the installation of infrastructure associated with storing and  
15 10 dispensing E=85. The bill provides that such infrastructure  
15 11 includes blender pumps.

15 12 FUTURE SOURCES OF REVENUE. The bill includes a provision  
15 13 expressing the intent of the general assembly to examine all  
15 14 options to continue the financing of renewable fuel

15 15 infrastructure.

15 16 DIVISION II == ETHANOL PROMOTION TAX CREDIT. The bill  
15 17 amends Code section 422.11N, which allows a retail dealer to  
15 18 claim an ethanol promotion tax credit based on a formula which  
15 19 calculates a retail dealer's biofuel distribution percentage  
15 20 (the sum of the retail dealer's total ethanol gallonage plus  
15 21 the retail dealer's total biodiesel gallonage expressed as a  
15 22 percentage of the retail dealer's total gasoline gallonage).  
15 23 The Code section allows the governor to reduce the applicable  
15 24 biofuel threshold percentage by replacing it with an adjusted  
15 25 biofuel threshold percentage if exigent circumstances exist  
15 26 (e.g., a lack of available feedstock). The bill provides a  
15 27 new exigent circumstance based on a hardship imposed on the  
15 28 state and its driving public due to shortages of motor fuel or  
15 29 a dramatic increase in the price of motor fuel.

15 30 BIODIESEL TAX CREDIT. The bill amends provisions relating  
15 31 to the biodiesel blended fuel tax credit available to a retail  
15 32 dealer of diesel fuel who sells 50 percent or more biodiesel  
15 33 blended fuel during each tax year until the tax credit expires  
15 34 on January 1, 2012. The tax credit is based on the total  
15 35 number of gallons sold. The bill provides that the tax credit  
16 1 must be calculated separately for each retail motor fuel site  
16 2 operated by the taxpayer. The bill eliminates a requirement  
16 3 that a retail dealer must sell 50 percent or more biodiesel  
16 4 blended fuel. The bill replaces the rate of 3 cents for each  
16 5 gallon of B=2 or higher sold, with a schedule which increases  
16 6 the rate depending upon the class of biodiesel blended fuel  
16 7 sold (from 3 cents for B=2 to 30 cents for B=20 or higher).  
16 8 The bill applies retroactively to the tax year beginning on or  
16 9 after January 1, 2008.

16 10 DIVISION III == RENEWABLE FUEL REPORTING REQUIREMENTS. The  
16 11 bill amends provisions that require a retail dealer to submit  
16 12 periodic reports to the department of revenue tracking motor  
16 13 fuel and biofuel sold at each retail motor fuel site. The  
16 14 bill provides that the department of revenue is responsible  
16 15 for tracking motor fuel and biofuel use.

16 16 DIVISION IV == EFFECTIVE DATE. The bill takes effect upon  
16 17 enactment.

16 18 LSB 6451YC 82

16 19 da/nh/5.1

---

Text: HSB745

Text: HSB747

Text: SSB3197

Text: SSB3199

# Senate Study Bill 3198

SENATE FILE  
 BY (PROPOSED COMMITTEE ON  
 AGRICULTURE BILL BY  
 CHAIRPERSON FRAISE)

Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved

Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

## A BILL FOR

1 An Act providing for infrastructure associated with storing,  
 2 blending, and dispensing renewable fuel, and providing an  
 3 effective date.  
 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
 5 TL5B 6470XC 82  
 6 da/nh/5

PAG LIN

1 1 Section 1. Section 15G.201, subsection 1, Code 2007, is  
 1 2 amended to read as follows:  
 1 3 1. "Biodiesel", "biodiesel blended fuel", "biodiesel  
 1 4 fuel", "E=85 gasoline", "ethanol", "ethanol blended gasoline",  
 1 5 "gasoline", "motor fuel", "~~motor fuel pump~~", "retail dealer",  
 1 6 and "retail motor fuel site" mean the same as defined in  
 1 7 section 214A.1.  
 1 8 Sec. 2. Section 15G.201, Code 2007, is amended by adding  
 1 9 the following new subsections:  
 1 10 NEW SUBSECTION. 4A. "Motor fuel pump" and "motor fuel  
 1 11 blender pump" or "blender pump" mean the same as defined in  
 1 12 section 214.1.  
 1 13 NEW SUBSECTION. 5A. "Tank vehicle" means the same as  
 1 14 defined in section 321.1.  
 1 15 Sec. 3. Section 15G.202, subsection 6, Code 2007, is  
 1 16 amended by striking the subsection.  
 1 17 Sec. 4. Section 15G.203, subsection 1, Code Supplement  
 1 18 2007, is amended to read as follows:  
 1 19 1. The purpose of the program is to improve retail motor  
 1 20 fuel sites by installing, replacing, or converting ~~motor fuel~~  
 1 21 ~~storage and dispensing infrastructure. The infrastructure~~  
 1 22 ~~must be to be used to store, blend, or dispense renewable~~  
 1 23 fuel. The infrastructure shall be ethanol infrastructure or  
 1 24 biodiesel infrastructure.  
 1 25 a. (1) Ethanol infrastructure shall be designed and ~~shall~~  
 1 26 ~~be used exclusively to store~~ do any of the following:

