

ONE-TIME REGISTRATION FEE EXEMPTION FOR MODIFIED VEHICLES

Prior Law

There was no specific exemption from registration fees for equipment dealers who purchase a new vehicle with the purpose of modifying that vehicle for resale to a business or government entity. However, under current law, an equipment dealer rebuilding or installing equipment on new vehicles can be licensed as a wholesaler to acquire new vehicles without having to title and register the vehicles or pay the fee for new registration. Once the vehicle has been modified, the retail sale of the modified vehicle is completed through a franchised dealer of the vehicle's make as a sale for resale. The new provisions provide an alternative way to accomplish this sale without paying the fee for new registration.

New Provisions

A new completed motor vehicle purchased at retail by a licensed equipment dealer who is licensed as a motor vehicle dealer under chapter 22 is exempt from the fee for new registration if all of the following apply:

- The total value of modifications made to the vehicle must be at least 80% of the purchase price paid for the new vehicle; and
- The modified vehicle is sold as a used vehicle to a business or government entity, and not to an individual consumer.

An equipment dealer is defined for purposes of this exemption to mean either a person rebuilding a new completed motor vehicle by fabricating, altering, adding, or replacing essential parts, components, or equipment for the purpose of building an ambulance, rescue vehicle, fire vehicle, or towing or recovery vehicle or a person installing cranes, hook loaders, buckets, aerial ladders, tanks, or special equipment on new completed motor trucks with a gross vehicle weight rating of 14,500 pounds or more.

Section Amended

Section 2 of 2014 Senate File 2291 amends Section 321.105A, subsection 2, paragraph c, Code 2014, by adding new subparagraph 31.

Effective Date

July 1, 2014