

Red Tape Review Rule Report (Due: September 1, 2025)

Department Name:	Department of Transportation	Date:	3-5-25	Total Rule Count:	22
IAC #:	761	Chapter/ SubChapter/ Rule(s):	425	Iowa Code Section Authorizing Rule:	307.12(1)“j,” 322.13
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of this chapter is to implement Iowa Code chapters 322 and 322C, which require individuals engaged in the business of selling motor vehicles and towable recreational vehicles to obtain a license from the Department. The rules provide clarity and consistency on the requirements for licenses and guidance on compliance with the statutory requirements.

Is the benefit being achieved? Please provide evidence.

Yes. There are currently 2,120 active motor vehicle dealer licenses and 344 active towable recreational vehicle dealer licenses in the state.

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

There are no costs to comply with the rules beyond the requirements of the underlying statute, which requires a person seeking a dealer license or renewal to complete an application and pay a \$70 fee for a two-year period of license validity.

In 2022, the Department collected \$87,630 in fees for dealer license renewals. In 2023, the Department collected \$21,560 in fees for new dealer licenses.

As required under Iowa Code chapters 322 and 322C, the license fee revenue is deposited into the Road Use Tax Fund.

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

There are no costs to the Department to implement the rules beyond those that would otherwise be required to administer the statutes.

Do the costs justify the benefits achieved? Please explain.

There are no costs to comply with the rules beyond those that would otherwise be required to administer the statutes.

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

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

There are no less restrictive alternatives. Iowa Code chapters 322 and 322C require individuals seeking to obtain a license to apply to the Department and the Department is charged with administering licenses under these chapters.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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

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- 425.1 Introduction.** This rule is revised to remove unnecessary language and move contact information to the application rule.
- 425.3 Definitions.** This rule is revised to remove language that is duplicative of statute and other administrative rules.
- 425.10 Application for a dealer's license.** This rule removes unnecessarily restrictive terms and unnecessary content.
- 425.11 Motor vehicle dealer licensing for final-state manufacturers.** This rule removes an unnecessarily restrictive term.
- 425.12 Motor vehicle dealer's principal place of business.** This rule is deleted and its content combined into one rule regarding principal place of business requirements for motor vehicle dealers and towable recreational vehicle dealers.
- 425.13 Business records of a motor vehicle dealer with multiple licenses.** This rule removes an unnecessarily restrictive term.
- 425.14 Towable recreational vehicle dealer's principal place of business.** This rule is deleted and its content combined into one rule regarding principal place of business requirements for motor vehicle dealers and towable recreational vehicle dealers.
- 425.17 Extension lot license.** This rule removes unnecessary content and an unnecessary restrictive term
- 425.18 Supplemental statement of changes.** This rule is deleted and its content combined into the rule regarding supporting documentation and general requirements for dealer licenses.
- 425.20 Fleet vehicle sales and retail auction sales.** This rule is deleted and its content combined into the rule regarding restricted dealer licenses.
- 425.24 Miscellaneous requirements.** This rule is deleted and its content combined into the rules regarding application for a dealer license and principal place of business requirements.
- 425.26 State fair, fairs, shows and exhibitions.** This rule removes unnecessarily restrictive terms and unnecessary content.
- 425.29 Classic car permit.** This rule removes unnecessarily restrictive terms and unnecessary content.
- 425.30 Motor truck display permit.** This rule removes an unnecessarily restrictive term and content that is duplicative of statute.
- 425.31 Firefighting and rescue show permit.** This rule removes unnecessarily restrictive terms and unnecessary content.
- 425.40 Salespersons of dealers.** This rule removes unnecessarily restrictive terms.
- 425.50 Manufacturers, distributors, and wholesalers.** This rule removes unnecessarily restrictive terms and unnecessary content.
- 425.53 Wholesaler's financial liability coverage.** This rule is deleted and its content combined into the rule regarding manufacturers, distributors, and wholesalers.
- 425.62 Denial, suspension or revocation.** This rule removes unnecessarily restrictive terms.
- 425.70 Dealer plates.** This rule removes unnecessarily restrictive terms and unnecessary content.

425.72 Demonstration permits. This rule removes an unnecessarily restrictive term.

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

425.12
425.18
425.20
425.24
425.53

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

425.1
425.2
425.3
425.4
425.5
425.6
425.7
425.8
425.9
425.10
425.11
425.12
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425.16
425.17
425.18
425.19

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

METRICS

Total number of rules repealed:	6
Proposed word count reduction after repeal and/or re-promulgation	281

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

The Department recommends explicit rulemaking authority be added to Iowa Code chapter 322C for the towable recreational vehicle license application and approval process. Of note, Iowa Code section 322.13 does provide the Department with explicit rulemaking authority to administer the motor vehicle licensing process.

Although the Iowa Code requires an entity seeking to obtain a towable recreational vehicle license to apply to the Department, Iowa Code does not outline the application process, or all of the eligibility requirements, which is instead done via administrative rules. The Department currently relies on general rulemaking authority in Iowa Code section 307.12(1)“j” in full, or at least partially, for the following rules:

425.1 Introduction**425.3 Definitions****425.10 Application for a dealer’s license****425.14 Towable recreational vehicle dealer’s principal place of business****425.17 Extension lot license****425.26 State fair, fairs, shows and exhibitions****425.40 Salespersons of dealers****425.50 Manufacturers, distributors, and wholesalers****425.60 Right of inspection****425.62 Denial, suspension or revocation****425.70 Dealer plates****425.72 Demonstration permits**