

Transportation  
Drake, Chair  
Priebe  
Hall

FILED FEB 23 1984

SENATE FILE 2209

BY HOLDEN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

1 An Act to repeal mandatory motor vehicle inspections.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S. 2209

1 Section 1. Section 321.52, subsection 4, unnumbered  
2 paragraph 1, Code 1983, is amended to read as follows:

3 A vehicle rebuilder or a motor vehicle dealer licensed  
4 under chapter 322, upon acquisition of a wrecked or salvage  
5 vehicle, shall surrender the certificate of title and  
6 registration receipt or manufacturer's or importer's statement  
7 of origin properly assigned, together with an application  
8 for a salvage certificate of title to the county treasurer  
9 of the county of residence of the purchaser or transferee  
10 within fourteen days after the date of assignment of the  
11 certificate of title for the wrecked or salvage motor vehicle.  
12 This subsection applies only to vehicles with a fair market  
13 value of five hundred dollars or more, based on the value  
14 before the vehicle became wrecked or salvage. Upon payment  
15 of a fee of two dollars, the county treasurer shall issue  
16 a salvage certificate of title which shall bear the word  
17 "SALVAGE" stamped on the face of the title in bold letters  
18 and coded in a manner prescribed by the department. A salvage  
19 certificate of title may be assigned to any person.  
20 Notwithstanding any other provisions in this section a vehicle  
21 on which ownership has transferred to an insurer of the  
22 vehicle, as a result of a settlement with the owner of the  
23 vehicle arising out of damage to, or unrecovered theft of  
24 the vehicle, shall be deemed to be a wrecked or salvage vehicle  
25 and the insurer shall comply with this subsection to obtain  
26 a salvage certificate of title within fourteen days after  
27 the date of assignment of the certificate of title of the  
28 vehicle. ~~Any owner, except an insurer of vehicles, who~~  
29 ~~transfers a wrecked or salvage vehicle with a fair market~~  
30 ~~value less than five hundred dollars, based on the value~~  
31 ~~before it became wrecked or salvage, shall comply with section~~  
32 ~~321.51.~~

33 Sec. 2. Section 321.89, subsection 4, Code 1983, is amended  
34 to read as follows:

35 4. AUCTION OF ABANDONED VEHICLES. If an abandoned vehicle

1 has not been reclaimed as provided for in subsection 3, the  
2 police authority shall make a determination as to whether  
3 or not the vehicle shall be sold for use upon the highways.  
4 ~~If it is to be sold as a vehicle for use upon the highways,~~  
5 ~~it shall first be inspected as required by section 321:238~~  
6 ~~and have a valid certificate of inspection affixed.~~ If the  
7 vehicle is not sold for use upon the highways, it shall be  
8 sold for junk, or demolished and sold as scrap ~~or sold as~~  
9 ~~provided in section 321:51 with a restricted certificate of~~  
10 ~~title and not for use upon the highways.~~ The police authority  
11 shall sell the vehicle at public auction. Notwithstanding  
12 any other provision of this section, any police authority,  
13 which has taken into possession any abandoned vehicle which  
14 lacks an engine or two or more wheels or ~~either~~ another part  
15 which renders the vehicle totally inoperable may dispose of  
16 the vehicle to a demolisher for junk after complying with  
17 the notification procedures enumerated in subsection 3 and  
18 without public auction. The purchaser of the vehicle ~~shall~~  
19 ~~take~~ takes title free and clear of all liens and claims of  
20 ownership, shall receive a sales receipt from the police  
21 authority, and ~~shall be~~ is entitled to register the vehicle  
22 and receive a certificate of title if sold for use upon the  
23 highways ~~or a restricted certificate of title.~~ However, if  
24 the vehicle is sold or disposed of to a demolisher for junk,  
25 the sales receipt by itself ~~shall be~~ is sufficient title only  
26 for purposes of transferring the vehicle to the demolisher  
27 for demolition, wrecking, or dismantling and, when so  
28 transferred, no further titling of the vehicle ~~shall be~~ is  
29 permitted. From the proceeds of the sale of an abandoned  
30 vehicle the police authority shall reimburse itself for the  
31 expenses of the auction, the costs of towing, preserving,  
32 and storing which resulted from placing the abandoned vehicle  
33 in custody, all notice and publication costs incurred pursuant  
34 to subsection 3, the cost of inspection, and any other costs  
35 incurred except costs of bookkeeping and other administrative

1 costs. Any remainder from the proceeds of a sale shall be  
2 held for the owner of the vehicle or entitled lienholder for  
3 ninety days, and shall then be deposited in the road use tax  
4 fund. The costs to police authorities of auction, towing,  
5 preserving, storage, and all notice and publication costs,  
6 ~~inspection-costs~~ and all other costs which result from placing  
7 abandoned vehicles in custody, whenever the proceeds from  
8 a sale of the abandoned vehicles are insufficient to meet  
9 these expenses and costs, shall be paid from the road use  
10 tax fund.

11 Sec. 3. Section 331.557, Code 1983, is amended by striking  
12 subsection 3.

13 Sec. 4. Section 321.238, Code 1983, and section 321.51,  
14 Code Supplement 1983, are repealed.

15 EXPLANATION

16 The bill repeals motor vehicle inspections. Because  
17 mandatory motor vehicle inspections are repealed, there is  
18 no reason for red titles which are also repealed. The bill  
19 takes effect July 1 following enactment.

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