

Reprinted

SENATE FILE 2137  
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BOSWELL

Passed Senate, Date 3/17/92 (p. 523) Passed House, Date 3/31/92  
Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 0  
Approved April 21, 1992

A BILL FOR

1 An Act relating to motor vehicle certificates of title, by  
2 eliminating component part reviews and rebuilt designations,  
3 requiring a damage disclosure statement, restricting transfer  
4 of certain salvage certificates, and creating a penalty.

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

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SF 2137

1 Section 1. Section 321.24, unnumbered paragraph 3, Code  
2 Supplement 1991, is amended to read as follows:

3 The certificate of title shall contain upon its face the  
4 identical information required upon the face of the  
5 registration receipt. In addition, the certificate of title  
6 shall contain a statement of the owner's title, the amount of  
7 tax paid pursuant to section 423.7, the name and address of  
8 the previous owner, and a statement of all security interests  
9 and encumbrances as shown in the application, upon the vehicle  
10 described, including the nature of the security interest, date  
11 of notation, and name and address of the secured party.

12 PARAGRAPH DIVIDED. If the prior certificate of title was a  
13 salvage, rebuilt, or junking certificate of title in any other  
14 state, or if the prior certificate of title ~~is~~ from any other  
15 state ~~indicates~~ designates that the vehicle was salvaged,  
16 rebuilt, or junked, the new certificate of title shall contain  
17 the same information together with the name of the state  
18 issuing the prior salvage, rebuilt, or junking certificate of  
19 title ~~and-a~~ or the salvage, rebuilt, or junking designation  
20 ~~together-with-the-name-of-the-state-issuing-the-prior-salvage,~~  
21 ~~rebuilt,-or-junking-certificate-of-title.~~ This information  
22 shall be retained on all subsequent Iowa certificates of title  
23 for the vehicle, except as provided in section 321.52.

24 PARAGRAPH DIVIDED. ~~In-the-event~~ If a vehicle which  
25 previously had a salvage certificate of title from another  
26 state is repaired and a regular certificate of title is to be  
27 issued for it pursuant to section 321.52 ~~without-the~~  
28 ~~designation-rebuilt,~~ the regular certificate of title shall  
29 indicate the state which had issued the prior salvage  
30 certificate of title in the same location in which Iowa  
31 certificates of title show the designation salvage ~~or-rebuilt,~~  
32 in addition to the name and address of the previous owner, in  
33 lieu of the salvage designation. The name of the state which  
34 had issued the prior salvage certificate of title shall remain  
35 in that location on every Iowa certificate of title issued

1 thereafter for the vehicle. The department shall adopt rules  
2 to determine how other states' designations are to be  
3 indicated on Iowa titles.

4 Sec. 2. Section 321.52, subsection 4, Code Supplement  
5 1991, is amended to read as follows:

6 4. a. A vehicle rebuilder or a motor vehicle dealer  
7 licensed under chapter 322, upon acquisition of a wrecked or  
8 salvage vehicle, shall surrender the certificate of title or  
9 manufacturer's or importer's statement of origin properly  
10 assigned, together with an application for a salvage  
11 certificate of title to the county treasurer of the county of  
12 residence of the purchaser or transferee within fourteen days  
13 after the date of assignment of the certificate of title for  
14 the wrecked or salvage motor vehicle. This subsection applies  
15 only to vehicles with a fair market value of five hundred  
16 dollars or more, based on the value before the vehicle became  
17 wrecked or salvage. Upon payment of a fee of two dollars, the  
18 county treasurer shall issue a salvage certificate of title  
19 which shall bear the word "SALVAGE" stamped or printed on the  
20 face of the title in a manner prescribed by the department. A  
21 The first assignment of a salvage certificate of title may be  
22 assigned to any person shall be only to an authorized vehicle  
23 recycler as defined in section 321H.2. A vehicle on which  
24 ownership has transferred to an insurer of the vehicle, as a  
25 result of a settlement with the owner of the vehicle arising  
26 out of damage to, or unrecovered theft of the vehicle, shall  
27 be deemed to be a wrecked or salvage vehicle and the insurer  
28 shall comply with this subsection to obtain a salvage  
29 certificate of title within fourteen days after the date of  
30 assignment of the certificate of title of the vehicle.  
31 However, a vehicle that has major damage to four or more  
32 component parts ~~as defined in paragraph "b"~~ shall receive a  
33 junking certificate of title and shall not thereafter be  
34 granted a regular certificate of title. For purposes of this  
35 section a "component part" means the rear clip, cowl, frame or

1 inner structure forward of the cowl, body, cab, front end  
2 assembly, front clip, or other parts which are critical to the  
3 safety of the vehicle as determined by rules adopted by the  
4 department.

5 b. When a wrecked or salvage vehicle has been repaired,  
6 the owner may apply for a regular certificate of title by  
7 paying the appropriate fees and surrendering the salvage  
8 certificate of title and a properly executed salvage theft  
9 examination certificate. The county treasurer shall issue a  
10 regular certificate of title which, ~~commencing September 1,~~  
11 ~~1988, if the wrecked or salvage vehicle is five model years~~  
12 ~~old or less, shall bear the word "REBUILT" stamped or printed~~  
13 ~~on the face of the title with the damage disclosure statement~~  
14 ~~required under section 321.69 indicating whether the vehicle~~  
15 ~~has sustained more than one thousand dollars worth of damage.~~  
16 ~~The rebuilt designation shall be included on every Iowa~~  
17 ~~certificate of title issued thereafter for the vehicle.~~  
18 ~~However, if ownership of a stolen vehicle has been transferred~~  
19 ~~to an insurer organized under the laws of this state or~~  
20 ~~admitted to do business in this state, or if the transfer was~~  
21 ~~the result of a settlement with the owner of the vehicle~~  
22 ~~arising from damage to or the unrecovered theft of the~~  
23 ~~vehicle, and if the insurer certifies to the county treasurer~~  
24 ~~on a form approved by the department that the cost of repairs~~  
25 ~~to all damage to the vehicle is less than three thousand~~  
26 ~~dollars, the county treasurer shall issue the regular~~  
27 ~~certificate of title without the rebuilt designation. The~~  
28 ~~county treasurer shall issue a regular certificate of title~~  
29 ~~without the "REBUILT" designation if, before repairs are made,~~  
30 ~~a component parts review has been conducted by a peace officer~~  
31 ~~who has been specially certified and recertified when required~~  
32 ~~by the Iowa law enforcement academy to do salvage theft~~  
33 ~~examinations. The Iowa law enforcement academy shall~~  
34 ~~determine standards for training and certification, conduct~~  
35 ~~training, and may approve alternative training programs which~~

1 satisfy the academy's standards for training and  
2 certification. -- For the purpose of this section, a wrecked or  
3 salvage vehicle shall be considered to have component part  
4 damage if there is major damage requiring repairs or  
5 replacement of more than two of the vehicle's component parts.  
6 A "component part" means the rear clip, cowl, frame or inner  
7 structure forward of the cowl, body, cab, front end assembly,  
8 front clip, or such other parts which are critical to the  
9 safety of the vehicle as determined by rules adopted by the  
10 department. -- The owner shall pay a fee of thirty-five dollars  
11 upon the completion of the prerepair component parts review.  
12 The agency performing the examinations shall retain twenty-  
13 five dollars of the fee and shall pay five dollars of the fee  
14 to the department and five dollars of the fee to the Iowa law  
15 enforcement academy to provide for the special training,  
16 certification, and recertification of officers as required by  
17 this subsection. -- The peace officer conducting the review  
18 shall maintain a record of the review and shall forward a copy  
19 of the review to the department. -- The department shall  
20 maintain a record of all reviews. -- If a vehicle does not have  
21 component damage as determined in this subsection, the officer  
22 conducting the review shall issue a certificate to the owner  
23 to that effect. -- The certificate shall be surrendered to the  
24 county treasurer at the time of application for a regular  
25 certificate of title and the treasurer shall forward the  
26 certificate to the department.

27 The provision of this subsection requiring a component  
28 parts review by a peace officer specially certified or  
29 recertified by the Iowa law enforcement academy to do salvage  
30 theft examinations shall become effective July 17, 1999.  
31 Component parts reviews conducted before July 17, 1999, shall  
32 be made by peace officers authorized to do so by the state  
33 department of transportation or the department of public  
34 safety who are qualified, as determined by those agencies, to  
35 conduct component parts reviews. -- The state department of

1 transportation shall adopt rules in accordance with chapter  
2 17A to carry out this section, including transition rules  
3 allowing for component parts reviews prior to July 1, 1990.

4 Notwithstanding the provisions of this lettered paragraph  
5 directing that five dollars of each fee be paid to the Iowa  
6 law enforcement academy, for the fiscal period beginning on  
7 July 1, 1991, and ending June 30, 1993, such five dollars  
8 shall be deposited into the general fund of the state.

9 c. A salvage theft examination shall be made by a peace  
10 officer who has been specially certified and recertified when  
11 required by the Iowa law enforcement academy to do salvage  
12 theft examinations. The Iowa law enforcement academy shall  
13 determine standards for training and certification, conduct  
14 training, and may approve alternative training programs which  
15 satisfy the academy's standards for training and  
16 certification. The owner of the salvage vehicle shall make  
17 the vehicle available for examination at a time and location  
18 designated by the peace officer doing the examination. The  
19 owner may obtain a permit to drive the vehicle to and from the  
20 examination location by submitting a repair affidavit to the  
21 agency performing the examination stating that the vehicle is  
22 reasonably safe for operation and listing the repairs which  
23 have been made to the vehicle. The owner must be present for  
24 the examination and have available for inspection the salvage  
25 title, bills of sale for all essential parts changed, and the  
26 repair affidavit. The examination shall be for the purposes  
27 of determining whether the vehicle or repair components have  
28 been stolen. The examination is not a safety inspection and a  
29 signed salvage theft examination certificate shall not be  
30 construed by any court of law to be a certification that the  
31 vehicle is safe to be operated. There shall be no cause of  
32 action against the peace officer or the agency conducting the  
33 examination or the county treasurer for failure to discover or  
34 note safety defects. If the vehicle passes the theft  
35 examination, the peace officer shall indicate that the vehicle

1 passed examination on the salvage theft examination  
2 certificate and, with regard to a vehicle which is required to  
3 bear the word "REBUILT" stamped or printed on the face of the  
4 title, shall permanently identify the vehicle as "rebuilt" on  
5 the driver's door jamb or other area on the vehicle as  
6 designated by the department. A removal or alteration of this  
7 rebuilt identification is a violation of section 321.92. The  
8 repair affidavit, permit, and salvage theft examination  
9 certificate shall be on controlled forms prescribed and  
10 furnished by the department. The owner shall pay a fee of  
11 thirty dollars upon completion of the examination. The agency  
12 performing the examinations shall retain twenty dollars of the  
13 fee and shall pay five dollars of the fee to the department  
14 and five dollars of the fee to the Iowa law enforcement  
15 academy to provide for the special training, certification,  
16 and recertification of officers as required by this  
17 subsection.

18 The provision of this subsection requiring a salvage theft  
19 examination by a peace officer specially certified or  
20 recertified by the Iowa law enforcement academy to do salvage  
21 theft examinations shall become effective July 1, 1989.  
22 Salvage theft examinations conducted before July 1, 1989,  
23 shall be made by peace officers authorized to do so by the  
24 state department of transportation or the department of public  
25 safety who are qualified, as determined by those agencies, to  
26 conduct salvage theft examinations. The state department of  
27 transportation shall adopt rules in accordance with chapter  
28 17A to carry out this section, including transition rules  
29 allowing for salvage theft examinations prior to July 1, 1989.

30 Notwithstanding the provisions of this lettered paragraph  
31 directing that five dollars of each fee be paid to the Iowa  
32 law enforcement academy, for the fiscal period beginning on  
33 July 1, 1991, and ending June 30, 1993, such five dollars  
34 shall be deposited into the general fund of the state.

35 d. For purposes of this subsection a "wrecked or salvage

1 vehicle" means a damaged vehicle subject to registration and  
2 having a gross vehicle weight rating of less than thirty  
3 thousand pounds, for which the cost of repair exceeds fifty  
4 percent of the fair market value of the vehicle, as determined  
5 in accordance with rules adopted by the department, before it  
6 became damaged.

7 e.--A person who titled the person's motor vehicle before  
8 May 1, 1989, may have a title issued on that motor vehicle to  
9 the person without the "REBUILT" designation, if the person  
10 can show adequate proof that the wrecked or salvage motor  
11 vehicle was inspected by a peace officer prior to being  
12 repaired prior to September 17, 1988, and show proof through  
13 receipts of used parts and photos of the damage to the wrecked  
14 or salvage motor vehicle that the motor vehicle did not have  
15 major damage requiring repairs or replacement of more than two  
16 of the vehicle's component parts.--Upon proper application and  
17 payment of a two-dollar fee, the county treasurer shall issue  
18 to the person the title to the person's motor vehicle without  
19 the "REBUILT" designation.

20 Sec. 3. NEW SECTION. 321.69 DAMAGE DISCLOSURE STATEMENT.

21 1. A certificate of title shall not be issued for a motor  
22 vehicle unless a damage disclosure statement has been made by  
23 the transferor of the vehicle and is furnished with the  
24 application for certificate of title. The new certificate of  
25 title shall state on the face of the title whether the vehicle  
26 has sustained over one thousand dollars in damages. A  
27 determination of the amount of damages shall be based upon the  
28 repair estimates from damages sustained in a single accident.

29 2. A person who knowingly makes a false damage disclosure  
30 statement commits a fraudulent practice.

31 Sec. 4. Section 321.92, Code 1991, is amended to read as  
32 follows:

33 321.92 ALTERING OR CHANGING NUMBERS.

34 1. FRAUDULENT INTENT. No A person shall not with  
35 fraudulent intent, deface, destroy, or alter the vehicle



1 identification number or component part number or other  
2 distinguishing number or identification mark of a vehicle or  
3 component part, ~~including a rebuilt identification~~, nor shall  
4 a person place or stamp a serial, engine, or other number or  
5 mark upon a vehicle or component part, except one assigned  
6 thereto by the department. A violation of this provision is a  
7 felony punishable as provided in section 321.483.

8 This subsection does not prohibit the restoration of an  
9 original vehicle identification number, component part number,  
10 or other number or mark when the restoration is made by the  
11 department, nor prevent a manufacturer from placing, in the  
12 ordinary course of business, numbers or marks upon vehicles or  
13 component parts.

14 2. VEHICLES WITHOUT IDENTIFICATION NUMBERS. A person who  
15 knowingly buys, receives, disposes of, sells, offers for sale,  
16 or has in the person's possession a vehicle, or a component  
17 part of a vehicle, from which the vehicle identification  
18 number, ~~rebuilt identification~~, or component part number has  
19 been removed, defaced, covered, altered, or destroyed for the  
20 purpose of concealing or misrepresenting the identity of the  
21 vehicle or component part is guilty of a simple misdemeanor.

22 EXPLANATION

23 This bill requires that the transferor of a motor vehicle  
24 furnish a damage disclosure statement which indicates whether  
25 the motor vehicle has sustained over \$1,000 worth of damages.  
26 The new certificate must state on its face whether the vehicle  
27 has sustained over one thousand dollars in damages. A motor  
28 vehicle is considered to have sustained over \$1,000 of damages  
29 if repair estimates so indicate and if the damage occurred in  
30 a single accident.

31 In addition, the bill requires that all first assignments  
32 of salvage certificates of title be limited to vehicle  
33 recyclers. A vehicle recycler is defined as a person licensed  
34 to operate as a vehicle rebuilder, used vehicle parts dealer,  
35 or vehicle salvager.

1 Current law requires that if a salvage or wrecked vehicle  
2 is repaired, a regular certificate of title may be issued for  
3 the vehicle if it contains a rebuilt designation. A regular  
4 certificate of title without a rebuilt designation may be  
5 obtained for a salvage or wrecked vehicle if a component part  
6 review indicates that no more than two component parts have  
7 been damaged. This bill eliminates the component part review  
8 and the rebuilt designation contained on the certificate of  
9 title. In addition, it eliminates the offense of fraudulent  
10 intent to alter or change a rebuilt identification and the  
11 offense of knowingly buying, receiving, selling, or possessing  
12 a vehicle without a rebuilt identification for the purpose of  
13 concealing or misrepresenting the identity of the vehicle.

14 The bill makes it a fraudulent practice if a person  
15 knowingly makes a false damage disclosure statement.

16 The bill may create a state mandate under chapter 25B.

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SENATE FILE 2137  
FISCAL NOTE

A fiscal note for Senate File 2137 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2137 requires that the transferor of a motor vehicle furnish a damage disclosure statement which indicates whether the vehicle sustained over \$1,000 worth of damages in a single accident. This bill also eliminates the component part review and the rebuilt designation contained on the certificate of title.

Assumptions

1. The number of component part reviews (CPRs) that would have been conducted in FY 1993 will be similar to the number conducted in FY 1991. The total number of reviews conducted in FY 1991 was 9,940. Of these, 9,838 were conducted by state troopers and motor vehicle enforcement officers, and 102 by local law enforcement officers.
2. The CPR fee is \$35 and is distributed in the following manner: \$25 to the agency performing the review (except for DOT who remits the \$25 fee directly to the Road Use Tax Fund (RUTF), \$5 to the RUTF, and \$5 to the General Fund to cover costs associated with training at the Iowa Law Enforcement Academy (ILEA).
3. ILEA incorporates training for vehicle theft examinations (VTEs) and CPRs into a single course for law enforcement officers at an annual cost of \$64,000. By eliminating the CPRs the training cost will not be significantly reduced. The General Fund received \$126,100 in FY 1991 (\$76,400 from VTE fees and \$49,700 from CPR fees) which more than covered the training cost at ILEA.
4. A total of \$345,350 in fees were received by the State in FY 1991 and \$2,550 were received by local law enforcement agencies. Of the State money, \$49,700 were deposited into the General Fund, \$105,200 into the RUTF, and \$190,450 were direct receipts of the Department of Public Safety (DPS).
5. The State expended approximately \$509,900 to conduct CPRs in FY 1991. This includes \$418,500 expended by DPS and \$91,400 by the Department of Transportation (DOT).
6. It will require 320 DOT staff hours of programming to have the damage disclosure statement show on the vehicle title. It is assumed this will be done with existing staff.

Fiscal Effect

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Senate File 2137 results in the elimination of the CPRs which will result in reduced expenses of \$509,900 and reduced revenues of \$295,650 for a net savings of \$214,350. In addition, there would be a decrease in receipts to the General Fund of \$49,700.

This bill may result in the layoff of 4 trooper positions because of the reduction of \$190,450 in receipts to DPS. However, there is language in the FY 1993 Transportation and Safety Appropriations bill which transfers all responsibility for VTEs and CPRs to the DOT. Should this language be enacted, there would be no layoffs in the State Patrol.

In addition, this bill would not result in the layoff of any motor vehicle investigators at DOT, because the DOT receives an appropriation to fund the investigators salaries.

Source: Department of Public Safety and Department of Transportation.

(LSB 5880ss, DLR)

FILED MARCH 9, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

## SENATE FILE 2137

S-5228

1 Amend Senate File 2137 as follows:

2 1. By striking page 1, line 2 through page 2,  
3 line 7 and inserting the following: "Supplement,  
4 1991, is amended by striking the unnumbered paragraph  
5 and inserting in lieu thereof the following:

6 The certificate of title shall contain upon its  
7 face the identical information required upon the face  
8 of the registration receipt. In addition, the  
9 certificate of title shall contain a statement of the  
10 owner's title, the amount of tax paid pursuant to  
11 section 423.7, the name and address of the previous  
12 owner, and a statement of all security interests and  
13 encumbrances as shown in the application, upon the  
14 vehicle described, including the nature of the  
15 security interest, date of notation, and name and  
16 address of the secured party.

17 If the prior certificate of title is from another  
18 state and indicates that the vehicle was rebuilt the  
19 new certificate of title and the registration receipt  
20 shall contain the designation of "REBUILT" stamped or  
21 printed on its face together with the name of the  
22 state issuing the prior title. The designation of  
23 "REBUILT" and the name of the other state shall be  
24 retained on all subsequent Iowa certificates of title  
25 and registration receipts for the vehicle.

26 If the prior certificate of title is from another  
27 state and indicates that the vehicle was junked, an  
28 Iowa junking certificate shall be issued according to  
29 section 321.52, subsections 1 and 2. If the prior  
30 certificate of title from another state indicates that  
31 the vehicle is salvaged and not rebuilt or is a  
32 salvage certificate of title, an Iowa salvage  
33 certificate of title shall be issued and a "SALVAGE"  
34 designation shall be retained on all subsequent Iowa  
35 certificates of title and registration receipts for  
36 the vehicle, unless a title indicating the vehicle was  
37 previously titled on a salvage certificate of title  
38 designation is obtained for the vehicle pursuant to  
39 section 321.52, subsection 4, paragraph "b", in which  
40 case the designation shall be retained on all  
41 subsequent Iowa certificates of title and registration  
42 receipts for the vehicle. The department shall adopt  
43 rules to determine the manner in which other states'  
44 designations are to be indicated on Iowa titles.

45 Sec. \_\_\_\_ . Section 321.52, subsection 4, Code  
46 Supplement 1991, is amended to read as follows:

47 4. a. A vehicle rebuilder or a ~~motor-vehicle~~  
48 dealer-licensed-under-chapter-322, person engaged in  
49 the business of buying, selling, or exchanging  
50 vehicles of a type required to be registered in this

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1 state, upon acquisition of a wrecked or".

2 2. Page 2, line 12, by striking the word  
3 "fourteen" and inserting the following: "fourteen  
4 fifteen".

5 3. Page 2, by striking lines 20 through 23 and  
6 inserting the following: "face of the title in a  
7 manner prescribed by the department. A salvage  
8 certificate of title may be assigned to any-person an  
9 educational institution, a motor vehicle dealer  
10 licensed under chapter 322, a person engaged in the  
11 business of purchasing bodies, parts of bodies, frames  
12 or component parts of vehicles for sale as scrap  
13 metal, or an authorized vehicle recycler licensed  
14 under chapter 321H. An authorized vehicle recycler  
15 licensed under chapter 321H or a motor vehicle dealer  
16 licensed under chapter 322 may assign a salvage  
17 certificate of title to any person. A vehicle on  
18 which".

19 4. Page 2, line 29, by striking the word  
20 "fourteen" and inserting the following: "fourteen  
21 fifteen".

22 5. By striking page 2, line 31 through page 3,  
23 line 4 and inserting the following: "~~However, a~~  
24 ~~vehicle that has major damage to four or more~~  
25 ~~component parts as defined in paragraph "b" shall~~  
26 ~~receive a junking certificate of title and shall not~~  
27 ~~thereafter be granted a regular certificate of title."~~

28 6. Page 3, by striking lines 10 through 27 and  
29 inserting the following: "regular certificate of  
30 title which, commencing September 1, 1988, if the  
31 wrecked or salvage vehicle is five model years old or  
32 less, shall bear the word "REBUILT" a designation  
33 stamped or printed on the face of the title and  
34 registration receipt indicating that the vehicle was  
35 previously titled on a salvage certificate of title in  
36 a form approved by the department. ~~The rebuilt~~ This  
37 designation shall be included on every Iowa  
38 certificate of title and registration receipt issued  
39 thereafter for the vehicle. However, if ownership of  
40 a stolen vehicle has been transferred to an insurer  
41 organized under the laws of this state or admitted to  
42 do business in this state, or if the transfer was the  
43 result of a settlement with the owner of the vehicle  
44 arising from damage to or the unrecovered theft of the  
45 vehicle, and if the insurer certifies to the county  
46 treasurer on a form approved by the department that  
47 the insurance company has received one or more written  
48 estimates which states that the retail cost of repairs  
49 to including labor, parts, and other materials of all  
50 damage to the vehicle is less than three thousand

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1 dollars, the county treasurer shall issue to the  
2 insurance company the regular certificate of title and  
3 registration receipt without ~~the rebuilt~~ this  
4 designation. The".

5 7. Page 7, line 1, by striking the words "damaged  
6 vehicle" and inserting the following: "damaged motor  
7 vehicle".

8 8. By striking page 7, line 24 through page 8,  
9 line 21, and inserting the following: "application  
10 for certificate of title. A damage disclosure  
11 statement must be provided by the transferor to the  
12 transferee in a transfer of ownership of a motor  
13 vehicle. The new certificate of title and  
14 registration receipt shall state on the face of the  
15 title the total cumulative dollar amount of damage  
16 reported by owners prior to the owner listed on the  
17 front of the title.

18 2. The damage disclosure statement required by  
19 this section shall, at a minimum, state the total  
20 retail dollar amount of all damage to the vehicle  
21 during the period of the transferor's ownership of the  
22 vehicle. For the purposes of this section, "damage"  
23 refers to damage to the vehicle caused by fire,  
24 vandalism, collision, weather, falling objects,  
25 submersion in water, or flood, where the cost of  
26 repair exceeds two thousand five hundred dollars per  
27 incident, but does not include normal wear and tear,  
28 glass damage, mechanical repairs or electrical repairs  
29 that have not been caused by fire, vandalism,  
30 collision, weather, falling objects, submersion in  
31 water, or flood. A determination of the amount of  
32 damage to a vehicle shall be based on estimates of the  
33 retail cost of repairing the vehicle, including labor,  
34 parts, and other materials, if the vehicle has not  
35 been repaired or on the actual retail cost of repair,  
36 including labor, parts, and other materials, if the  
37 vehicle has been repaired. Only individual incidents  
38 in which the retail cost of repairs is two thousand  
39 five hundred dollars or more are required to be  
40 disclosed by this section. If the vehicle has  
41 incurred damage of two thousand five hundred dollars  
42 or more per incident in more than one incident, the  
43 damage amounts must be combined and disclosed as the  
44 total of all separate incidents.

45 3. The damage disclosure statement shall be  
46 provided by the transferor to the transferee at or  
47 before the time of sale. If the transferor is not a  
48 resident of this state the transferee shall not be  
49 required to submit a damage disclosure statement from  
50 the transferor with the transferee's application for

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1 title unless the state of the transferor's residence  
2 requires a damage disclosure statement. However, the  
3 transferee shall submit a damage disclosure statement  
4 with the transferee's application for title indicating  
5 whether a salvage or rebuilt title had ever existed  
6 for the vehicle, whether the vehicle had incurred  
7 prior damage of two thousand five hundred dollars or  
8 more per incident, and the year, make, and vehicle  
9 identification number of the motor vehicle.

10 4. The department shall retain each damage  
11 disclosure statement received and copies shall be  
12 available to the public and the attorney general upon  
13 request.

14 5. Authorized vehicle recyclers licensed under  
15 chapter 321H and motor vehicle dealers licensed under  
16 chapter 322 shall maintain copies of all damage  
17 disclosure statements where the recycler or dealer is  
18 either the transferor or the transferee for five years  
19 following the date of the statement. The copies shall  
20 be made available to the department or the attorney  
21 general upon request.

22 6. The damage disclosure statements shall be made  
23 on the back of the certificate of title if the title  
24 is available to the transferor at the time of sale.  
25 If the title is not available at the time of sale or  
26 if the face of the transferor's Iowa title contains no  
27 indication that the vehicle was previously salvaged or  
28 titled as salvaged or rebuilt and the transferor knows  
29 or reasonably should know that the vehicle was  
30 previously salvaged or titled as salvaged or rebuilt  
31 in another state, the transferor shall make the  
32 disclosure on a separate disclosure document. The  
33 damage disclosure statement forms shall be as approved  
34 by the department. The treasurer shall not accept a  
35 damage disclosure statement and issue a title unless  
36 the back of the title or separate disclosure document  
37 has been fully completed and signed and dated by the  
38 transferee and the transferor, if applicable.

39 7. A person, authorized vehicle recycler licensed  
40 under chapter 321H, or motor vehicle dealer licensed  
41 under chapter 322 shall not be liable to the  
42 subsequent owner of a vehicle on the basis that a  
43 prior owner gave a false or inaccurate damage  
44 disclosure statement or failed to disclose that the  
45 vehicle had previously been damaged and repaired or  
46 had been titled on a salvage or rebuilt certificate of  
47 title unless the person, recycler, or dealer knew or  
48 reasonably should have known that the prior owner gave  
49 a false or inaccurate damage disclosure statement or  
50 failed to disclose that the vehicle had been damaged

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1 and repaired or had been titled on a salvage or  
2 rebuilt certificate of title.

3 8. This section does not apply to motor trucks and  
4 truck tractors with a gross vehicle weight rating of  
5 sixteen thousand pounds or more, vehicles more than  
6 nine model years old, vehicles with titles stating the  
7 vehicle is salvage or rebuilt, motorcycles, motorized  
8 bicycles, and special mobile equipment. The section  
9 does apply to motor homes.

10 9. A person who knowingly makes a false damage  
11 disclosure statement commits a fraudulent practice.  
12 Failure of a person, authorized vehicle recycler  
13 licensed under chapter 321H, or motor vehicle dealer  
14 licensed under chapter 322, to comply with any duty  
15 imposed by this section constitutes a violation of  
16 section 714.16, subsection 2, paragraph "a".

17 10. The department shall adopt rules as necessary  
18 to implement this section.

19 Sec. \_\_\_\_ . Section 3 of this Act takes effect July  
20 1, 1993. All other sections of this Act take effect  
21 July 1, 1992."

22 9. Title page, line 2, by striking the words "and  
23 rebuilt designations".

24 10. Title page, line 4, by inserting after the  
25 word "penalty" the following: "and providing an  
26 effective date".

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S-5228 FILED MARCH 13, 1992

*w/d 3/17 (p. 822)*

## SENATE FILE 2137

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1 Amend Senate File 2137 as follows:

2 1. By striking page 1, line 2 through page 2,  
3 line 7 and inserting the following: "Supplement,  
4 1991, is amended by striking the unnumbered paragraph  
5 and inserting in lieu thereof the following:

6 The certificate of title shall contain upon its  
7 face the identical information required upon the face  
8 of the registration receipt. In addition, the  
9 certificate of title shall contain a statement of the  
10 owner's title, the amount of tax paid pursuant to  
11 section 423.7, the name and address of the previous  
12 owner, and a statement of all security interests and  
13 encumbrances as shown in the application, upon the  
14 vehicle described, including the nature of the  
15 security interest, date of notation, and name and  
16 address of the secured party.

17 If the prior certificate of title is from another  
18 state and indicates that the vehicle was rebuilt the  
19 new certificate of title and the registration receipt  
20 shall contain the designation of "REBUILT" stamped or  
21 printed on its face together with the name of the  
22 state issuing the prior title. The designation of  
23 "REBUILT" and the name of the other state shall be  
24 retained on all subsequent Iowa certificates of title  
25 and registration receipts for the vehicle.

26 If the prior certificate of title is from another  
27 state and indicates that the vehicle was junked, an  
28 Iowa junking certificate shall be issued according to  
29 section 321.52, subsections 2 and 3. If the prior  
30 certificate of title from another state indicates that  
31 the vehicle is salvaged and not rebuilt or is a  
32 salvage certificate of title, an Iowa salvage  
33 certificate of title shall be issued and a "SALVAGE"  
34 designation shall be retained on all subsequent Iowa  
35 certificates of title and registration receipts for  
36 the vehicle, unless a title indicating the vehicle was  
37 previously titled on a salvage certificate of title  
38 designation is obtained for the vehicle pursuant to  
39 section 321.52, subsection 4, paragraph "b", in which  
40 case the designation shall be retained on all  
41 subsequent Iowa certificates of title and registration  
42 receipts for the vehicle. The department shall adopt  
43 rules to determine the manner in which other states'  
44 designations are to be indicated on Iowa titles.

45 Sec. \_\_\_\_ . Section 321.52, subsection 4, Code  
46 Supplement 1991, is amended to read as follows:

47 4. a. A vehicle rebuilder or a motor-vehicle  
48 ~~dealer-licensed-under-chapter-322,~~ person engaged in  
49 the business of buying, selling, or exchanging  
50 vehicles of a type required to be registered in this

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1 state, upon acquisition of a wrecked or".

2 2. Page 2, line 12, by striking the word

3 "fourteen" and inserting the following: "fourteen

4 fifteen".

5 3. Page 2, by striking lines 20 through 23 and

6 inserting the following: "face of the title in a

7 manner prescribed by the department. A salvage

8 certificate of title may be assigned to any person an

9 educational institution, a new motor vehicle dealer

10 licensed under chapter 322, a person engaged in the

11 business of purchasing bodies, parts of bodies, frames

12 or component parts of vehicles for sale as scrap

13 metal, or an authorized vehicle recycler licensed

14 under chapter 321H. An authorized vehicle recycler

15 licensed under chapter 321H or a new motor vehicle

16 dealer licensed under chapter 322 may assign a salvage

17 certificate of title to any person. A vehicle on

18 which".

19 4. Page 2, line 29, by striking the word

20 "fourteen" and inserting the following: "fourteen

21 fifteen".

22 5. By striking page 2, line 31 through page 3,

23 line 4 and inserting the following: "However, a

24 ~~vehicle that has major damage to four or more~~

25 ~~component parts as defined in paragraph "b" shall~~

26 ~~receive a junking certificate of title and shall not~~

27 ~~thereafter be granted a regular certificate of title."~~

28 6. Page 3, by striking lines 10 through 27 and

29 inserting the following: "regular certificate of

30 title which, commencing September 1, 1988, if the

31 ~~wrecked or salvage vehicle is five model years old or~~

32 ~~less, shall bear the word "REBUILT" a designation~~

33 stamped or printed on the face of the title and

34 registration receipt indicating that the vehicle was

35 previously titled on a salvage certificate of title in

36 a form approved by the department. ~~The rebuilt~~ This

37 designation shall be included on every Iowa

38 certificate of title and registration receipt issued

39 thereafter for the vehicle. However, if ownership of

40 a stolen vehicle has been transferred to an insurer

41 organized under the laws of this state or admitted to

42 do business in this state, or if the transfer was the

43 result of a settlement with the owner of the vehicle

44 arising from damage to or the unrecovered theft of the

45 vehicle, and if the insurer certifies to the county

46 treasurer on a form approved by the department that

47 the insurance company has received one or more written

48 estimates which states that the retail cost of repairs

49 to including labor, parts, and other materials of all

50 damage to the vehicle is less than three thousand

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1 dollars, the county treasurer shall issue to the  
2 insurance company the regular certificate of title and  
3 registration receipt without the ~~rebutt~~ this  
4 designation. ~~The~~".

5 7. Page 7, line 1, by striking the words "damaged  
6 vehicle" and inserting the following: "damaged motor  
7 vehicle".

8 8. By striking page 7, line 24 through page 8,  
9 line 21, and inserting the following: "application  
10 for certificate of title. A damage disclosure  
11 statement must be provided by the transferor to the  
12 transferee in a transfer of ownership of a motor  
13 vehicle. The new certificate of title and  
14 registration receipt shall state on the face of the  
15 title the total cumulative dollar amount of damage  
16 reported by owners prior to the owner listed on the  
17 front of the title.

18 2. The damage disclosure statement required by  
19 this section shall, at a minimum, state the total  
20 retail dollar amount of all damage to the vehicle  
21 during the period of the transferor's ownership of the  
22 vehicle. For the purposes of this section, "damage"  
23 refers to damage to the vehicle caused by fire,  
24 vandalism, collision, weather, falling objects,  
25 submersion in water, or flood, where the cost of  
26 repair exceeds two thousand five hundred dollars per  
27 incident, but does not include normal wear and tear,  
28 glass damage, mechanical repairs or electrical repairs  
29 that have not been caused by fire, vandalism,  
30 collision, weather, falling objects, submersion in  
31 water, or flood. A determination of the amount of  
32 damage to a vehicle shall be based on estimates of the  
33 retail cost of repairing the vehicle, including labor,  
34 parts, and other materials, if the vehicle has not  
35 been repaired or on the actual retail cost of repair,  
36 including labor, parts, and other materials, if the  
37 vehicle has been repaired. Only individual incidents  
38 in which the retail cost of repairs is two thousand  
39 five hundred dollars or more are required to be  
40 disclosed by this section. If the vehicle has  
41 incurred damage of two thousand five hundred dollars  
42 or more per incident in more than one incident, the  
43 damage amounts must be combined and disclosed as the  
44 total of all separate incidents.

45 3. The damage disclosure statement shall be  
46 provided by the transferor to the transferee at or  
47 before the time of sale. If the transferor is not a  
48 resident of this state the transferee shall not be  
49 required to submit a damage disclosure statement from  
50 the transferor with the transferee's application for

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1 title unless the state of the transferor's residence  
2 requires a damage disclosure statement. However, the  
3 transferee shall submit a damage disclosure statement  
4 with the transferee's application for title indicating  
5 whether a salvage or rebuilt title had ever existed  
6 for the vehicle, whether the vehicle had incurred  
7 prior damage of two thousand five hundred dollars or  
8 more per incident, and the year, make, and vehicle  
9 identification number of the motor vehicle.

10 4. The department shall retain each damage  
11 disclosure statement received and copies shall be  
12 available to the public and the attorney general upon  
13 request.

14 5. Authorized vehicle recyclers licensed under  
15 chapter 321H and motor vehicle dealers licensed under  
16 chapter 322 shall maintain copies of all damage  
17 disclosure statements where the recycler or dealer is  
18 either the transferor or the transferee for five years  
19 following the date of the statement. The copies shall  
20 be made available to the department or the attorney  
21 general upon request.

22 6. The damage disclosure statements shall be made  
23 on the back of the certificate of title if the title  
24 is available to the transferor at the time of sale.  
25 If the title is not available at the time of sale or  
26 if the face of the transferor's Iowa title contains no  
27 indication that the vehicle was previously salvaged or  
28 titled as salvaged or rebuilt and the transferor knows  
29 or reasonably should know that the vehicle was  
30 previously salvaged or titled as salvaged or rebuilt  
31 in another state, the transferor shall make the  
32 disclosure on a separate disclosure document. The  
33 damage disclosure statement forms shall be as approved  
34 by the department. The treasurer shall not accept a  
35 damage disclosure statement and issue a title unless  
36 the back of the title or separate disclosure document  
37 has been fully completed and signed and dated by the  
38 transferee and the transferor, if applicable.

39 7. A person, authorized vehicle recycler licensed  
40 under chapter 321H, or motor vehicle dealer licensed  
41 under chapter 322 shall not be liable to a subsequent  
42 owner of a vehicle because a prior owner gave a false  
43 or inaccurate damage disclosure statement or failed to  
44 disclose that the vehicle had previously been damaged  
45 and repaired or had been titled on a salvage or  
46 rebuilt certificate of title unless the person,  
47 recycler, or dealer knew or reasonably should have  
48 known that the prior owner gave a false or inaccurate  
49 damage disclosure statement or failed to disclose that  
50 the vehicle had been damaged and repaired or had been

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1 titled on a salvage or rebuilt certificate of title.

2 8. This section does not apply to motor trucks and  
3 truck tractors with a gross vehicle weight rating of  
4 sixteen thousand pounds or more, vehicles more than  
5 nine model years old, vehicles with titles stating the  
6 vehicle is salvage or rebuilt, motorcycles, motorized  
7 bicycles, and special mobile equipment. The section  
8 does apply to motor homes.

9 9. A person who knowingly makes a false damage  
10 disclosure statement commits a fraudulent practice.  
11 Failure of a person, authorized vehicle recycler  
12 licensed under chapter 321H, or motor vehicle dealer  
13 licensed under chapter 322, to comply with any duty  
14 imposed by this section constitutes a violation of  
15 section 714.16, subsection 2, paragraph "a".

16 10. The department shall adopt rules as necessary  
17 to implement this section.

18 Sec. \_\_\_\_ . Section 3 of this Act takes effect July  
19 1, 1993. All other sections of this Act take effect  
20 July 1, 1992."

21 9. Title page, line 2, by striking the words "and  
22 rebuilt designations".

23 10. Title page, line 4, by inserting after the  
24 word "penalty" the following: "and providing an  
25 effective date".

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S-5236 FILED MARCH 13, 1992

*Adopted 3/17 (p. 822)*



1 Section 1. Section 321.24, unnumbered paragraph 3, Code  
2 Supplement, 1991, is amended by striking the unnumbered  
3 paragraph and inserting in lieu thereof the following:

4 The certificate of title shall contain upon its face the  
5 identical information required upon the face of the  
6 registration receipt. In addition, the certificate of title  
7 shall contain a statement of the owner's title, the amount of  
8 tax paid pursuant to section 423.7, the name and address of  
9 the previous owner, and a statement of all security interests  
10 and encumbrances as shown in the application, upon the vehicle  
11 described, including the nature of the security interest, date  
12 of notation, and name and address of the secured party.

13 If the prior certificate of title is from another state and  
14 indicates that the vehicle was rebuilt the new certificate of  
15 title and the registration receipt shall contain the  
16 designation of "REBUILT" stamped or printed on its face  
17 together with the name of the state issuing the prior title.  
18 The designation of "REBUILT" and the name of the other state  
19 shall be retained on all subsequent Iowa certificates of title  
20 and registration receipts for the vehicle.

21 If the prior certificate of title is from another state and  
22 indicates that the vehicle was junked, an Iowa junking  
23 certificate shall be issued according to section 321.52,  
24 subsections 2 and 3. If the prior certificate of title from  
25 another state indicates that the vehicle is salvaged and not  
26 rebuilt or is a salvage certificate of title, an Iowa salvage  
27 certificate of title shall be issued and a "SALVAGE"  
28 designation shall be retained on all subsequent Iowa  
29 certificates of title and registration receipts for the  
30 vehicle, unless a title indicating the vehicle was previously  
31 titled on a salvage certificate of title designation is  
32 obtained for the vehicle pursuant to section 321.52,  
33 subsection 4, paragraph "b", in which case the designation  
34 shall be retained on all subsequent Iowa certificates of title  
35 and registration receipts for the vehicle. The department



1 shall adopt rules to determine the manner in which other  
2 states' designations are to be indicated on Iowa titles.

3 Sec. 2. Section 321.52, subsection 4, Code Supplement  
4 1991, is amended to read as follows:

5 4. a. A vehicle rebuilder or a motor-vehicle-dealer  
6 licensed-under-chapter-322, person engaged in the business of  
7 buying, selling, or exchanging vehicles of a type required to  
8 be registered in this state, upon acquisition of a wrecked or  
9 salvage vehicle, shall surrender the certificate of title or  
10 manufacturer's or importer's statement of origin properly  
11 assigned, together with an application for a salvage  
12 certificate of title to the county treasurer of the county of  
13 residence of the purchaser or transferee within fourteen  
14 fifteen days after the date of assignment of the certificate  
15 of title for the wrecked or salvage motor vehicle. This  
16 subsection applies only to vehicles with a fair market value  
17 of five hundred dollars or more, based on the value before the  
18 vehicle became wrecked or salvage. Upon payment of a fee of  
19 two dollars, the county treasurer shall issue a salvage  
20 certificate of title which shall bear the word "SALVAGE"  
21 stamped or printed on the face of the title in a manner  
22 prescribed by the department. A salvage certificate of title  
23 may be assigned to any-person an educational institution, a  
24 new motor vehicle dealer licensed under chapter 322, a person  
25 engaged in the business of purchasing bodies, parts of bodies,  
26 frames or component parts of vehicles for sale as scrap metal,  
27 or an authorized vehicle recycler licensed under chapter 321H.  
28 An authorized vehicle recycler licensed under chapter 321H or  
29 a new motor vehicle dealer licensed under chapter 322 may  
30 assign a salvage certificate of title to any person. A  
31 vehicle on which ownership has transferred to an insurer of  
32 the vehicle, as a result of a settlement with the owner of the  
33 vehicle arising out of damage to, or unrecovered theft of the  
34 vehicle, shall be deemed to be a wrecked or salvage vehicle  
35 and the insurer shall comply with this subsection to obtain a

1 salvage certificate of title within fourteen fifteen days  
2 after the date of assignment of the certificate of title of  
3 the vehicle. ~~However, a vehicle that has major damage to four~~  
4 ~~or more component parts as defined in paragraph "b" shall~~  
5 ~~receive a junking certificate of title and shall not~~  
6 ~~thereafter be granted a regular certificate of title.~~

7 b. When a wrecked or salvage vehicle has been repaired,  
8 the owner may apply for a regular certificate of title by  
9 paying the appropriate fees and surrendering the salvage  
10 certificate of title and a properly executed salvage theft  
11 examination certificate. The county treasurer shall issue a  
12 regular certificate of title which, ~~commencing September 1,~~  
13 ~~1988, if the wrecked or salvage vehicle is five model years~~  
14 ~~old or less, shall bear the word "REBUILT" a designation~~  
15 ~~stamped or printed on the face of the title and registration~~  
16 ~~receipt indicating that the vehicle was previously titled on a~~  
17 ~~salvage certificate of title in a form approved by the~~  
18 ~~department. The rebuilt~~ This designation shall be included on  
19 every Iowa certificate of title and registration receipt  
20 issued thereafter for the vehicle. However, if ownership of a  
21 stolen vehicle has been transferred to an insurer organized  
22 under the laws of this state or admitted to do business in  
23 this state, or if the transfer was the result of a settlement  
24 with the owner of the vehicle arising from damage to or the  
25 unrecovered theft of the vehicle, and if the insurer certifies  
26 to the county treasurer on a form approved by the department  
27 that the insurance company has received one or more written  
28 estimates which states that the retail cost of repairs to  
29 including labor, parts, and other materials of all damage to  
30 the vehicle is less than three thousand dollars, the county  
31 treasurer shall issue to the insurance company the regular  
32 certificate of title and registration receipt without the  
33 ~~rebuilt~~ this designation. ~~The county treasurer shall issue a~~  
34 ~~regular certificate of title without the "REBUILT" designation~~  
35 ~~if, before repairs are made, a component parts review has been~~

1 conducted-by-a-peace-officer-who-has-been-specially-certified  
2 and-recertified-when-required-by-the-Iowa-law-enforcement  
3 academy-to-do-salvage-theft-examinations.--The-Iowa-law  
4 enforcement-academy-shall-determine-standards-for-training-and  
5 certification, conduct-training, and-may-approve-alternative  
6 training-programs-which-satisfy-the-academy's-standards-for  
7 training-and-certification.--For-the-purpose-of-this-section,  
8 a-wrecked-or-salvage-vehicle-shall-be-considered-to-have  
9 component-part-damage-if-there-is-major-damage-requiring  
10 repairs-or-replacement-of-more-than-two-of-the-vehicle's  
11 component-parts.--A-"component-part"-means-the-rear-clip,  
12 cowl, frame-or-inner-structure-forward-of-the-cowl, body, cab,  
13 front-end-assembly, front-clip, or-such-other-parts-which-are  
14 critical-to-the-safety-of-the-vehicle-as-determined-by-rules  
15 adopted-by-the-department.--The-owner-shall-pay-a-fee-of  
16 thirty-five-dollars-upon-the-completion-of-the-prerepair  
17 component-parts-review.--The-agency-performing-the  
18 examinations-shall-retain-twenty-five-dollars-of-the-fee-and  
19 shall-pay-five-dollars-of-the-fee-to-the-department-and-five  
20 dollars-of-the-fee-to-the-Iowa-law-enforcement-academy-to  
21 provide-for-the-special-training, certification, and  
22 recertification-of-officers-as-required-by-this-subsection.  
23 The-peace-officer-conducting-the-review-shall-maintain-a  
24 record-of-the-review-and-shall-forward-a-copy-of-the-review-to  
25 the-department.--The-department-shall-maintain-a-record-of-all  
26 reviews.--If-a-vehicle-does-not-have-component-damage-as  
27 determined-in-this-subsection, the-officer-conducting-the  
28 review-shall-issue-a-certificate-to-the-owner-to-that-effect.  
29 The-certificate-shall-be-surrendered-to-the-county-treasurer  
30 at-the-time-of-application-for-a-regular-certificate-of-title  
31 and-the-treasurer-shall-forward-the-certificate-to-the  
32 department.

33 The-provision-of-this-subsection-requiring-a-component  
34 parts-review-by-a-peace-officer-specially-certified-or  
35 recertified-by-the-Iowa-law-enforcement-academy-to-do-salvage

1 theft-examinations-shall-become-effective-July-17-1990.  
2 Component-parts-reviews-conducted-before-July-17-1990, shall  
3 be-made-by-peace-officers-authorized-to-do-so-by-the-state  
4 department-of-transportation-or-the-department-of-public  
5 safety-who-are-qualified,--as-determined-by-those-agencies,--to  
6 conduct-component-parts-reviews.--The-state-department-of  
7 transportation-shall-adopt-rules-in-accordance-with-chapter  
8 17A-to-carry-out-this-section,--including-transition-rules  
9 allowing-for-component-parts-reviews-prior-to-July-17-1990.

10 Notwithstanding-the-provisions-of-this-lettered-paragraph  
11 directing-that-five-dollars-of-each-fee-be-paid-to-the-Iowa  
12 law-enforcement-academy,--for-the-fiscal-period-beginning-on  
13 July-17-1991,--and-ending-June-30,--1993,--such-five-dollars  
14 shall-be-deposited-into-the-general-fund-of-the-state.

15 c. A salvage theft examination shall be made by a peace  
16 officer who has been specially certified and recertified when  
17 required by the Iowa law enforcement academy to do salvage  
18 theft examinations. The Iowa law enforcement academy shall  
19 determine standards for training and certification, conduct  
20 training, and may approve alternative training programs which  
21 satisfy the academy's standards for training and  
22 certification. The owner of the salvage vehicle shall make  
23 the vehicle available for examination at a time and location  
24 designated by the peace officer doing the examination. The  
25 owner may obtain a permit to drive the vehicle to and from the  
26 examination location by submitting a repair affidavit to the  
27 agency performing the examination stating that the vehicle is  
28 reasonably safe for operation and listing the repairs which  
29 have been made to the vehicle. The owner must be present for  
30 the examination and have available for inspection the salvage  
31 title, bills of sale for all essential parts changed, and the  
32 repair affidavit. The examination shall be for the purposes  
33 of determining whether the vehicle or repair components have  
34 been stolen. The examination is not a safety inspection and a  
35 signed salvage theft examination certificate shall not be

1 construed by any court of law to be a certification that the  
2 vehicle is safe to be operated. There shall be no cause of  
3 action against the peace officer or the agency conducting the  
4 examination or the county treasurer for failure to discover or  
5 note safety defects. If the vehicle passes the theft  
6 examination, the peace officer shall indicate that the vehicle  
7 passed examination on the salvage theft examination  
8 certificate and ~~with regard to a vehicle which is required to~~  
9 ~~bear the word "REBUILT" stamped or printed on the face of the~~  
10 ~~title, shall permanently identify the vehicle as "rebuilt" on~~  
11 ~~the driver's door jamb or other area on the vehicle as~~  
12 ~~designated by the department. A removal or alteration of this~~  
13 ~~rebuilt identification is a violation of section 321.92. The~~  
14 ~~repair affidavit, permit, and salvage theft examination~~  
15 certificate shall be on controlled forms prescribed and  
16 furnished by the department. The owner shall pay a fee of  
17 thirty dollars upon completion of the examination. The agency  
18 performing the examinations shall retain twenty dollars of the  
19 fee and shall pay five dollars of the fee to the department  
20 and five dollars of the fee to the Iowa law enforcement  
21 academy to provide for the special training, certification,  
22 and recertification of officers as required by this  
23 subsection.

24 The provision of this subsection requiring a salvage theft  
25 examination by a peace officer specially certified or  
26 recertified by the Iowa law enforcement academy to do salvage  
27 theft examinations shall become effective July 1, 1989.  
28 Salvage theft examinations conducted before July 1, 1989,  
29 shall be made by peace officers authorized to do so by the  
30 state department of transportation or the department of public  
31 safety who are qualified, as determined by those agencies, to  
32 conduct salvage theft examinations. The state department of  
33 transportation shall adopt rules in accordance with chapter  
34 17A to carry out this section, including transition rules  
35 allowing for salvage theft examinations prior to July 1, 1989.

1 Notwithstanding the provisions of this lettered paragraph  
2 directing that five dollars of each fee be paid to the Iowa  
3 law enforcement academy, for the fiscal period beginning on  
4 July 1, 1991, and ending June 30, 1993, such five dollars  
5 shall be deposited into the general fund of the state.

6 d. For purposes of this subsection a "wrecked or salvage  
7 vehicle" means a damaged motor vehicle subject to registration  
8 and having a gross vehicle weight rating of less than thirty  
9 thousand pounds, for which the cost of repair exceeds fifty  
10 percent of the fair market value of the vehicle, as determined  
11 in accordance with rules adopted by the department, before it  
12 became damaged.

13 ~~e.--A person who titled the person's motor vehicle before  
14 May 17, 1989, may have a title issued on that motor vehicle to  
15 the person without the "REBUIT" designation, if the person  
16 can show adequate proof that the wrecked or salvage motor  
17 vehicle was inspected by a peace officer prior to being  
18 repaired prior to September 17, 1988, and show proof through  
19 receipts of used parts and photos of the damage to the wrecked  
20 or salvage motor vehicle that the motor vehicle did not have  
21 major damage requiring repairs or replacement of more than two  
22 of the vehicle's component parts.--Upon proper application and  
23 payment of a two-dollar fee, the county treasurer shall issue  
24 to the person the title to the person's motor vehicle without  
25 the "REBUIT" designation.~~

26 Sec. 3. NEW SECTION. 321.69 DAMAGE DISCLOSURE STATEMENT.

27 1. A certificate of title shall not be issued for a motor  
28 vehicle unless a damage disclosure statement has been made by  
29 the transferor of the vehicle and is furnished with the  
30 application for certificate of title. A damage disclosure  
31 statement must be provided by the transferor to the transferee  
32 in a transfer of ownership of a motor vehicle. The new  
33 certificate of title and registration receipt shall state on  
34 the face of the title the total cumulative dollar amount of  
35 damage reported by owners prior to the owner listed on the

1 front of the title.

2     2. The damage disclosure statement required by this  
3 section shall, at a minimum, state the total retail dollar  
4 amount of all damage to the vehicle during the period of the  
5 transferor's ownership of the vehicle. For the purposes of  
6 this section, "damage" refers to damage to the vehicle caused  
7 by fire, vandalism, collision, weather, falling objects,  
8 submersion in water, or flood, where the cost of repair  
9 exceeds two thousand five hundred dollars per incident, but  
10 does not include normal wear and tear, glass damage,  
11 mechanical repairs or electrical repairs that have not been  
12 caused by fire, vandalism, collision, weather, falling  
13 objects, submersion in water, or flood. A determination of  
14 the amount of damage to a vehicle shall be based on estimates  
15 of the retail cost of repairing the vehicle, including labor,  
16 parts, and other materials, if the vehicle has not been  
17 repaired or on the actual retail cost of repair, including  
18 labor, parts, and other materials, if the vehicle has been  
19 repaired. Only individual incidents in which the retail cost  
20 of repairs is two thousand five hundred dollars or more are  
21 required to be disclosed by this section. If the vehicle has  
22 incurred damage of two thousand five hundred dollars or more  
23 per incident in more than one incident, the damage amounts  
24 must be combined and disclosed as the total of all separate  
25 incidents.

26     3. The damage disclosure statement shall be provided by  
27 the transferor to the transferee at or before the time of  
28 sale. If the transferor is not a resident of this state the  
29 transferee shall not be required to submit a damage disclosure  
30 statement from the transferor with the transferee's  
31 application for title unless the state of the transferor's  
32 residence requires a damage disclosure statement. However,  
33 the transferee shall submit a damage disclosure statement with  
34 the transferee's application for title indicating whether a  
35 salvage or rebuilt title had ever existed for the vehicle,

1 whether the vehicle had incurred prior damage of two thousand  
2 five hundred dollars or more per incident, and the year, make,  
3 and vehicle identification number of the motor vehicle.

4 4. The department shall retain each damage disclosure  
5 statement received and copies shall be available to the public  
6 and the attorney general upon request.

7 5. Authorized vehicle recyclers licensed under chapter  
8 321H and motor vehicle dealers licensed under chapter 322  
9 shall maintain copies of all damage disclosure statements  
10 where the recycler or dealer is either the transferor or the  
11 transferee for five years following the date of the statement.  
12 The copies shall be made available to the department or the  
13 attorney general upon request.

14 6. The damage disclosure statements shall be made on the  
15 back of the certificate of title if the title is available to  
16 the transferor at the time of sale. If the title is not  
17 available at the time of sale or if the face of the  
18 transferor's Iowa title contains no indication that the  
19 vehicle was previously salvaged or titled as salvaged or  
20 rebuilt and the transferor knows or reasonably should know  
21 that the vehicle was previously salvaged or titled as salvaged  
22 or rebuilt in another state, the transferor shall make the  
23 disclosure on a separate disclosure document. The damage  
24 disclosure statement forms shall be as approved by the  
25 department. The treasurer shall not accept a damage  
26 disclosure statement and issue a title unless the back of the  
27 title or separate disclosure document has been fully completed  
28 and signed and dated by the transferee and the transferor, if  
29 applicable.

30 7. A person, authorized vehicle recycler licensed under  
31 chapter 321H, or motor vehicle dealer licensed under chapter  
32 322 shall not be liable to a subsequent owner of a vehicle  
33 because a prior owner gave a false or inaccurate damage  
34 disclosure statement or failed to disclose that the vehicle  
35 had previously been damaged and repaired or had been titled on



1 a salvage or rebuilt certificate of title unless the person,  
2 recycler, or dealer knew or reasonably should have known that  
3 the prior owner gave a false or inaccurate damage disclosure  
4 statement or failed to disclose that the vehicle had been  
5 damaged and repaired or had been titled on a salvage or  
6 rebuilt certificate of title.

7 8. This section does not apply to motor trucks and truck  
8 tractors with a gross vehicle weight rating of sixteen  
9 thousand pounds or more, vehicles more than nine model years  
10 old, vehicles with titles stating the vehicle is salvage or  
11 rebuilt, motorcycles, motorized bicycles, and special mobile  
12 equipment. The section does apply to motor homes.

13 9. A person who knowingly makes a false damage disclosure  
14 statement commits a fraudulent practice. Failure of a person,  
15 authorized vehicle recycler licensed under chapter 321H, or  
16 motor vehicle dealer licensed under chapter 322, to comply  
17 with any duty imposed by this section constitutes a violation  
18 of section 714.16, subsection 2, paragraph "a".

19 10. The department shall adopt rules as necessary to  
20 implement this section.

21 Sec. 4. Section 3 of this Act takes effect July 1, 1993.  
22 All other sections of this Act take effect July 1, 1992.

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## SENATE FILE 2137

H-5542

1 Amend Senate File 2137, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 1, by inserting before line 1 the  
 4 following:  
 5 "Section 1. Section 321.1, Code Supplement 1991,  
 6 is amended by adding the following new subsection:  
 7 NEW SUBSECTION. 95. "Salvage pool" means the  
 8 business of selling at auction wrecked or salvage  
 9 vehicles, as defined in section 321.52."  
 10 2. Page 2, line 26, by inserting after the word  
 11 "metal," the following: "a salvage pool,".  
 12 3. Page 8, line 8, by inserting after the word  
 13 "repair" the following: "is".  
 14 4. Page 8, by striking line 9 and inserting the  
 15 following: "two thousand five hundred dollars or more  
 16 per incident, but".  
 17 5. Page 10, by inserting after line 20, the  
 18 following:  
 19 "Sec. \_\_\_\_ . Section 321H.4, subsection 2, Code  
 20 1991, is amended by adding the following new  
 21 unnumbered paragraph:  
 22 NEW UNNUMBERED PARAGRAPH. The applicant shall  
 23 specify which business or businesses, as enumerated in  
 24 subsection 1, the applicant is applying for a license  
 25 to engage in. An applicant shall have or demonstrate  
 26 that the applicant will have the facilities and  
 27 equipment necessary to engage in the business or  
 28 businesses for which the applicant is applying for a  
 29 license. The license shall specify which business or  
 30 businesses the applicant has been authorized to engage  
 31 in."  
 32 6. Title page, line 4, by inserting after the  
 33 word "certificates," the following: "defining salvage  
 34 pools, relating to vehicle recycler license  
 35 applications,".

By COMMITTEE ON TRANSPORTATION  
 BY KOENIGS of Mitchell,  
 Chairperson

H-5542 FILED MARCH 26, 1992

*Adopted as amended by 5632 3/31 (p. 956)*

## SENATE FILE 2137

H-5547

1 Amend Senate File 2137 as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 1, by striking lines 30 through 35 and  
 4 inserting the following: "vehicle, except as provided  
 5 under section 321.52, subsection 4, paragraph "b".  
 6 The department".

By KOENIGS of Mitchell

H-5547 FILED MARCH 26, 1992

*Adopted 3/31 (p. 957)*

SENATE FILE 2137

H-5592

1 Amend amendment, H-5542, to Senate File 2137, as  
2 amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, by striking line 15 and inserting the  
5 following: "following: "three thousand dollars or  
6 more"."

7 2. Page 1, by inserting after line 16 the  
8 following:

9 "\_\_\_\_. Page 8, line 20, by striking the words "two  
10 thousand five hundred" and inserting the following:  
11 "three thousand".

12 \_\_\_\_\_. Page 8, line 22, by striking the words "two  
13 thousand five hundred" and inserting the following:  
14 "three thousand"."

15 3. Page 1, by inserting after line 31 the  
16 following:

17 "\_\_\_\_. Page 10, by striking line 21 and inserting  
18 the following:

19 "Sec. \_\_\_\_\_. Section 3 of this Act takes effect  
20 January 1, 1993. If, after the department has made a  
21 reasonable effort to implement section 3 of this Act  
22 by January 1, 1993, the department cannot do so, the  
23 department may extend the effective date of section 3  
24 of this Act until March 1, 1993.""

25 4. By renumbering as necessary.

By LAGESCHULTE of Bremer  
KOENIGS of Mitchell  
DE GROOT of Lyon

H-5592 FILED MARCH 30, 1992

*H/D 3/31*

SENATE FILE 2137

H-5632

1 Amend amendment, H-5542, to Senate File 2137, as  
2 amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, by striking line 15 and inserting the  
5 following: "following: "three thousand dollars or  
6 more"."

7 2. Page 1, by inserting after line 16 the  
8 following:

9 "\_\_\_\_. Page 8, line 20, by striking the words "two  
10 thousand five hundred" and inserting the following:  
11 "three thousand".

12 \_\_\_\_\_. Page 8, line 22, by striking the words "two  
13 thousand five hundred" and inserting the following:  
14 "three thousand".

15 \_\_\_\_\_. Page 9, by striking lines 1 and 2 and  
16 inserting the following: "whether the vehicle had  
17 incurred prior damage of three thousand dollars or  
18 more per incident, and the year, make, "."

19 3. Page 1, by inserting after line 31 the  
20 following:

21 "\_\_\_\_. Page 10, by striking line 21 and inserting  
22 the following:

23 "Sec. \_\_\_\_\_. Section 3 of this Act takes effect  
24 January 1, 1993. If, after the department has made a  
25 reasonable effort to implement section 3 of this Act  
26 by January 1, 1993, the department cannot do so, the  
27 department may extend the effective date of section 3  
28 of this Act until March 1, 1993.""

29 4. By renumbering as necessary.

By LAGESCHULTE of Bremer  
KOENIGS of Mitchell  
DE GROOT of Lyon

H-5632 FILED MARCH 31, 1992

ADOPTED (p 952)

HOUSE AMENDMENT TO  
SENATE FILE 2137

S-5507

1 Amend Senate File 2137, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Section 1. Section 321.1, Code Supplement 1991,  
6 is amended by adding the following new subsection:  
7 NEW SUBSECTION. 95. "Salvage pool" means the  
8 business of selling at auction wrecked or salvage  
9 vehicles, as defined in section 321.52."

10 2. Page 1, by striking lines 30 through 35 and  
11 inserting the following: "vehicle, except as provided  
12 under section 321.52, subsection 4, paragraph "b".  
13 The department".

14 3. Page 2, line 26, by inserting after the word  
15 "metal," the following: "a salvage pool".

16 4. Page 8, line 8, by inserting after the word  
17 "repair" the following: "is".

18 5. Page 8, by striking line 9 and inserting the  
19 following: "three thousand dollars or more per  
20 incident, but".

21 6. Page 8, line 20, by striking the words "two  
22 thousand five hundred" and inserting the following:  
23 "three thousand".

24 7. Page 8, line 22, by striking the words "two  
25 thousand five hundred" and inserting the following:  
26 "three thousand".

27 8. Page 9, by striking lines 1 and 2 and  
28 inserting the following: "whether the vehicle had  
29 incurred prior damage of three thousand dollars or  
30 more per incident, and the year, make,".

31 9. Page 10, by inserting after line 20, the  
32 following:

33 "Sec. \_\_\_\_ . Section 321H.4, subsection 2, Code  
34 1991, is amended by adding the following new  
35 unnumbered paragraph:

36 NEW UNNUMBERED PARAGRAPH. The applicant shall  
37 specify which business or businesses, as enumerated in  
38 subsection 1, the applicant is applying for a license  
39 to engage in. An applicant shall have or demonstrate  
40 that the applicant will have the facilities and  
41 equipment necessary to engage in the business or  
42 businesses for which the applicant is applying for a  
43 license. The license shall specify which business or  
44 businesses the applicant has been authorized to engage  
45 in."

46 10. Page 10, by striking line 21 and inserting  
47 the following:

48 "Sec. \_\_\_\_ . Section 3 of this Act takes effect  
49 January 1, 1993. If, after the department has made a  
50 reasonable effort to implement section 3 of this Act

S-5507

S-5507

Page 2

1 by January 1, 1993, the department cannot do so, the  
2 department may extend the effective date of section 3  
3 of this Act until March 1, 1993."

4 11. Title page, line 4, by inserting after the  
5 word "certificates," the following: "defining salvage  
6 pools, relating to vehicle recycler license  
7 applications,".

8 12. By renumbering, relettering, or redesignating  
9 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5507 FILED APRIL 2, 1992

*Senate concurred 4/6 (p. 1242)*

SENATE FILE 2137

AN ACT

RELATING TO MOTOR VEHICLE CERTIFICATES OF TITLE, BY ELIMINATING COMPONENT PART REVIEWS, REQUIRING A DAMAGE DISCLOSURE STATEMENT, RESTRICTING TRANSFER OF CERTAIN SALVAGE CERTIFICATES, DEFINING SALVAGE POOLS, RELATING TO VEHICLE RECYCLER LICENSE APPLICATIONS, AND CREATING A PENALTY AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 321.1, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 95. "Salvage pool" means the business of selling at auction wrecked or salvage vehicles, as defined in section 321.52.

Sec. 2. Section 321.24, unnumbered paragraph 3, Code Supplement 1991, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

The certificate of title shall contain upon its face the identical information required upon the face of the registration receipt. In addition, the certificate of title shall contain a statement of the owner's title, the amount of tax paid pursuant to section 423.7, the name and address of the previous owner, and a statement of all security interests and encumbrances as shown in the application, upon the vehicle

described, including the nature of the security interest, date of notation, and name and address of the secured party.

If the prior certificate of title is from another state and indicates that the vehicle was rebuilt the new certificate of title and the registration receipt shall contain the designation of "REBUILT" stamped or printed on its face together with the name of the state issuing the prior title. The designation of "REBUILT" and the name of the other state shall be retained on all subsequent Iowa certificates of title and registration receipts for the vehicle.

If the prior certificate of title is from another state and indicates that the vehicle was junked, an Iowa junking certificate shall be issued according to section 321.52, subsections 2 and 3. If the prior certificate of title from another state indicates that the vehicle is salvaged and not rebuilt or is a salvage certificate of title, an Iowa salvage certificate of title shall be issued and a "SALVAGE" designation shall be retained on all subsequent Iowa certificates of title and registration receipts for the vehicle, except as provided under section 321.52, subsection 4, paragraph "b". The department shall adopt rules to determine the manner in which other states' designations are to be indicated on Iowa titles.

Sec. 3. Section 321.52, subsection 4, Code Supplement 1991, is amended to read as follows:

4. a. A vehicle rebuilder or a motor-vehicle-dealer licensed under chapter 322, person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered in this state, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title to the county treasurer of the county of residence of the purchaser or transferee within fourteen fifteen days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle. This subsection applies only to vehicles with a fair market value

of five hundred dollars or more, based on the value before the vehicle became wrecked or salvage. Upon payment of a fee of two dollars, the county treasurer shall issue a salvage certificate of title which shall bear the word "SALVAGE" stamped or printed on the face of the title in a manner prescribed by the department. A salvage certificate of title may be assigned to any person, an educational institution, a new motor vehicle dealer licensed under chapter 322, a person engaged in the business of purchasing bodies, parts of bodies, frames or component parts of vehicles for sale as scrap metal, a salvage pool, or an authorized vehicle recycler licensed under chapter 321H. An authorized vehicle recycler licensed under chapter 321H or a new motor vehicle dealer licensed under chapter 322 may assign a salvage certificate of title to any person. A vehicle on which ownership has transferred to an insurer of the vehicle, as a result of a settlement with the owner of the vehicle arising out of damage to, or unrecovered theft of the vehicle, shall be deemed to be a wrecked or salvage vehicle and the insurer shall comply with this subsection to obtain a salvage certificate of title within ~~fourteen~~ fifteen days after the date of assignment of the certificate of title of the vehicle. ~~However, a vehicle that has major damage to four or more component parts as defined in paragraph "b" shall receive a junking certificate of title and shall not thereafter be granted a regular certificate of title.~~

b. When a wrecked or salvage vehicle has been repaired, the owner may apply for a regular certificate of title by paying the appropriate fees and surrendering the salvage certificate of title and a properly executed salvage theft examination certificate. The county treasurer shall issue a regular certificate of title which, ~~commencing September 1, 1988, if the wrecked or salvage vehicle is five model years old or less,~~ shall bear the word "REBUILT" a designation stamped or printed on the face of the title and registration receipt indicating that the vehicle was previously titled on a salvage certificate of title in a form approved by the

department. ~~The rebuilt~~ This designation shall be included on every Iowa certificate of title and registration receipt issued thereafter for the vehicle. However, if ownership of a stolen vehicle has been transferred to an insurer organized under the laws of this state or admitted to do business in this state, or if the transfer was the result of a settlement with the owner of the vehicle arising from damage to or the unrecovered theft of the vehicle, and if the insurer certifies to the county treasurer on a form approved by the department that the insurance company has received one or more written estimates which states that the retail cost of repairs to including labor, parts, and other materials of all damage to the vehicle is less than three thousand dollars, the county treasurer shall issue to the insurance company the regular certificate of title and registration receipt without the rebuilt this designation. ~~The county treasurer shall issue a regular certificate of title without the "REBUILT" designation if, before repairs are made, a component parts review has been conducted by a peace officer who has been specially certified and recertified when required by the Iowa law enforcement academy to do salvage theft examinations. The Iowa law enforcement academy shall determine standards for training and certification, conduct training, and may approve alternative training programs which satisfy the academy's standards for training and certification. For the purpose of this section, a wrecked or salvage vehicle shall be considered to have component part damage if there is major damage requiring repairs or replacement of more than two of the vehicle's component parts. A "component part" means the rear clip, cow, frame or inner structure forward of the cow, body, cab, front end assembly, front clip, or such other parts which are critical to the safety of the vehicle as determined by rules adopted by the department. The owner shall pay a fee of thirty-five dollars upon the completion of the pre-repair component parts review. The agency performing the examinations shall retain twenty-five dollars of the fee and shall pay five dollars of the fee to the department and five~~



dollars of the fee to the Iowa law enforcement academy to provide for the special training, certification, and recertification of officers as required by this subsection. The peace officer conducting the review shall maintain a record of the review and shall forward a copy of the review to the department. The department shall maintain a record of all reviews. If a vehicle does not have component damage as determined in this subsection, the officer conducting the review shall issue a certificate to the owner to that effect. The certificate shall be surrendered to the county treasurer at the time of application for a regular certificate of title and the treasurer shall forward the certificate to the department.

The provision of this subsection requiring a component parts review by a peace officer specially certified or recertified by the Iowa law enforcement academy to do salvage theft examinations shall become effective July 17, 1990. Component parts reviews conducted before July 17, 1990, shall be made by peace officers authorized to do so by the state department of transportation or the department of public safety who are qualified, as determined by those agencies, to conduct component parts reviews. The state department of transportation shall adopt rules in accordance with chapter 17A to carry out this section, including transition rules allowing for component parts reviews prior to July 17, 1990.

Notwithstanding the provisions of this lettered paragraph directing that five dollars of each fee be paid to the Iowa law enforcement academy, for the fiscal period beginning on July 17, 1991, and ending June 30, 1993, such five dollars shall be deposited into the general fund of the state.

c. A salvage theft examination shall be made by a peace officer who has been specially certified and recertified when required by the Iowa law enforcement academy to do salvage theft examinations. The Iowa law enforcement academy shall determine standards for training and certification, conduct training, and may approve alternative training programs which satisfy the academy's standards for training and

certification. The owner of the salvage vehicle shall make the vehicle available for examination at a time and location designated by the peace officer doing the examination. The owner may obtain a permit to drive the vehicle to and from the examination location by submitting a repair affidavit to the agency performing the examination stating that the vehicle is reasonably safe for operation and listing the repairs which have been made to the vehicle. The owner must be present for the examination and have available for inspection the salvage title, bills of sale for all essential parts changed, and the repair affidavit. The examination shall be for the purposes of determining whether the vehicle or repair components have been stolen. The examination is not a safety inspection and a signed salvage theft examination certificate shall not be construed by any court of law to be a certification that the vehicle is safe to be operated. There shall be no cause of action against the peace officer or the agency conducting the examination or the county treasurer for failure to discover or note safety defects. If the vehicle passes the theft examination, the peace officer shall indicate that the vehicle passed examination on the salvage theft examination certificate and, with regard to a vehicle which is required to bear the word "REBUILT" stamped or printed on the face of the title, shall permanently identify the vehicle as "rebuilt" on the driver's door jamb or other area on the vehicle as designated by the department. A removal or alteration of this rebuilt identification is a violation of section 321.92. The repair affidavit, permit, and salvage theft examination certificate shall be on controlled forms prescribed and furnished by the department. The owner shall pay a fee of thirty dollars upon completion of the examination. The agency performing the examinations shall retain twenty dollars of the fee and shall pay five dollars of the fee to the department and five dollars of the fee to the Iowa law enforcement academy to provide for the special training, certification, and recertification of officers as required by this subsection.

The provision of this subsection requiring a salvage theft examination by a peace officer specially certified or recertified by the Iowa law enforcement academy to do salvage theft examinations shall become effective July 1, 1989. Salvage theft examinations conducted before July 1, 1989, shall be made by peace officers authorized to do so by the state department of transportation or the department of public safety who are qualified, as determined by those agencies, to conduct salvage theft examinations. The state department of transportation shall adopt rules in accordance with chapter 17A to carry out this section, including transition rules allowing for salvage theft examinations prior to July 1, 1989.

Notwithstanding the provisions of this lettered paragraph directing that five dollars of each fee be paid to the Iowa law enforcement academy, for the fiscal period beginning on July 1, 1991, and ending June 30, 1993, such five dollars shall be deposited into the general fund of the state.

d. For purposes of this subsection a "wrecked or salvage vehicle" means a damaged motor vehicle subject to registration and having a gross vehicle weight rating of less than thirty thousand pounds, for which the cost of repair exceeds fifty percent of the fair market value of the vehicle, as determined in accordance with rules adopted by the department, before it became damaged.

~~e. -- A person who titled the person's motor vehicle before May 1, 1989, may have a title issued on that motor vehicle to the person without the "REBUIS" designation, if the person can show adequate proof that the wrecked or salvage motor vehicle was inspected by a peace officer prior to being repaired prior to September 17, 1988, and show proof through receipts of used parts and photos of the damage to the wrecked or salvage motor vehicle that the motor vehicle did not have major damage requiring repairs or replacement of more than two of the vehicle's component parts. Upon proper application and payment of a two-dollar fee, the county treasurer shall issue to the person the title to the person's motor vehicle without the "REBUIS" designation.~~

Sec. 4. NEW SECTION. 321.69 DAMAGE DISCLOSURE STATEMENT.

1. A certificate of title shall not be issued for a motor vehicle unless a damage disclosure statement has been made by the transferor of the vehicle and is furnished with the application for certificate of title. A damage disclosure statement must be provided by the transferor to the transferee in a transfer of ownership of a motor vehicle. The new certificate of title and registration receipt shall state on the face of the title the total cumulative dollar amount of damage reported by owners prior to the owner listed on the front of the title.

2. The damage disclosure statement required by this section shall, at a minimum, state the total retail dollar amount of all damage to the vehicle during the period of the transferor's ownership of the vehicle. For the purposes of this section, "damage" refers to damage to the vehicle caused by fire, vandalism, collision, weather, falling objects, submersion in water, or flood, where the cost of repair is three thousand dollars or more per incident, but does not include normal wear and tear, glass damage, mechanical repairs or electrical repairs that have not been caused by fire, vandalism, collision, weather, falling objects, submersion in water, or flood. A determination of the amount of damage to a vehicle shall be based on estimates of the retail cost of repairing the vehicle, including labor, parts, and other materials, if the vehicle has not been repaired or on the actual retail cost of repair, including labor, parts, and other materials, if the vehicle has been repaired. Only individual incidents in which the retail cost of repairs is three thousand dollars or more are required to be disclosed by this section. If the vehicle has incurred damage of three thousand dollars or more per incident in more than one incident, the damage amounts must be combined and disclosed as the total of all separate incidents.

3. The damage disclosure statement shall be provided by the transferor to the transferee at or before the time of sale. If the transferor is not a resident of this state the transferee shall not be required to submit a damage disclosure

statement from the transferor with the transferee's application for title unless the state of the transferor's residence requires a damage disclosure statement. However, the transferee shall submit a damage disclosure statement with the transferee's application for title indicating whether a salvage or rebuilt title had ever existed for the vehicle, whether the vehicle had incurred prior damage of three thousand dollars or more per incident, and the year, make, and vehicle identification number of the motor vehicle.

4. The department shall retain each damage disclosure statement received and copies shall be available to the public and the attorney general upon request.

5. Authorized vehicle recyclers licensed under chapter 321H and motor vehicle dealers licensed under chapter 322 shall maintain copies of all damage disclosure statements where the recycler or dealer is either the transferor or the transferee for five years following the date of the statement. The copies shall be made available to the department or the attorney general upon request.

6. The damage disclosure statements shall be made on the back of the certificate of title if the title is available to the transferor at the time of sale. If the title is not available at the time of sale or if the face of the transferor's Iowa title contains no indication that the vehicle was previously salvaged or titled as salvaged or rebuilt and the transferor knows or reasonably should know that the vehicle was previously salvaged or titled as salvaged or rebuilt in another state, the transferor shall make the disclosure on a separate disclosure document. The damage disclosure statement forms shall be as approved by the department. The treasurer shall not accept a damage disclosure statement and issue a title unless the back of the title or separate disclosure document has been fully completed and signed and dated by the transferee and the transferor, if applicable.

7. A person, authorized vehicle recycler licensed under chapter 321H, or motor vehicle dealer licensed under chapter

322 shall not be liable to a subsequent owner of a vehicle because a prior owner gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had previously been damaged and repaired or had been titled on a salvage or rebuilt certificate of title unless the person, recycler, or dealer knew or reasonably should have known that the prior owner gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had been damaged and repaired or had been titled on a salvage or rebuilt certificate of title.

8. This section does not apply to motor trucks and truck tractors with a gross vehicle weight rating of sixteen thousand pounds or more, vehicles more than nine model years old, vehicles with titles stating the vehicle is salvage or rebuilt, motorcycles, motorized bicycles, and special mobile equipment. The section does apply to motor homes.

9. A person who knowingly makes a false damage disclosure statement commits a fraudulent practice. Failure of a person, authorized vehicle recycler licensed under chapter 321H, or motor vehicle dealer licensed under chapter 322, to comply with any duty imposed by this section constitutes a violation of section 714.16, subsection 2, paragraph "a".

10. The department shall adopt rules as necessary to implement this section.

Sec. 5. Section 321H.4, subsection 2, Code 1991, is amended by adding the following new unnumbered paragraph:  
NEW UNNUMBERED PARAGRAPH. The applicant shall specify which business or businesses, as enumerated in subsection 1, the applicant is applying for a license to engage in. An applicant shall have or demonstrate that the applicant will have the facilities and equipment necessary to engage in the business or businesses for which the applicant is applying for a license. The license shall specify which business or businesses the applicant has been authorized to engage in.

Sec. 6. Section 4 of this Act takes effect January 1, 1993. If, after the department has made a reasonable effort to implement section 4 of this Act by January 1, 1993, the

department cannot do so, the department may extend the effective date of section 4 of this Act until March 1, 1993. All other sections of this Act take effect July 1, 1992.

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MICHAEL E. GRONSTAL  
President of the Senate

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ROBERT C. ARNOULD  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2137, Seventy-fourth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved April 21, 1992

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TERRY E. BRANSTAD  
Governor