

Sec. 9. Section 123.129, subsection 3, Code 1987, is amended by striking the subsection.

Sec. 10. Section 123.176, subsection 3, Code 1987, is amended by striking the subsection.

Approved April 15, 1988

CHAPTER 1089

MOTOR VEHICLE FRAUD AND THEFT, AND WRECKED, SALVAGED, JUNKED, AND REBUILT VEHICLES

S.F. 2285

AN ACT relating to the enforcement of laws concerning motor vehicle fraud, salvage, and theft, certificates of title, and transfer of ownership of foreign, wrecked, and salvage vehicles and making penalties applicable and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 307.37, Code 1987, is amended to read as follows:

307.37 MOTOR VEHICLE FRAUD AND ODOMETER LAW ENFORCEMENT.

The department shall investigate and prosecute violators of the laws concerning motor vehicle fraud including, but not limited to, the state and federal odometer law. The department shall refer available evidence concerning a possible violation of the laws concerning motor vehicle fraud including, but not limited to, section 321.71 or the federal odometer law or a rule or order issued under section 321.71 or the federal odometer law, to the attorney general. The attorney general, with or without the referral, may institute appropriate criminal proceedings or may direct the case to the appropriate county attorney to institute appropriate criminal proceedings. The attorney general may use those funds available to the department of justice for this purpose and law enforcement agencies may be reimbursed for expenses incurred in the enforcement of the state and federal odometer those laws, rules, or orders with the approval of the attorney general and concurrence by the department.

Sec. 2. Section 312.2, subsection 15, Code Supplement 1987, is amended to read as follows:

15. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the state department of ~~transportation~~ justice from the road use tax fund an amount equal to twenty-five cents on each title issuance for motor vehicle fraud law enforcement and prosecution purposes including, but not limited to, the enforcement of state and federal odometer law enforcement purposes laws. This subsection is effective for the fiscal period beginning July 1, 1984 and ending June 30, 1989.

Sec. 3. Section 321.24, unnumbered paragraph 3, Code Supplement 1987, is amended to read as follows:

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 was a salvage, rebuilt, or junking certificate of title in any other state, or if the prior certificate of title in any other state indicates that the vehicle was salvaged, rebuilt, or junked, the new certificate of title shall contain the same information together with the name of the state

issuing the prior salvage, rebuilt, or junking certificate of title and a salvage, rebuilt, or junking designation together with the name of the state issuing the prior salvage, rebuilt, or junking certificate of title shall be retained on all subsequent Iowa certificates of title for the vehicle, except as provided in section 321.52. In the event a vehicle which previously had a salvage certificate of title from another state is repaired and a regular certificate of title is to be issued for it pursuant to section 321.52 without the designation rebuilt, the regular certificate of title shall indicate the state which had issued the prior salvage certificate of title in the same location in which Iowa certificates of title show the designation salvage or rebuilt, in addition to the name and address of the previous owner, in lieu of the salvage designation. The name of the state which had issued the prior salvage certificate of title shall remain in that location on every Iowa certificate of title issued thereafter for the vehicle. The department shall adopt rules to determine how other states' designations are to be indicated on Iowa titles. The certificate shall bear the seal of the county treasurer or of the department, and the signature of the county treasurer, the deputy county treasurer, or the department director or deputy designee. The certificate shall provide space for the signature of the owner. The owner shall sign the certificate of title in the space provided with pen and ink upon its receipt. The certificate of title shall contain upon the reverse side a form for assignment of title or interest and warranty by the owner, for reassignments by a licensed dealer, and for application for a new certificate of title by the transferee as provided in this chapter. However, titles for mobile homes shall not be reassigned by licensed dealers. All certificates of title shall be typewritten or printed by other mechanical means.

Sec. 4. Section 321.52, subsection 4, unnumbered paragraph 1, Code 1987, is amended to read as follows:

a. A vehicle rebuilder or a motor vehicle dealer licensed under chapter 322, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title and registration receipt 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 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 bold letters and coded in a manner prescribed by the department. A salvage certificate of title may be assigned to any person. ~~Notwithstanding any other provisions in this section a~~ 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 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.

Sec. 5. Section 321.52, subsection 4, unnumbered paragraph 2, Code 1987, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following lettered paragraphs, and lettering the existing paragraphs of the subsection:

b. When a wrecked or salvaged 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 salvaged vehicle is five model years old or less, shall bear the word "REBUILT" stamped

or printed on the face of the title. The rebuilt designation shall be included on every Iowa certificate of title 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 cost of repairs to all damage to the vehicle is less than three thousand dollars, the county treasurer shall issue the regular certificate of title without the rebuilt 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 authorized to do so by the state department of transportation showing that the vehicle does not have component part damage. The component parts review shall be conducted in accordance with rules adopted by the department. For the purpose of this section, a wrecked or salvaged 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, cowl, frame or inner structure forward of the cowl, 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 prerepair component parts review. 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.

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.

Sec. 6. Section 321.52, subsection 4, unnumbered paragraph 3, Code 1987, is amended to read as follows:

d. For purposes of this subsection a "wrecked or salvage vehicle" means a damaged 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.

Sec. 7. Section 321.92, Code 1987, is amended to read as follows:
321.92 ALTERING OR CHANGING NUMBERS.

1. FRAUDULENT INTENT. No person shall with fraudulent intent, deface, destroy, or alter the vehicle identification number or component part number or other distinguishing number or identification mark of a vehicle or component part, including a rebuilt identification, nor shall any a person place or stamp any a serial, engine, or other number or mark upon a vehicle or component part, except one assigned thereto by the department. Any A violation of this provision is a felony punishable as provided in section 321.483.

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

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

Sec. 8. Section 321H.3, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Except for educational institutions, people licensed as new ~~or used~~ vehicle dealers under chapter 322, people engaged in a hobby not for profit, people engaged in the business of purchasing bodies, parts of bodies, frames or component parts of vehicles only for sale as scrap metal or a person licensed under the provisions of this chapter as an authorized vehicle recycler, a person in this state shall not engage in the business of:

Sec. 9. The state department of transportation shall adopt rules which allow authorized vehicle recyclers, as defined in chapter 321H, to meet the definition of transporter, as defined in chapter 321, so that transporter plates may be issued for authorized vehicle recyclers.

Approved April 15, 1988

CHAPTER 1090**SECURITY FOR DEPOSIT OF PUBLIC FUNDS***H.F. 2323*

AN ACT relating to the pledge of United States government obligations or their functional equivalents as security for the deposit of public funds.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 453.16, subsection 1, paragraph b, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Direct obligations of, or obligations that are insured or fully guaranteed as to principal and interest by, the United States of America, which may be used to secure the deposit of public funds under subparagraph (1), include investments in an investment company or investment trust registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States government obligations described in subparagraph (1) and to repurchase agreements fully collateralized by the United States government obligations described in subparagraph (1), if the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

Sec. 2. Section 453.22, subsection 3, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Direct obligations of, or obligations that are insured or fully guaranteed as to principal and interest by, the United States of America, which may be used to secure public deposits under paragraph "a", include investments in an investment company or investment trust registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States government obligations described in paragraph "a" and to repurchase agreements fully collateralized by the United States government obligations described in paragraph "a", if the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

Approved April 26, 1988

CHAPTER 1091**PAROLE AND WORK RELEASE***H.F. 2369*

AN ACT relating to the duties and authority of the board of parole.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 246.909, Code 1987, is amended to read as follows:

246.909 WORK RELEASE VIOLATORS — REIMBURSEMENT TO THE DEPARTMENT OF CORRECTIONS FOR TRANSPORTATION COSTS.

A The department of corrections shall arrange for the return of a work release client who escapes or participates in an act of absconding from the facility to which the client is assigned to the client shall reimburse the department of corrections for the cost of transportation incurred because of the escape or act of absconding. The amount of reimbursement shall be the actual cost incurred by the department and shall be credited to the support account from which the