

CHAPTER 405
SALVAGE

761—405.1(321) Applicability. This chapter supplements 761—Chapter 400. It applies to salvage motor vehicles and foreign motor vehicles brought into Iowa that are or were salvage, rebuilt or junked. This chapter applies only to motor vehicles subject to registration except that owners of vehicles with a gross vehicle weight rating of 30,000 pounds or more are not required to submit a salvage theft examination certificate to convert a salvage title to a regular title.

761—405.2(321) Definitions.

“*Authorized vehicle recycler*” means a person licensed under Iowa Code chapter 321H.

“*Iowa salvage title*” means an Iowa salvage certificate of title.

“*Junking certificate*” means an Iowa junking certificate.

“*New motor vehicle dealer*” means a dealer licensed under Iowa Code chapter 322 to sell new motor vehicles.

“*Previous owner*” as used in Iowa Code section 321.24 means the last titled owner.

“*Regular foreign title*” means a certificate of title issued by a foreign jurisdiction that allows the vehicle to be driven or moved upon a highway.

“*Regular Iowa title*” means an Iowa certificate of title that is not a salvage title.

761—405.3(321) Salvage title.

405.3(1) *Face of title.* Except for vehicles with a gross vehicle weight rating of 30,000 pounds or more, the following shall be stamped in red ink on the face of an Iowa salvage title: SALVAGE—CANNOT BE REGISTERED WITHOUT A SALVAGE THEFT EXAMINATION CERTIFICATE OR AN INSURER’S CERTIFICATION.

405.3(2) *Assignment.* An Iowa or a foreign salvage title may be assigned only as provided in Iowa Code subsection 321.52(4). Except as provided in subrule 405.3(3), the transferee to whom an Iowa or a foreign salvage title is assigned shall apply for a new Iowa salvage title within 30 days after the date of assignment unless, within this time period, application for a regular title is made or a junking certificate is obtained.

405.3(3) *Reassignment.* Reassignment of an Iowa or a foreign salvage title by a licensed new motor vehicle dealer or by an authorized vehicle recycler is allowed, and the dealer or recycler is not required to obtain a new Iowa salvage title upon assignment of an Iowa or a foreign salvage title to the dealer or recycler, provided a vacant reassignment space is available on the title. If all reassignment spaces on an Iowa or a foreign salvage title assigned to the dealer or recycler have been used, the dealer or recycler shall obtain a new Iowa salvage title in accordance with subrule 405.3(2). The following shall be stamped on the dealer reassignment portion of Iowa salvage titles: ONLY NEW MOTOR VEHICLE DEALERS OR RECYCLERS MAY REASSIGN THIS TITLE.

405.3(4) *Registration fees.*

a. An Iowa salvage title may be obtained without payment of the current registration fees or any delinquent registration fees or registration penalties. If the registration fees are delinquent at the time of issuance of an Iowa salvage title, no additional penalty shall accrue after issuance.

b. Any registration fees or registration penalties due at the time of issuance of an Iowa salvage title, together with the current registration fees if not already paid, shall be paid upon issuance of a regular title. However, a dealer is not required to pay current registration fees to obtain a regular title for a vehicle held for resale or trade. See rule 761—400.27(321,322) for any exceptions.

c. Notwithstanding any provision of this chapter to the contrary, an Iowa salvage title obtained by an insurer pursuant to the provisions under Iowa Code section 321.52(4) shall be issued free and clear of all liens and claims of ownership, including any outstanding registration fees or registration penalties.

405.3(5) *Plates.* Registration plates shall not be assigned when an Iowa salvage title is issued.

[ARC 9048B, IAB 9/8/10, effective 10/13/10; ARC 3999C, IAB 9/12/18, effective 10/17/18]

761—405.4 and 405.5 Reserved.

761—405.6(321) Iowa salvage title required.

405.6(1) *Wrecked or salvage vehicle.* A vehicle rebuilder or a 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 obtain an Iowa salvage title or a junking certificate for the vehicle except as provided in subrule 405.3(3).

a. A wrecked or salvage vehicle is a damaged motor vehicle that:

- (1) Has repair costs exceeding 50 percent of its fair market value before it became damaged, and
- (2) Had a fair market value of \$500 or more before it became damaged.

b. Fair market value is the average retail value found in the National Automobile Dealers Association (NADA) Official Used Car Guide. If there is no value available, the office of vehicle services shall determine the fair market value upon request. The address is: Office of Vehicle Services, Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278.

405.6(2) *Insurer.* An insurer upon acquisition of a motor vehicle as a result of a settlement with the motor vehicle owner arising out of damage to or unrecovered theft of the motor vehicle shall obtain an Iowa salvage title for the motor vehicle.

405.6(3) *Application.* Application for an Iowa salvage title shall be made within 30 days after the date of assignment to the transferee.

761—405.7(321) Converting salvage title to regular title.

405.7(1) *General application procedure.*

a. To obtain a regular title, the owner in whose name the salvage title is issued or assigned shall pay the appropriate fees and surrender the following when applying for the regular title:

- (1) The salvage title.
- (2) The salvage theft examination certificate issued in the applicant's name. However, a salvage theft examination certificate is not required if the vehicle has a gross vehicle weight rating of 30,000 pounds or more. See rule 761—405.15(321) for salvage theft examination.

b. A regular title and registration receipt issued pursuant to this subrule shall bear the designation "prior salvage."

405.7(2) *Insurer's certification.* An insurer who has title pursuant to Iowa Code subsection 321.52(4) may submit an insurer's certification in lieu of a salvage theft examination certificate.

a. The insurer's certification shall:

- (1) Include the name and address of the insurance company and the VIN, year and make of the salvage titled vehicle.
- (2) Include a statement by the insurer certifying that the retail cost of repairs for all damages to the vehicle is less than \$3000.
- (3) Be dated and signed by an authorized representative of the insurer.

b. The insurer's certification is not transferable if the insurer assigns the salvage title to another person.

c. A regular title and registration receipt issued pursuant to this subrule is not required to have a designation of "prior salvage." However, the title and registration receipt shall bear any designation to be carried forward, as explained in rule 761—405.10(321).

761—405.8(321) Foreign vehicles.

405.8(1) *Definitions.* The following definitions apply to foreign titles and the designations shown on them.

"Junked" means the vehicle is damaged or dismantled and is prohibited from ever again being driven upon a highway.

"Rebuilt" means the vehicle had been designated as salvage but had the designation removed, and the vehicle is permitted to be driven and moved upon a highway. Also, a designation of "salvage" on a regular foreign title means that the vehicle is rebuilt.

"Salvage" means the vehicle is damaged and shall not be registered to be driven or moved upon a highway until it is no longer designated as salvage.

405.8(2) Foreign title with rebuilt designation. If the prior title for a vehicle is a foreign title indicating that the vehicle was rebuilt, the Iowa title and registration receipt issued from the foreign title shall contain the designation of “rebuilt” together with the two-letter abbreviation of the name of the jurisdiction that issued the foreign title.

EXCEPTION: If a records check indicates that the vehicle was previously titled in Iowa with a designation of “prior salvage,” the prior salvage designation takes precedence and shall be carried forward to the Iowa title and registration receipt.

405.8(3) Converting foreign salvage title to Iowa title. If the prior title for a vehicle is a foreign title indicating that the vehicle is salvage, a regular Iowa title shall not be issued for the vehicle unless an Iowa salvage title is first issued. After an Iowa salvage title is issued for the vehicle, a regular Iowa title may be obtained pursuant to rule 761—405.7(321).

EXCEPTION 1: As provided in subrule 405.3(3), a licensed new motor vehicle dealer or an authorized vehicle recycler is not required to obtain an Iowa salvage title upon assignment of a foreign salvage title to the dealer or recycler, provided a vacant reassignment space is available on the title.

EXCEPTION 2: As provided in Iowa Code section 321.24(5), an owner who surrenders a foreign salvage title and obtains a salvage theft examination pursuant to Iowa Code section 321.52(4) “b” within 30 days of the date the owner was assigned the foreign salvage title is not required to first obtain an Iowa salvage title.

405.8(4) Salvage titled vehicle leaving and reentering Iowa. If a vehicle leaves Iowa with an Iowa salvage title and reenters Iowa with a regular foreign title, a regular Iowa title may be issued without a salvage theft examination. The regular Iowa title and registration receipt issued from the foreign title will be designated:

- a. “Prior salvage” if the foreign title does not indicate that the vehicle was rebuilt.
- b. As specified in subrule 405.8(2) if the foreign title indicates that the vehicle was rebuilt.

405.8(5) Designation carried forward. If a vehicle leaves Iowa with a regular Iowa title and reenters Iowa with a regular foreign title, the foreign title does not indicate that the vehicle was rebuilt and a records check indicates that the vehicle had a designation listed in paragraphs 405.10(1) “a” to “e,” that designation shall be carried forward to the Iowa title and registration receipt issued from the foreign title.

405.8(6) Foreign title with flood, fire, vandalism or theft designation. If the prior title for a vehicle is a foreign title indicating that the vehicle was damaged by flood, fire or vandalism or is a recovered stolen vehicle and another designation is not required under this rule or rule 761—405.10(321), the Iowa title and registration receipt issued from the foreign title shall contain, as applicable, the designation of “flood,” “fire,” “vandalism” or “theft.”

405.8(7) Foreign title with a lemon buy-back designation. See rule 761—405.10(321).

405.8(8) Junking certificate.

a. An Iowa junking certificate shall be issued if:

- (1) The prior title for a vehicle is a foreign title indicating that the vehicle was junked, regardless of any other designation on the title.
- (2) A records check for a vehicle with a foreign title indicates that the vehicle had previously been issued an Iowa junking certificate.

b. This subrule applies to all vehicles subject to Iowa titling laws.

[ARC 3108C, IAB 6/7/17, effective 7/12/17]

761—405.9(321) Records check. Before a title is issued in Iowa, a computer records check may be made. The purpose of the records check is to:

405.9(1) Determine if the vehicle ever had or should have had a “prior salvage,” “rebuilt,” “damage over 50 percent,” “flood,” “fire,” “vandalism,” “theft,” “lemon buy-back,” or equivalent designation(s) on a previous title. If such a designation is or should have been on a previous title, the Iowa title to be issued shall contain the designation required by this chapter.

405.9(2) Determine if the vehicle is or was ever a wrecked or salvage vehicle as defined in Iowa Code section 321.52. If a vehicle is a wrecked or salvage vehicle, an Iowa salvage title shall be issued.

If the vehicle was a wrecked or salvage vehicle, the Iowa title to be issued shall contain the appropriate designation required by this chapter.

405.9(3) Determine if the vehicle should have been or was ever junked as defined in subrule 405.8(1). If the vehicle should have been or was ever junked, an Iowa junking certificate shall be issued.

761—405.10(321) Designations.

405.10(1) The following designations for a vehicle shall be used on Iowa titles and registrations receipts and shall be carried forward to all subsequent Iowa titles and registration receipts issued for the vehicle, unless otherwise specified:

a. Prior salvage. This designation supersedes other designations. When a designation of “prior salvage” is required pursuant to rule 761—405.7(321), it replaces any other designation.

b. Rebuilt together with a two-letter abbreviation of the name of a foreign jurisdiction. When this designation is required pursuant to subrule 405.8(2), it replaces any other designation except a “prior salvage” designation.

c. Damage over 50 percent. As required by Iowa Code section 321.69, a designation of “damage over 50 percent” shall be used when the seller or the buyer indicates on the damage disclosure statement that the person has knowledge that the motor vehicle sustained damage for which the cost of the repair exceeded 50 percent of the fair market value before the motor vehicle became damaged. This designation replaces any other designation except “prior salvage” or “rebuilt.”

d. Flood, fire, vandalism or theft. The most recent designation applies. Unless superseded by a “prior salvage,” “rebuilt,” or “damage over 50 percent” designation, a designation of “flood,” “fire,” “vandalism” or “theft” shall be used as specified in subrule 405.8(6) and supersedes a “lemon buy-back” designation.

e. Lemon buy-back. Unless superseded by a “prior salvage,” “rebuilt,” “damage over 50 percent,” “flood,” “fire,” “vandalism” or “theft” designation, a designation of “lemon buy-back” shall be used:

(1) When a certificate of title is issued to a manufacturer of a motor vehicle pursuant to Iowa Code section 322G.12.

(2) When the prior certificate of title for a motor vehicle is a foreign title indicating that the vehicle was returned to the manufacturer pursuant to Iowa Code chapter 322G or a law of another state similar to Iowa Code chapter 322G.

405.10(2) An Iowa salvage title will be issued with a designation of “salvage” unless a designation listed in subrule 405.10(1) is required.

761—405.11 to 405.14 Reserved.

761—405.15(321) Salvage theft examination. Except for foreign salvage titles assigned to licensed new motor vehicle dealers or authorized vehicle recyclers, a salvage theft examination may only be conducted on a vehicle with an Iowa salvage title. The vehicle shall not be examined until it has been completely repaired, except for minor body parts such as trim, body marking or paint.

405.15(1) General procedure.

a. A salvage theft examination shall be conducted by a peace officer who has been specially certified, and recertified when required, by the Iowa law enforcement academy to perform salvage theft examinations.

(1) To arrange for a salvage theft examination by an investigator from the department of transportation, the applicant shall contact the office of motor vehicle enforcement. The address is: Office of Motor Vehicle Enforcement, Department of Transportation, P.O. Box 10473, Des Moines, Iowa 50306-0473.

(2) To arrange for a salvage theft examination by any other authorized peace officer, the applicant shall contact the local law enforcement agency for instructions.

b. The owner of the vehicle may drive the vehicle to and from the examination location by completing the permit section located on the affidavit of salvage vehicle repairs form.

(1) The affidavit shall state that the vehicle is reasonably safe for operation and shall list the parts that have been replaced on the vehicle. The affidavit must be signed by the owner or the owner's authorized agent.

(2) To be valid, the permit to drive the vehicle to and from the examination location must be signed by the owner or owner's authorized agent.

c. The owner of the vehicle must be present for the examination or certify, on the affidavit of salvage vehicle repairs, the name of the person who will be representing the owner at the examination.

d. The owner or owner's representative, when appearing with the vehicle for the examination, shall submit to the peace officer for review the salvage title or a certified copy of the salvage title; the affidavit of salvage vehicle repairs; and, pursuant to subrules 405.15(3) and 405.15(4), bills of sale for all component parts replaced.

e. The owner or owner's representative shall electronically make payment for the salvage theft examination at the time the examination is scheduled, and the fee collected shall be distributed in accordance with Iowa Code section 321.52(4) "c."

f. If the vehicle passes the salvage theft examination, the peace officer shall complete a salvage theft examination certificate on a form prescribed by the department. The form shall be distributed as follows:

(1) The white copy shall be mailed with the \$10 to the office of vehicle services at the Des Moines address.

(2) The canary copy shall be given to the owner or the owner's representative. This copy must be surrendered when applying for title.

(3) The pink copy shall be retained by the examining officer for three years for verification purposes.

g. Reserved.

h. The peace officer shall return the salvage title or the certified copy of the salvage title, the permit to drive section, if applicable, on the affidavit of salvage vehicle repairs, and the bills of sale to the owner or the owner's representative.

405.15(2) *Affidavit of salvage vehicle repairs form and salvage theft examination certificate.*

a. The affidavit of salvage vehicle repairs form may be obtained from the office of motor vehicle enforcement at the Des Moines address, any local enforcement agency with officers certified to conduct salvage theft examinations or any local county treasurer's office.

b. The salvage theft examination certificate shall be a controlled form and furnished by the department.

c. The owner of the vehicle may obtain a duplicate copy of the salvage theft examination certificate upon written request to the issuing officer or agency.

d. The salvage theft examination certificate is not transferable.

405.15(3) *Bill of sale.* A bill of sale is a document from the seller to the buyer containing the name, address and telephone number of the seller, a description and identification number of the component part and, if applicable, the vehicle identification number (VIN) of the vehicle from which it was removed.

405.15(4) *Component part.* For salvage theft examinations, the definition of component part as found in Iowa Code section 321.1 shall apply.

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These rules are intended to implement Iowa Code sections 321.24, 321.52, 321.69 and 322G.12.

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