

11—111.3(8A) State vehicle auctions. Public auctions of state vehicles under the control of the director shall be held in accordance with the standards set forth in this rule. Auctions may be conducted electronically.

111.3(1) Eligibility to bid. All bidders must register before making a bid. Bid numbers shall be available prior to and during the sale. All bidders must be 18 years of age or older to bid or purchase items at the auction.

111.3(2) Settlement of purchases. All sales are final. Final settlement may be made on the date of the sale, but must be completed by the date specified at the time of the sale. Removal of purchased items is at the expense of the successful bidder.

111.3(3) Guarantees and warranties. All items are sold to the highest bidder as is, with no guarantees or warranties.

111.3(4) Sales tax. Iowa sales tax and any applicable local option tax shall be collected at the auction, unless the item sold is a vehicle subject to registration.

111.3(5) Public property. Individuals tampering with or pilfering public property shall be subject to prosecution.

111.3(6) Office hours. Office hours for completing final settlement in person and taking possession of the purchased item are as specified in the terms and conditions of the sale.

111.3(7) Announcements. Any announcements, corrections or revisions of sale item descriptions or bid reservation policy announced by auction officials during the course of the sale shall take precedence over sale item descriptions and bid reservation policy in printed materials.

111.3(8) Liability. The state does not accept any responsibility or liability for damages done to person or property once the successful bidder takes possession of the purchased item. If the item is damaged while still in the possession of the state, upon the request of the successful bidder the state shall return the bidder's payment and void the transaction. The state of Iowa, department of administrative services, the auctioneers and their employees are not responsible for any accidents.

111.3(9) State vehicle auctions—exceptions. All used motor vehicles turned in to the director shall be disposed of by public auction, with the following exceptions:

a. In the case of a used motor vehicle of special design, the director may, instead of selling the vehicle at public auction, authorize the trade of the vehicle for another vehicle of similar design.

b. If a motor vehicle sustains damage and the cost of repair exceeds the wholesale value of the vehicle, the director may dispose of the vehicle by obtaining two or more written salvage bids and selling the vehicle to the highest responsible bidder.

111.3(10) Advertisement of sales. A public auction of state vehicles under the control of the director shall be advertised in a newspaper of general circulation as defined in Iowa Code section 618.3, subsection 1, in the area of the sale one week in advance of the sale. Public auctions will also be advertised on the department's Web site.

111.3(11) Dates and times to examine vehicles. Prospective buyers may examine a vehicle, start the engine and operate accessories on an auction vehicle during times and dates specified in the terms and conditions of the sale, but are prohibited from over-revving the engine. Only those individuals aged 18 or older in possession of a valid operator's, chauffeur's, or commercial driver's license will be permitted to start engines and operate accessories of the auction vehicles. Under no condition will an individual other than personnel authorized by the department move a vehicle from its sale position.

111.3(12) Bid deposit. A successful bidder must make a \$200 deposit to hold an item for final payment. The deposit must be in the form of cash, traveler's check, postal money order, cashier's check, or a certified check from a savings and loan, credit union, or bank for each vehicle or other item purchased, made payable or endorsable to the State of Iowa. Political subdivisions are the exception to this rule and may use either a requisition or purchase order in lieu of the deposit.

111.3(13) Personal checks. No personal or company checks will be accepted for any \$200 deposit or final settlement for the purchase of a vehicle, unless accompanied by a letter from the issuing financial institution guaranteeing the amount of the check.

111.3(14) Bid default. Bidders are cautioned to bid only on those items the bidder is prepared to pay for and remove in accordance with the terms and conditions of the sale. All items awarded the highest

bidder contractually belong to the highest bidder and must be paid for and removed within the time period allowed by the terms and conditions of the sale. The successful bidder agrees that, in the event the property is not paid for or removed within the prescribed period of time, the state of Iowa, at its election and upon notice of default, shall be entitled to retain or collect as liquidated damages a sum equal to the greater of either 20 percent of the total purchase price of the item on which the default has occurred or \$200 if the successful purchase price is less than \$1,000.

111.3(16) *Settlement of vehicle purchases.* Deposits may be forfeited if the balance due is not paid by the date specified at the time of the sale. A penalty of \$25 per workday per item will be assessed beginning at the close of business on the date specified at the time of the sale for any final settlement still owed to the state of Iowa. Payments must be received timely and in the terms specified in subrule 111.3(2). In the event that a final settlement is not concluded by the date specified at the time of the sale, deposits held against items sold will be forfeited to the state of Iowa.

111.3(16) *Vehicle storage.* Vehicles purchased at state auction may be stored on state of Iowa premises at no charge until the close of business on the date specified in the terms and conditions of the sale. Vehicles remaining after that time and date will be assessed a \$25 per calendar day storage fee, which must be paid in full prior to release of vehicles and title documents.

111.3(17) *Title transfer.* Title transfer is made at the time of final settlement. Use tax for vehicles subject to registration will be paid by the successful bidder to the county treasurer at the time of application for a vehicle license. The director or designee shall furnish an in-transit paper license plate to the successful bidder. Requests for duplicate titles will be processed for a fee of \$25 per title.

111.3(18) *Window notations.* Any mechanical defects or disrepair conditions that are determined by the director, or of which the director is made aware, are noted on the windshield of each vehicle. Obvious damage such as, but not limited to, body dents or rust perforation, tire wear, cracked windshields, or exhaust system deterioration may or may not be noted. Accident damage will be noted on the windshield if any single accident caused repairs in excess of \$1,500 while the vehicle was owned and operated by the state of Iowa.

111.3(19) *Vehicle proceeds.* Proceeds from the sale of state vehicles sold by the director shall be deposited in the depreciation fund to the credit of the state agency that purchased the vehicle.