

761—400.24(307,321,322) Vehicles held for resale or trade by dealers. A motor vehicle dealer, as defined in Iowa Code section 321.1, is authorized to hold a motor vehicle for resale or trade under the following conditions.

400.24(1) *Assignment to dealer.* The certificate of title or manufacturer's certificate of origin for the vehicle shall be assigned to the dealer by the seller. The seller shall complete the assignment portion of the form, including the date of sale or trade and the name and address of the dealer, and shall sign the form. The date of the sale or trade shown in the assignment portion of the form shall be the date the dealer acquired the vehicle.

400.24(2) *New certificate of title and registration not required.*

a. A motor vehicle held for resale by a dealer or registered in Iowa at the time of sale or trade to a dealer may be held by that dealer without obtaining a new certificate of title or a new registration if the dealer holds for that vehicle a certificate of title or a manufacturer's certificate of origin properly assigned to the dealer.

b. A motor vehicle may also be held by a dealer without obtaining a new certificate of title or a new registration if the dealer has a title properly assigned to the dealer from a state that permits its titles to be reassigned by Iowa dealers and if a vacant reassignment space is available on the title.

400.24(3) *New certificate of title required.* A dealer shall obtain a new certificate of title under the procedures in Iowa Code section 321.20(1) but is not required to pay registration fees for a vehicle if the application for title is made within 30 days of vehicle transfer date and if any of the following conditions apply:

a. The vehicle has been registered in a foreign state or country that does not permit its titles to be reassigned by Iowa dealers.

b. The vehicle was assigned to the dealer using an affidavit of foreclosure form prescribed by the department or issued by a foreign jurisdiction.

c. All reassignment spaces of the certificate of title have been used.

d. The vehicle registration fee was delinquent in Iowa at the time the vehicle was acquired by the dealer. The delinquent fees and penalty shall be paid by the dealer from the first day the registration was due to the month the application for title is submitted.

e. In accordance with 761—Chapter 405, the dealer is required to obtain a salvage certificate of title.

400.24(4) *New certificate of title and registration fee required.* A dealer shall obtain both a new certificate of title and pay a registration fee for a vehicle if:

a. The vehicle has a foreign certificate of title but has never been registered and the dealer is not licensed under Iowa Code chapter 322 to sell that line-make of vehicle. The registration fee due shall be prorated for the remaining unexpired months of the dealer's registration year.

b. The vehicle was placed in storage by the previous owner. The registration fee due shall be computed from and commence the month the vehicle is removed from storage.

c. The vehicle has been registered in a foreign state or country that does not permit its titles to be reassigned by Iowa dealers and the application for a new certificate of title is submitted more than 30 days after the date the vehicle entered Iowa. The registration fee due shall be prorated for the remaining unexpired months of the dealer's registration year.

d. The vehicle has been registered in a foreign state or country and all reassignment spaces on the title are full and the application for a new certificate of title is submitted more than 30 days after the last available reassignment space is used. The registration fee due shall be prorated for the remaining unexpired months of the dealer's registration year.

e. The vehicle was in the dealer's inventory and the dealer's license was revoked as provided in Iowa Code chapter 322 or 322C or surrendered in lieu of revocation. The dealer shall obtain title and registration within 30 days from the date of revocation or surrender of the license. The registration fee due shall be prorated for the remaining unexpired months of the registration year.

400.24(5) *Registration fee required.* A vehicle owned by a dealer and used as a work or service vehicle, or offered for lease, rent or hire, shall become subject to a registration fee in the month that the vehicle is first used for that purpose. The registration fee shall be due annually unless the vehicle is

transferred to the dealer's inventory. To transfer the vehicle, the dealer shall surrender the registration plates that were issued for the vehicle.

This rule is intended to implement Iowa Code sections 307.12(1) "j," 321.20, 321.45, 321.46, 321.48, 321.49, 321.67, 321.70, 321.104 and 321.126 and chapter 322.

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