

761—425.9(307,321F,322,322C) Restricted dealers.

425.9(1) A restricted dealer license is only required when the person or business meets the definition of “engaged in the business.” Banks, credit unions and trust companies in Iowa are not required to obtain a dealer license.

425.9(2) A restricted dealer license is only available to a person or business engaged in one of the following qualifying categories:

a. Leased vehicles. The person or business leasing vehicles is selling those vehicles solely through an option to purchase in the lease agreement.

b. Repossessed vehicles. The person or business is selling only those vehicles acquired or repossessed due to lien, title retention instruments or security contracts.

c. Fleet vehicle sales. The person or business acquires vehicles for consumer use in a business and then offers the vehicles for sale.

d. Auction only. The person or business is selling more than six vehicles in a 12-month period only at public auctions. All certificates of title for vehicles offered for sale at the public auction shall be duly assigned to the restricted dealer.

e. Insurers. The person or business is selling vehicles of a type subject to registration solely for the purpose of disposing of vehicles acquired as a result of a damage settlement or recovered stolen vehicles acquired as a result of a loss settlement.

425.9(3) Restricted dealers must have a business location in Iowa but are not required to maintain a “place of business” as defined in Iowa Code section 322.2.

425.9(4) Restricted dealers may obtain titles and reassign titles. Restricted dealers cannot use dealer plates or issue “Registration Applied For” cards or in-transit permits.

425.9(5) The state of Iowa, counties, cities and other governmental subdivisions are not required to obtain a dealer’s license to sell their vehicles.

425.9(6) This rule does not apply to a vehicle owner, or to an auctioneer representing the owner, selling vehicles at a retail auction if the vehicles were acquired by the owner for consumer use, the vehicles are incidental to the auction and only one owner’s vehicles are sold.

This rule is intended to implement Iowa Code sections 307.12(1) “j,” 321F.9, 322.1 through 322.15 and 322C.1 through 322C.6.

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