House File 381

H-1034

Amend House File 381 as follows:

1. Page 1, after line 8 by inserting:

<Sec. ___. Section 321.69, subsections 1, 2, 3, 4, 7, 8, and 9, Code 2021, are amended to read as follows:

1. A certificate of title shall not be issued for a motor vehicle unless a damage disclosure statement has been made by the transferor of the vehicle and is furnished with the application for certificate of title. A damage disclosure statement shall be provided by the transferor to the transferee in a transfer of ownership of a motor vehicle. The new certificate of title and registration receipt shall state on the face whether a prior owner ~~had~~ disclosed that the vehicle was damaged to the extent that it was a ~~wrecked or salvage~~ severely damaged vehicle ~~as defined in section 321.52, subsection 4, paragraph "e"~~.

2. The damage disclosure statement required by this section shall, at a minimum, state whether the transferor knows if the vehicle was titled as a salvage, rebuilt, or flood vehicle in this or any other state prior to the transferor's ownership of the vehicle and, if not, whether the transferor knows if the vehicle was damaged to the extent that it was a ~~wrecked or salvage~~ severely damaged vehicle ~~as defined in section 321.52, subsection 4, paragraph "e",~~ during or prior to the transferor's ownership of the vehicle.

3. The damage disclosure statement shall be provided by the transferor to the transferee at or before the time of sale. If the transferor is not a resident of this state or if the transferee acquired the vehicle by operation of law as provided in section 321.47, the transferee shall not be required to submit a damage disclosure statement from the transferor with the transferee's application for title unless the state of the transferor's residence requires a damage disclosure statement. However, the transferee shall submit a damage disclosure statement with the transferee's application for title indicating whether a salvage, rebuilt, or flood title had ever

existed for the vehicle, and if not, whether the vehicle was damaged to the extent that it was a ~~wrecked or salvage~~ severely damaged vehicle ~~as defined in section 321.52, subsection 4, paragraph "e",~~ during or prior to the transferor's ownership of the vehicle, and the year, make, and vehicle identification number of the motor vehicle. The transferee shall not be required to indicate whether the vehicle was damaged to the extent that it was a ~~wrecked or salvage~~ severely damaged vehicle ~~as defined in section 321.52, subsection 4, paragraph "e",~~ under this subsection if the transferor's certificate of title is from another state and if ~~it~~ the certificate of title indicates that the vehicle is salvaged and not rebuilt or is another state's salvage certificate of title.

4. A lessee who has executed a lease, as defined in section 321F.1, shall provide a damage disclosure statement to the lessor at the termination of the lease. The damage disclosure statement shall be made on a separate disclosure document and shall state whether the vehicle was damaged during the term of the lease to the extent that it was a ~~wrecked or salvage~~ severely damaged vehicle ~~as defined in section 321.52, subsection 4, paragraph "e"~~. The lessee's damage disclosure statement shall not be submitted with the application for title, but the lessor shall retain the lessee's damage disclosure statement for five years following the date of the statement.

7. *a.* The damage disclosure statements shall be made on the back of the certificate of title if the title is available to the transferor at the time of sale. If the title is not available at the time of sale or if the face of the transferor's Iowa title contains no indication that the vehicle was previously salvaged, ~~or~~ titled as a salvage, rebuilt, or flood vehicle, or previously damaged to the extent that it was a severely damaged vehicle, and the transferor knows or reasonably should know that the vehicle was previously salvaged, ~~or~~ titled as a salvage, rebuilt, or flood vehicle,

or previously damaged to the extent that it was a severely damaged vehicle in another state, the transferor shall make the disclosure on a separate disclosure document. The damage disclosure statement forms shall be as approved by the department. The treasurer shall not accept a damage disclosure statement and issue a title unless the back of the title or separate disclosure document has been fully completed and signed and dated by the transferee and the transferor, if applicable. If a separate damage disclosure document from a prior owner is required to be furnished with the application for title, the transferor shall provide a copy of the separate damage disclosure document to the transferee at or before the time of sale.

b. In addition to the information required in subsection 2, a separate disclosure document shall state whether the vehicle's certificate of title indicates the existence of damage prior to the period of the transferor's ownership of the vehicle, ~~and~~ whether the vehicle was titled as a salvage, rebuilt, or flood vehicle, and whether the vehicle was damaged to the extent that it was a severely damaged vehicle during the period of the transferor's ownership of the vehicle.

8. A person, authorized vehicle recycler licensed under chapter 321H, or motor vehicle dealer licensed under chapter 322 shall not be liable to a subsequent owner, driver, or passenger of a vehicle because a prior owner or lessee gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had previously been damaged to the extent that it was a severely damaged vehicle and repaired, or had been titled on a salvage, rebuilt, or flood certificate of title, unless the person, recycler, or dealer knew or reasonably should have known that the prior owner or lessee gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had been damaged to the extent that it was a severely damaged vehicle and repaired, or had been titled on a salvage, rebuilt, or flood certificate of

title.

9. Except for subsections 10 and 11, this section does not apply to motor trucks and truck tractors with a gross vehicle weight rating of sixteen thousand pounds or more, vehicles more than seven model years old, autocycles, motorcycles, motorized bicycles, and special mobile equipment. This section does apply to motor homes. The requirement in subsection 1 that the new certificate of title and registration receipt shall state on the face whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a ~~wrecked or salvage~~ severely damaged vehicle ~~as defined in section 321.52, subsection 4, paragraph "c",~~ does not apply to a vehicle with a certificate of title bearing a designation that the vehicle was previously titled on a salvage certificate of title pursuant to section 321.52, subsection 4, paragraph *"c"*, or to a vehicle with a certificate of title bearing a "REBUILT" or "SALVAGE" designation pursuant to section 321.24, subsection 4 or 5. Except for subsections 10 and 11, this section does not apply to new motor vehicles with a true mileage, as defined in section 321.71, of one thousand miles or less, unless such vehicle has incurred damage as described in subsection 2.

Sec. ___. Section 321.69, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 13. For purposes of this section, *"severely damaged vehicle"* means a motor vehicle that has been damaged to the extent that 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 the vehicle became damaged.>

2. Page 1, after line 14 by inserting:

<Sec. ___. APPLICABILITY. This Act applies to applications for a certificate of title submitted on or after July 1, 2021, and to motor vehicle leases terminated on or after July 1, 2021.>

3. Title page, by striking line 1 and inserting <An Act

1 relating to damaged motor vehicles, including wrecked or
2 salvage motor vehicles and damage disclosure statements, making
3 penalties applicable, and including applicability provisions.>
4 4. By renumbering as necessary.

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