

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
TRANSPORTATION BILL)

A BILL FOR

1 An Act relating to wrecked or salvage motor vehicles, and
2 making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.52, subsection 4, paragraphs b and e,
2 Code 2019, are amended to read as follows:

3 b. A vehicle rebuilder or a person engaged in the business
4 of buying, selling, or exchanging vehicles of a type required
5 to be registered in this state, upon acquisition of a wrecked
6 or salvage vehicle, shall surrender the certificate of
7 title or manufacturer's or importer's statement of origin
8 properly assigned, together with an application for a salvage
9 certificate of title, to the county treasurer of the county of
10 residence of the purchaser or transferee within thirty days
11 after the date of assignment of the certificate of title for
12 the wrecked or salvage motor vehicle. This subsection applies
13 only to vehicles with a fair market value of five hundred
14 dollars or more, based on the value before the vehicle became
15 wrecked or salvage. Upon payment of a fee of ten dollars, the
16 county treasurer shall issue a salvage certificate of title
17 which shall bear the word "SALVAGE" stamped or printed on the
18 face of the title in a manner prescribed by the department. A
19 salvage certificate of title may be assigned to an educational
20 institution, a new motor vehicle dealer licensed under chapter
21 322, a person engaged in the business of purchasing bodies,
22 parts of bodies, frames or component parts of vehicles for
23 sale as scrap metal, a salvage pool, or an authorized vehicle
24 recycler licensed under chapter 321H. An authorized vehicle
25 recycler licensed under chapter 321H or a new motor vehicle
26 dealer licensed under chapter 322 may assign or reassign an
27 Iowa salvage certificate of title or a salvage certificate of
28 title from another state to any person, and the provisions of
29 section 321.24, subsection 5, requiring issuance of an Iowa
30 salvage certificate of title shall not apply. ~~A vehicle on
31 which ownership has transferred to an insurer of the vehicle as
32 a result of a settlement with the owner of the vehicle arising
33 out of damage to, or unrecovered theft of, the vehicle shall
34 be deemed to be a wrecked or salvage vehicle and the~~ An insurer
35 doing business in this state shall comply with this subsection

1 to obtain a salvage certificate of title within thirty days
2 after the date of assignment to the insurer of the certificate
3 of title of ~~the~~ a wrecked or salvage vehicle. The owner of a
4 wrecked or salvage vehicle shall comply with this subsection to
5 obtain a salvage certificate of title regardless of whether the
6 owner provides evidence of a foreign, regular certificate of
7 title for the vehicle.

8 e. For purposes of this subsection, "*wrecked or salvage*
9 *vehicle*" means a any of the following:

10 (1) A damaged motor vehicle subject to registration for
11 which the cost of repair exceeds fifty percent of the fair
12 market value of the vehicle, as determined in accordance with
13 rules adopted by the department, before ~~it~~ the vehicle became
14 damaged.

15 (2) A motor vehicle on which ownership has transferred to an
16 insurer of the vehicle, in this state or any state, as a result
17 of a settlement with the previous owner of the vehicle arising
18 out of damage to, or unrecovered theft of, the vehicle.

19 Sec. 2. Section 321H.2, subsection 12, Code 2019, is amended
20 to read as follows:

21 12. "*Wrecked or salvage vehicle*" means ~~a damaged vehicle~~
22 ~~for which the cost of repair exceeds fifty percent of the fair~~
23 ~~market value of the vehicle before it became damaged~~ the same
24 as defined in section 321.52.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with
27 the explanation's substance by the members of the general assembly.

28 This bill relates to wrecked or salvage motor vehicles.

29 Under current law, Code section 321.52 (out-of-state sales
30 — junked, dismantled, wrecked, or salvage vehicles) provides
31 that a motor vehicle on which ownership has transferred to an
32 insurer of the vehicle as a result of a settlement with the
33 owner of the vehicle arising out of damage to, or unrecovered
34 theft of, the vehicle is deemed to be a wrecked or salvage
35 vehicle. The bill transfers this provision to the definition

1 of "wrecked or salvage vehicle" in Code section 321.52 and
2 specifies that the definition applies regardless of the
3 state in which the transfer took place. The bill aligns the
4 definition of "wrecked or salvage vehicle" in Code chapter
5 321H (vehicle recyclers) to the definition under the bill. By
6 operation of law, the provisions of Code section 321.69 (damage
7 disclosure statement) apply to vehicles defined as wrecked or
8 salvage vehicles under Code section 321.52.

9 Under current law, an insurer is required to comply with
10 Code section 321.52(4) to obtain a salvage certificate of
11 title within 30 days after the date of assignment of the
12 certificate of title of the vehicle. The bill specifies that
13 this provision applies to insurers doing business in this
14 state. The bill also requires the owner of a wrecked or
15 salvage vehicle to comply with Code section 321.52(4) to obtain
16 a salvage certificate of title regardless of whether the owner
17 provides evidence of a foreign, regular certificate of title
18 for the vehicle.

19 A violation of Code section 321.52 is punishable by a
20 scheduled fine of \$100.