



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

March 18, 2004

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

Senate File 2253, an Act relating to disclosure requirements for the transfer of ownership of a motor vehicle and providing penalties.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 2253

AN ACT
RELATING TO DISCLOSURE REQUIREMENTS FOR THE TRANSFER OF
OWNERSHIP OF A MOTOR VEHICLE AND PROVIDING PENALTIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 321.69, subsections 1, 2, 3, 4, 7, 8, and 9, Code Supplement 2003, 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 ~~must~~ 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 of the title ~~the total cumulative dollar amount of damage reported by owners prior to the owner listed on the front of the title~~ whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d".

2. The damage disclosure statement required by this section shall, at a minimum, state ~~the total retail dollar amount of all damage to the vehicle during the period of the transferor's ownership of the vehicle and~~ 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 vehicle as defined in section 321.52, subsection 4, paragraph "d", during or prior to the

transferor's ownership of the vehicle. For-the-purposes-of this-section,"damage"-refers-to-damage-to-the-vehicle-caused by-fire,-vandalism,-collision,-weather,-falling-objects,- submersion-in-water,-or-flood,-where-the-cost-of-repair-is-six thousand-dollars-or-more-per-incident,-but-does-not-include normal-wear-and-tear,-glass-damage,-mechanical-repairs-or electrical-repairs-that-have-not-been-caused-by-fire,- vandalism,-collision,-weather,-falling-objects,-submersion-in water,-or-flood.--"Damage"-does-not-include-the-cost-of repairing,-replacing,-or-reinstalling-tires,-lights,- batteries,-windshields,-windows,-a-sound-system,-or-an inflatable-restraint-system.--A-determination-of-the-amount-of damage-to-a-vehicle-shall-be-based-on-estimates-of-the-retail cost-of-repairing-the-vehicle,-including-labor,-parts,-and other-materials,-if-the-vehicle-has-not-been-repaired-or-on the-actual-retail-cost-of-repair,-including-labor,-parts,-and other-materials,-if-the-vehicle-has-been-repaired.--Only individual-incidents-in-which-the-retail-cost-of-repairs-is six-thousand-dollars-or-more-are-required-to-be-disclosed-by this-section.--If-the-vehicle-has-incurred-damage-of-six thousand-dollars-or-more-per-incident-in-more-than-one incident,-the-damage-amounts-must-be-combined-and-disclosed-as the-total-of-all-separate-incidents-

3. The damage disclosure statement shall be provided by the transferor to the transferee at or before the time of sale. However,-if-the-transferor-has-a-salvage-certificate-of title-for-the-vehicle,-the-transferor-is-not-required-to disclose-under-this-section-the-total-retail-cost-of-repairs to-the-vehicle-during-the-period-of-the-transferor's-ownership of-the-vehicle- 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, or rebuilt, or flood title had ever existed for the vehicle and, if not, whether the vehicle had-incurred-prior-damage-of-six-thousand-dollars

~~or more per incident,~~ was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d", 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 ~~had incurred prior damage of six thousand dollars or more per incident~~ was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d", under this subsection if the transferor's certificate of title is from another state and if it 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 ~~the total dollar amount of all damage to the vehicle which occurred during the term of the lease~~ whether the vehicle was damaged during the term of the lease to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d". 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. 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 ~~salvaged or a salvage~~, rebuilt, or flood vehicle and the transferor knows or reasonably should know that the vehicle was previously salvaged or titled as ~~salvaged or a salvage~~, rebuilt, or flood 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 ~~must~~ shall provide a copy of the separate damage disclosure document to the transferee at or before the time of sale.

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 the amount of that damage if the transferor knows or reasonably should know of the prior damage,~~ and whether the vehicle was titled as a salvage, rebuilt, or flood 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 and repaired or had been titled on a salvage, ~~or 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 and repaired or had been titled on a salvage, ~~or rebuilt, or flood~~ certificate of title.

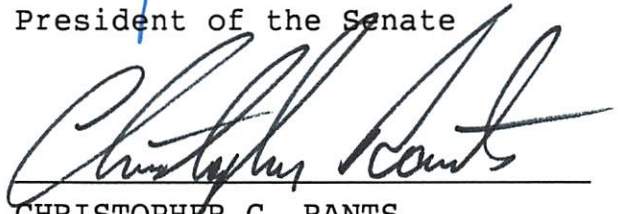
9. Except for ~~subsection 10~~ subsections 10 and 11, this section does not apply to motor trucks and truck tractors with a gross vehicle weight rating of sixteen thousand pounds or more, vehicles more than ~~nine~~ seven model years old, motorcycles, motorized bicycles, and special mobile equipment. 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 of the title ~~the total cumulative dollar amount of damage~~ whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section

321.52, subsection 4, paragraph "d", 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 "b", 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 ~~subsection 10~~ 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 defined in subsection 2.



JEFFREY M. LAMBERTI

President of the Senate



CHRISTOPHER C. RANTS

Speaker of the House

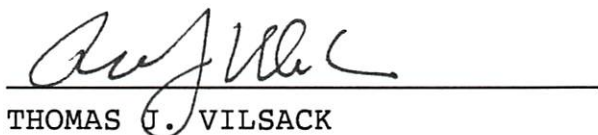
I hereby certify that this bill originated in the Senate and is known as Senate File 2253, Eightieth General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

Approved March 18, 2004



THOMAS J. VILSACK

Governor