

Senate File 2253

PAG LIN

SENATE FILE 2253

1 1
1 2
1 3

AN ACT

1 4 RELATING TO DISCLOSURE REQUIREMENTS FOR THE TRANSFER OF
1 5 OWNERSHIP OF A MOTOR VEHICLE AND PROVIDING PENALTIES.

1 6
1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 8

1 9 Section 1. Section 321.69, subsections 1, 2, 3, 4, 7, 8,
1 10 and 9, Code Supplement 2003, are amended to read as follows:

1 11 1. A certificate of title shall not be issued for a motor
1 12 vehicle unless a damage disclosure statement has been made by
1 13 the transferor of the vehicle and is furnished with the
1 14 application for certificate of title. A damage disclosure
1 15 statement ~~must~~ shall be provided by the transferor to the
1 16 transferee in a transfer of ownership of a motor vehicle. The
1 17 new certificate of title and registration receipt shall state
1 18 on the face of the title the total cumulative dollar amount of
1 19 ~~damage reported by owners prior to the owner listed on the~~
1 20 ~~front of the title whether a prior owner had disclosed that~~
1 21 ~~the vehicle was damaged to the extent that it was a wrecked or~~
1 22 ~~salvage vehicle as defined in section 321.52, subsection 4,~~
1 23 ~~paragraph "d".~~

1 24 2. The damage disclosure statement required by this
1 25 section shall, at a minimum, state ~~the total retail dollar~~
1 26 ~~amount of all damage to the vehicle during the period of the~~
1 27 ~~transferor's ownership of the vehicle and whether the~~
1 28 ~~transferor knows if the vehicle was titled as a salvage,~~
1 29 ~~rebuilt, or flood vehicle in this or any other state prior to~~
1 30 ~~the transferor's ownership of the vehicle and, if not, whether~~
1 31 ~~the transferor knows if the vehicle was damaged to the extent~~
1 32 ~~that it was a wrecked or salvage vehicle as defined in section~~
1 33 ~~321.52, subsection 4, paragraph "d", during or prior to the~~
1 34 ~~transferor's ownership of the vehicle. For the purposes of~~
1 35 ~~this section, "damage" refers to damage to the vehicle caused~~
2 1 ~~by fire, vandalism, collision, weather, falling objects,~~
2 2 ~~submersion in water, or flood, where the cost of repair is six~~
2 3 ~~thousand dollars or more per incident, but does not include~~
2 4 ~~normal wear and tear, glass damage, mechanical repairs or~~
2 5 ~~electrical repairs that have not been caused by fire,~~
2 6 ~~vandalism, collision, weather, falling objects, submersion in~~
2 7 ~~water, or flood. "Damage" does not include the cost of~~
2 8 ~~repairing, replacing, or reinstalling tires, lights,~~
2 9 ~~batteries, windshields, windows, a sound system, or an~~
2 10 ~~inflatable restraint system. A determination of the amount of~~
2 11 ~~damage to a vehicle shall be based on estimates of the retail~~
2 12 ~~cost of repairing the vehicle, including labor, parts, and~~
2 13 ~~other materials, if the vehicle has not been repaired or on~~
2 14 ~~the actual retail cost of repair, including labor, parts, and~~
2 15 ~~other materials, if the vehicle has been repaired. Only~~
2 16 ~~individual incidents in which the retail cost of repairs is~~
2 17 ~~six thousand dollars or more are required to be disclosed by~~
2 18 ~~this section. If the vehicle has incurred damage of six~~
2 19 ~~thousand dollars or more per incident in more than one~~
2 20 ~~incident, the damage amounts must be combined and disclosed as~~
2 21 ~~the total of all separate incidents.~~

2 22 3. The damage disclosure statement shall be provided by
2 23 the transferor to the transferee at or before the time of
2 24 sale. However, if the transferor has a salvage certificate of
2 25 title for the vehicle, the transferor is not required to
2 26 disclose under this section the total retail cost of repairs
2 27 to the vehicle during the period of the transferor's ownership
2 28 of the vehicle. If the transferor is not a resident of this
2 29 state or if the transferee acquired the vehicle by operation
2 30 of law as provided in section 321.47, the transferee shall not
2 31 be required to submit a damage disclosure statement from the
2 32 transferor with the transferee's application for title unless
2 33 the state of the transferor's residence requires a damage
2 34 disclosure statement. However, the transferee shall submit a
2 35 damage disclosure statement with the transferee's application
3 1 for title indicating whether a salvage, ~~or rebuilt, or flood~~
3 2 ~~title had ever existed for the vehicle and, if not, whether~~
3 3 ~~the vehicle had incurred prior damage of six thousand dollars~~
3 4 ~~or more per incident, was damaged to the extent that it was a~~
3 5 ~~wrecked or salvage vehicle as defined in section 321.52.~~

~~3 6 subsection 4, paragraph "d", during or prior to the
3 7 transferor's ownership of the vehicle and the year, make, and
3 8 vehicle identification number of the motor vehicle. The
3 9 transferee shall not be required to indicate whether the
3 10 vehicle had incurred prior damage of six thousand dollars or
3 11 more per incident was damaged to the extent that it was a
3 12 wrecked or salvage vehicle as defined in section 321.52.~~

~~3 13 subsection 4, paragraph "d", under this subsection if the
3 14 transferor's certificate of title is from another state and if
3 15 it indicates that the vehicle is salvaged and not rebuilt or
3 16 is another state's salvage certificate of title.~~

~~3 17 4. A lessee who has executed a lease as defined in section
3 18 321F.1 shall provide a damage disclosure statement to the
3 19 lessor at the termination of the lease. The damage disclosure
3 20 statement shall be made on a separate disclosure document and
3 21 shall state the total dollar amount of all damage to the
3 22 vehicle which occurred during the term of the lease whether
3 23 the vehicle was damaged during the term of the lease to the
3 24 extent that it was a wrecked or salvage vehicle as defined in~~

~~3 25 section 321.52, subsection 4, paragraph "d". The lessee's
3 26 damage disclosure statement shall not be submitted with the
3 27 application for title, but the lessor shall retain the
3 28 lessee's damage disclosure statement for five years following
3 29 the date of the statement.~~

~~3 30 7. The damage disclosure statements shall be made on the
3 31 back of the certificate of title if the title is available to
3 32 the transferor at the time of sale. If the title is not
3 33 available at the time of sale or if the face of the
3 34 transferor's Iowa title contains no indication that the
3 35 vehicle was previously salvaged or titled as ~~salvaged or a~~~~

~~4 1 salvage, rebuilt, or flood vehicle and the transferor knows or
4 2 reasonably should know that the vehicle was previously
4 3 salvaged or titled as ~~salvaged or a salvage, rebuilt, or flood~~
4 4 vehicle in another state, the transferor shall make the~~

~~4 5 disclosure on a separate disclosure document. The damage
4 6 disclosure statement forms shall be as approved by the
4 7 department. The treasurer shall not accept a damage
4 8 disclosure statement and issue a title unless the back of the
4 9 title or separate disclosure document has been fully completed
4 10 and signed and dated by the transferee and the transferor, if
4 11 applicable. If a separate damage disclosure document from a
4 12 prior owner is required to be furnished with the application
4 13 for title, the transferor ~~must shall~~ provide a copy of the
4 14 separate damage disclosure document to the transferee at or
4 15 before the time of sale.~~

~~4 16 In addition to the information required in subsection 2, a
4 17 separate disclosure document shall state whether the vehicle's
4 18 certificate of title indicates the existence of damage prior
4 19 to the period of the transferor's ownership of the vehicle,
4 20 and the amount of that damage if the transferor knows or
4 21 reasonably should know of the prior damage, and whether the
4 22 vehicle was titled as a salvage, rebuilt, or flood vehicle
4 23 during the period of the transferor's ownership of the
4 24 vehicle.~~

~~4 25 8. A person, authorized vehicle recycler licensed under
4 26 chapter 321H, or motor vehicle dealer licensed under chapter
4 27 322 shall not be liable to a subsequent owner, driver, or
4 28 passenger of a vehicle because a prior owner or lessee gave a
4 29 false or inaccurate damage disclosure statement or failed to
4 30 disclose that the vehicle had previously been damaged and
4 31 repaired or had been titled on a salvage, ~~or~~ rebuilt, or flood
4 32 certificate of title unless the person, recycler, or dealer
4 33 knew or reasonably should have known that the prior owner or
4 34 lessee gave a false or inaccurate damage disclosure statement
4 35 or failed to disclose that the vehicle had been damaged and
5 1 repaired or had been titled on a salvage, ~~or~~ rebuilt, or flood
5 2 certificate of title.~~

~~5 3 9. Except for ~~subsection 10~~ subsections 10 and 11, this
5 4 section does not apply to motor trucks and truck tractors with
5 5 a gross vehicle weight rating of sixteen thousand pounds or
5 6 more, vehicles more than ~~nine~~ seven model years old,
5 7 motorcycles, motorized bicycles, and special mobile equipment.
5 8 This section does apply to motor homes. The requirement in
5 9 subsection 1 that the new certificate of title and
5 10 registration receipt shall state on the face of the title ~~the
5 11 total cumulative dollar amount of damage whether a prior owner
5 12 had disclosed that the vehicle was damaged to the extent that
5 13 it was a wrecked or salvage vehicle as defined in section
5 14 321.52, subsection 4, paragraph "d", does not apply to a
5 15 vehicle with a certificate of title bearing a designation that
5 16 the vehicle was previously titled on a salvage certificate of~~~~

5 17 title pursuant to section 321.52, subsection 4, paragraph "b",
5 18 or to a vehicle with a certificate of title bearing a
5 19 "REBUILT" or "SALVAGE" designation pursuant to section 321.24,
5 20 subsection 4 or 5. Except for ~~subsection 10~~ subsections 10
5 21 and 11, this section does not apply to new motor vehicles with
5 22 a true mileage, as defined in section 321.71, of one thousand
5 23 miles or less, unless such vehicle has incurred damage as
5 24 defined in subsection 2.

5 25
5 26

5 27 _____
5 28 JEFFREY M. LAMBERTI
5 29 President of the Senate

5 30
5 31

5 32 _____
5 33 CHRISTOPHER C. RANTS
5 34 Speaker of the House

5 35

6 1 I hereby certify that this bill originated in the Senate and
6 2 is known as Senate File 2253, Eightieth General Assembly.

6 3
6 4

6 5 _____
6 6 MICHAEL E. MARSHALL
6 7 Secretary of the Senate

6 8 Approved _____, 2004

6 9
6 10

6 11 _____
6 12 THOMAS J. VILSACK
6 13 Governor