



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

May 24, 2006

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

Dear Mr. Secretary:

I hereby transmit:

House File 2362, an Act relating to end-of-life and salvage vehicles by providing for the removal, replacement, collection, and recovery of mercury-added vehicle components and providing for reassignment of a salvage certificate of title for a motor vehicle.

The above House 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





HOUSE FILE 2362

AN ACT

RELATING TO END-OF-LIFE AND SALVAGE VEHICLES BY PROVIDING FOR THE REMOVAL, REPLACEMENT, COLLECTION, AND RECOVERY OF MERCURY-ADDED VEHICLE COMPONENTS AND PROVIDING FOR REASSIGNMENT OF A SALVAGE CERTIFICATE OF TITLE FOR A MOTOR VEHICLE.

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

DIVISION I

MERCURY-FREE RECYCLING ACT

Section 1. LEGISLATIVE FINDINGS AND PURPOSES.

1. The general assembly finds all of the following:

a. That switches containing mercury have been used for convenience lighting in vehicles sold in Iowa.

b. That mercury from vehicle light switches may be released into the environment when end-of-life vehicles are flattened, crushed, shredded, melted, or otherwise processed for recycling.

c. That removing mercury-added switches from end-of-life vehicles is an effective method to prevent mercury from being released into the environment.

d. That it is in the public interest of the residents of this state to reduce the quantity of mercury entering the environment by removing mercury-added switches from end-of-life vehicles.

2. The general assembly declares that the purpose of this Act is to reduce the quantity of mercury in the environment by doing all of the following:

a. Removing mercury-added switches from end-of-life vehicles in Iowa.

b. Creating a collection, recovery, and incentive program for mercury-added switches removed from vehicles in Iowa.

Sec. 2. NEW SECTION. 455B.801 SHORT TITLE.

This division shall be known and may be cited as the "Mercury-Free Recycling Act".

Sec. 3. NEW SECTION. 455B.802 DEFINITIONS.

As used in this division, unless the context otherwise requires:

1. "Capture rate" means the amount of mercury removed, collected, and recovered from end-of-life vehicles, expressed as a percentage of the mercury available from mercury-added switches in end-of-life vehicles annually.

2. "End-of-life vehicle" means any vehicle which is sold, given, or otherwise conveyed to a vehicle recycler or scrap recycling facility for the purpose of recycling and that does not exceed ten thousand pounds gross vehicle weight.

3. "Manufacturer" means any person that is the last person to produce or assemble a new vehicle that utilizes mercury-added switches, or in the case of an imported vehicle, the importer or domestic distributor of such vehicle.

"Manufacturer" does not include a person that has never utilized a mercury-added switch in the production or assembly of a new vehicle.

4. "Mercury-added switch" means a light switch that contains mercury which was installed by a manufacturer in a motor vehicle.

5. "Scrap recycling facility" means a fixed location where machinery and equipment are utilized for processing and manufacturing scrap metal into prepared grades and whose principal product is scrap iron, scrap steel, or nonferrous metallic scrap for sale for remelting purposes.

6. "Vehicle recycler" means any person engaged in the business of acquiring, dismantling, or destroying six or more vehicles in a calendar year for the primary purpose of resale of the vehicles' parts.

Sec. 4. NEW SECTION. 455B.803 PLANS FOR REMOVAL, COLLECTION, AND RECOVERY OF VEHICLE MERCURY-ADDED SWITCHES.

1. Within ninety days of the effective date of this Act, each manufacturer of vehicles sold in this state shall, individually or as part of a group, develop and publish a plan

for a system to remove, collect, and recover mercury-added switches from end-of-life vehicles that were manufactured by the manufacturer. Publication shall be in accordance with section 455B.807, subsection 2.

2. a. The manufacturer shall implement a system to remove, collect, and recover mercury-added switches from end-of-life vehicles within ninety days of publication of the plan.

b. The system developed and implemented pursuant to this section shall provide, at a minimum, all of the following:

(1) Educational materials about the program to inform the public and other stakeholders about the purpose of the collection program and how to participate in the program.

(2) A method for implementing, operating, maintaining, and monitoring the system, in accordance with subsection 3. This may include the use of third-party contractors that are qualified and fully insured to perform these tasks.

(3) Information about mercury-added switches identifying all of the following:

(a) The make, model, and year of vehicles potentially containing mercury-added switches.

(b) A description of the mercury-added switches.

(c) The location of the mercury-added switches.

(d) The safe, cost-effective, and environmentally sound methods for the removal of the mercury-added switches from end-of-life vehicles.

(4) A method to arrange and pay for the transportation of the collected mercury-added switches to permitted facilities.

(5) A method to arrange and pay for the recycling of the mercury-added switches.

(6) A method to track participation and publish the progress of the mercury-added switch collection in accordance with section 455B.807, subsection 2.

(7) A database of participating vehicle recyclers, including all of the following:

(a) Documentation that the vehicle recycler joined the program.

(b) Records of all submissions by a vehicle recycler of any information required pursuant to subparagraph (6).

(c) Confirmation that the vehicle recycler has submitted switches at least every twelve months since joining the program.

(8) A target mercury-added switch capture rate for vehicles manufactured by the manufacturer of ninety percent. A description of additional or alternative actions that shall be implemented by the manufacturer to improve the system and its operation in the event that the target capture rate is not met shall be published with the required tracking information no less than annually.

(9) The program shall not include inaccessible mercury-added switches from end-of-life vehicles with significant damage to the vehicle in the area surrounding the mercury-added switch location. All accessible mercury-added switches are expected to be collected under the provisions of this division.

c. In developing a removal, collection, and recovery system for end-of-life vehicles, a manufacturer shall, to the extent practicable, utilize the existing end-of-life vehicle recycling infrastructure.

d. If the commission determines that the manufacturer's plan for a system to remove, collect, and recover mercury-added switches from end-of-life vehicles does not comply with this section, the commission may require the manufacturer to make any necessary modification to the plan.

e. On July 1, 2020, the commission shall cease enforcement of the removal, collection, and recovery plans under this section. On or before July 1, 2020, the commission shall review the mercury-added switch removal, collection, and recovery portion of this division and submit a recommendation to the general assembly regarding the necessity of continuing the enforcement of the removal, collection, and recovery plans under this section.

3. The total cost of the removal, collection, and recovery system for mercury-added switches shall be paid by the manufacturer. Costs shall include but not be limited to all of the following:

a. Labor to remove mercury-added switches. Labor shall be reimbursed at a minimum rate of four dollars per mercury-added switch removed, or if the vehicle identification number of the

source vehicle is required for reimbursement, at a minimum rate of five dollars.

b. Training.

c. Packaging in which to transport mercury-added switches to recycling, storage, or disposal facilities.

d. Shipping of mercury-added switches to recycling, storage, or disposal facilities.

e. Recycling, storage, or disposal of the mercury-added switches.

f. Public education materials and presentations.

g. Maintenance of all appropriate systems and procedures to protect the environment from mercury contamination from collected mercury-added switches.

4. A vehicle recycler that performs as required under a removal, collection, and recovery plan shall be afforded the protections provided in section 613.18.

Sec. 5. NEW SECTION. 455B.804 PROHIBITION AND PROPER MANAGEMENT OF MERCURY-ADDED VEHICLE SWITCHES.

1. Prior to delivery to a scrap recycling facility, a person who sells, gives, or otherwise conveys ownership of an end-of-life vehicle to the scrap recycling facility for recycling shall remove all mercury-added switches from such end-of-life vehicle unless the mercury-added switch is inaccessible due to significant damage to the end-of-life vehicle in the area where the mercury-added switch is located.

2. A person shall not represent that mercury-added switches have been removed from a vehicle or vehicle hulk being sold, given, or otherwise conveyed for recycling if that person has not removed such mercury-added switches or arranged with another person to remove such switches.

Sec. 6. NEW SECTION. 455B.805 GENERAL COMPLIANCE WITH OTHER PROVISIONS.

Except as expressly provided in this division, compliance with this division shall not exempt a person from compliance with any other law.

Sec. 7. NEW SECTION. 455B.806 REGULATIONS.

The commission shall adopt rules pursuant to chapter 17A as necessary to implement the provisions of this division.

Sec. 8. NEW SECTION. 455B.807 PUBLIC NOTIFICATION.

1. The department shall make available to the general public in an electronic format the plan of a manufacturer for a system to remove, collect, and recover mercury-added switches from end-of-life vehicles and any report required under section 455B.808.

2. Publication of all required plans, information, reports, and educational materials under this division shall be through no less than two types of media available to the general public. One medium must be available twenty-four hours per day, seven days per week, and maintained with current information. Acceptable types of media include but are not limited to internet websites, periodicals, journals, and other publicly available media in the state.

Sec. 9. NEW SECTION. 455B.808 REPORTING.

One year after the implementation of a removal, collection, and recovery system, and annually thereafter, a manufacturer subject to section 455B.803 shall report to the department concerning the performance under the manufacturer's plan. The report shall include statistical information received under section 455B.803. The report shall also include but not be limited to all of the following:

1. The number of mercury-added switches collected.
2. An estimate of the amount of mercury contained in the collected switches.
3. The capture rate as defined in section 455B.802.
4. The estimated number of vehicles manufactured by the manufacturer containing mercury-added switches.
5. The estimated number of vehicles manufactured by the manufacturer that have been processed for recycling by vehicle recyclers.

Sec. 10. NEW SECTION. 455B.809 STATE PROCUREMENT.

Notwithstanding other policies and guidelines for the procurement of vehicles, the state shall, within one year of the effective date of this Act, revise its policies, rules, and procedures to give priority and preference to the purchase of vehicles free of mercury-added components taking into consideration competition, price, availability, and performance.

Sec. 11. FUTURE REPEAL OF MERCURY-FREE RECYCLING ACT -- IMPLEMENTATION OF NATIONAL PROGRAM.

1. If a national mercury switch recovery program is developed and implemented with the cooperation and approval of the United States environmental protection agency, the provisions of this division shall be superseded by the provisions of the national program, and sections 455B.801 through 455B.809, as enacted in this division of this Act, are repealed, provided the following conditions are met:

a. The national program includes a target mercury-added switch capture rate for this state that meets or exceeds the target capture rate established in section 455B.803, as enacted in this division of this Act.

b. The national program includes a funding mechanism that provides for the total costs of the national mercury switch recovery program implemented in this state to be paid for by program participants or with federal moneys.

2. The director of the department of natural resources shall notify the Code editor of the date when the national mercury switch recovery program is implemented.

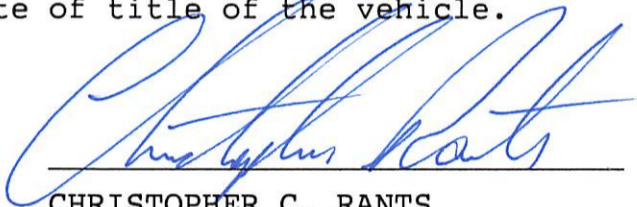
DIVISION II

SALVAGE VEHICLE TITLES

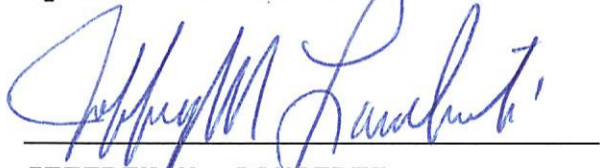
Sec. 12. Section 321.52, subsection 4, paragraph a, Code Supplement 2005, is amended to read as follows:

a. A vehicle rebuilder or a person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered in this state, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title, to the county treasurer of the county of residence of the purchaser or transferee within thirty days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle. This subsection applies only to vehicles with a fair market value of five hundred dollars or more, based on the value before the vehicle became wrecked or salvage. Upon payment of a fee of two dollars, the county treasurer shall issue a salvage certificate of title which shall bear the word "SALVAGE" stamped or printed on the face of the title in a manner prescribed by the department. A salvage certificate of title may be assigned to an educational institution, a new motor vehicle dealer licensed under chapter

322, a person engaged in the business of purchasing bodies, parts of bodies, frames or component parts of vehicles for sale as scrap metal, a salvage pool, or an authorized vehicle recycler licensed under chapter 321H. An authorized vehicle recycler licensed under chapter 321H or a new motor vehicle dealer licensed under chapter 322 may assign or reassign a salvage certificate of title to any person. A vehicle on which ownership has transferred to an insurer of the vehicle as a result of a settlement with the owner of the vehicle arising out of damage to, or unrecovered theft of, the vehicle shall be deemed to be a wrecked or salvage vehicle and the insurer shall comply with this subsection to obtain a salvage certificate of title within thirty days after the date of assignment of the certificate of title of the vehicle.



CHRISTOPHER C. RANTS
Speaker of the House



JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2362, Eighty-first General Assembly.



MARGARET THOMSON
Chief Clerk of the House

Approved May 24, 2006



THOMAS J. VILSACK
Governor