



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

April 10, 2007

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 358, an Act establishing prelicensing and continuing education requirements for used motor vehicle dealers.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver".

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 358

AN ACT
ESTABLISHING PRELICENSING AND CONTINUING EDUCATION
REQUIREMENTS FOR USED MOTOR VEHICLE DEALERS.

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

Section 1. Section 322.4, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. If the applicant is applying for a used motor vehicle dealer license, certification that the applicant has met the educational requirements for licensure under section 322.7A. The certification may be transmitted to the department by the education provider in electronic format.

Sec. 2. Section 322.7, subsection 4, Code 2007, is amended to read as follows:

4. The motor vehicle dealer license provided for in this chapter shall be renewed upon application in the form and content prescribed by the department and upon payment of the required fee. A used motor vehicle dealer license shall not be renewed for an applicant who is subject to continuing education requirements until the licensee certifies completion of the educational requirements for license renewal under section 322.7A. The certification may be transmitted to the department by the education provider in electronic format. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee.

Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER EDUCATION PROGRAM.

1. An applicant for a license as a used motor vehicle dealer shall complete a minimum of eight hours of prelicensing education program courses pursuant to this section prior to submitting an application to the department.

2. A person seeking renewal of a used motor vehicle dealer license shall complete a minimum of five hours of continuing education program courses over a two-year period pursuant to this section prior to submitting an application for license renewal. However, an applicant for renewal of a used motor vehicle dealer license who has met the prelicensing education requirement under subsection 1 within the preceding twelve months is exempt from the continuing education requirement for license renewal.

3. To meet the requirements of this section, at least one individual who is associated with the used motor vehicle dealer as an owner, principal, corporate officer, director, or member or partner of a limited liability company or limited liability partnership shall complete the education program courses.

4. The Iowa independent automobile dealers association, in consultation with the state department of transportation, the department of education, the attorney general, and the Iowa

association of community college trustees, shall develop the prelicensing and continuing education course curricula for the used motor vehicle dealer education program, which shall include but not be limited to examination of federal and state laws applicable to the motor vehicle industry and federal and state regulations pertaining to used motor vehicle dealers. The education program courses shall be provided by community colleges as defined in section 260C.2 or by the Iowa independent automobile dealers association in conjunction with a community college. The department of education shall adopt rules establishing reasonable fees to be charged for the prelicensing education courses and the continuing education courses.

5. A community college shall issue a certificate to each person who successfully completes the prelicensing education program or a continuing education program under this section. The current certificate of completion, or a copy of the certificate, shall be posted conspicuously in the principal office of the licensee.

6. The provisions of this section apply to all used motor vehicle dealers, including but not limited to individuals, corporations, and partnerships, except for the following:

- a. Motor vehicle rental companies having a national franchise.
- b. National motor vehicle auction companies.
- c. Wholesale dealer-only auction companies.
- d. Used car dealerships owned by a franchise motor vehicle dealer.
- e. Banks, credit unions, and savings and loan associations.

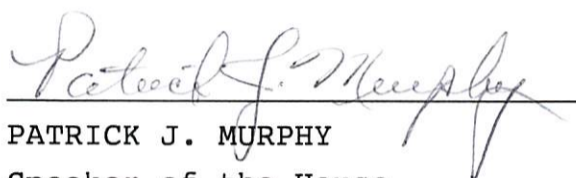
7. Each community college providing used motor vehicle dealer education program courses shall transmit a report on the program annually by December 31 to the director of transportation, the director of the department of education, the attorney general, and the president of the Iowa association of community college trustees.

Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM --
NOTICE. The department of transportation shall provide

reasonable notice to current used motor vehicle dealer licensees of the need to meet continuing education requirements as a condition for future license renewal.



JOHN P. KIBBIE
President of the Senate



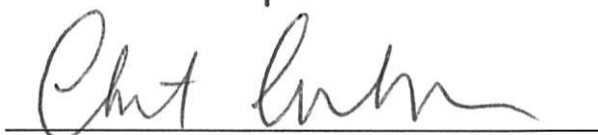
PATRICK J. MURPHY
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 358, Eighty-second General Assembly.



MICHAEL E. MARSHALL
Secretary of the Senate

Approved April 10th, 2007



CHESTER J. CULVER
Governor