

Senate File 2262 - Enrolled

Senate File 2262

AN ACT

RELATING TO FINAL-STAGE MOTOR VEHICLE MANUFACTURERS.

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

Section 1. Section 321.1, subsection 37, Code 2018, is amended to read as follows:

37. *Manufacturer* means every person engaged in the business of fabricating or assembling vehicles of a type required to be registered. *Manufacturer* does not include a person who converts, modifies, or alters a completed motor vehicle manufactured by another person or a person who assembles a glider kit vehicle. *Manufacturer* includes a

person who uses a completed motor vehicle manufactured by another person to construct a class "B" motor home as defined in [section 321.124](#). "Manufacturer" also includes a final-stage manufacturer as defined in section 322.2.

Sec. 2. Section 322.2, Code 2018, is amended by adding the following new subsections:

NEW SUBSECTION. 10A. "*Final-stage manufacturer*" means a person who performs such manufacturing operations on an incomplete motor vehicle that it becomes a completed motor vehicle.

NEW SUBSECTION. 11A. "*Incomplete motor vehicle*" means an assemblage consisting, at a minimum, of frame and chassis structure, power train, steering system, suspension system, and braking system to the extent that those systems are to be part of a completed motor vehicle, that requires further manufacturing operations, other than the addition of readily attachable components, such as mirrors or tire and rim assemblies, or minor finishing operations such as painting, to become a completed motor vehicle.

NEW SUBSECTION. 11B. "*Incomplete motor vehicle manufacturer*" means a person who manufactures an incomplete motor vehicle by assembling components none of which, taken separately, constitute a completed motor vehicle.

NEW SUBSECTION. 14A. "*Multi-stage manufactured vehicle*" means a motor vehicle built in two or more stages in which an incomplete motor vehicle, built by one manufacturer, is completed by another manufacturer who adds cargo carrying components or other components to the vehicle.

Sec. 3. Section 322.2, subsection 12, Code 2018, is amended to read as follows:

12. "*Manufacturer*" means any person engaged in the business of fabricating or assembling motor vehicles. "*Manufacturer*" does not include a person who converts, modifies, or alters a completed motor vehicle manufactured by another person or a person who assembles a glider kit vehicle as defined in section 321.1. "*Manufacturer*" includes a person who uses a completed motor vehicle manufactured by another person to construct a class "B" motor home as defined in [section 321.124](#) or a

motorsports recreational vehicle as defined in [section 321.1](#).

"Manufacturer" also includes a final-stage manufacturer.

Sec. 4. Section 322.3, subsection 1, Code 2018, is amended to read as follows:

1. A person shall not engage in this state in the business of selling at retail new motor vehicles of any make or represent or advertise that the person is engaged or intends to engage in such business in this state unless the person is authorized to do so by a contract in writing with the manufacturer or distributor of such make of new motor vehicles and unless the department has licensed the person as a motor vehicle dealer in this state in motor vehicles of such make and has issued to the person a license in writing as provided in [this chapter](#). Notwithstanding the prohibitions in this subsection, a final-stage manufacturer of multi-stage manufactured vehicles that holds a used motor vehicle dealer license issued pursuant to this chapter may assign an incomplete motor vehicle's manufacturer's statement of origin to a retail buyer for purposes of issuance of a certificate of title by a county treasurer as a new motor vehicle with the same make as the incomplete motor vehicle without holding a new motor vehicle dealer license and without paying any associated motor vehicle registration fees. A licensed dealer in new motor vehicles may also assign an incomplete motor vehicle's manufacturer's statement of origin in the same manner as provided in this subsection.

Sec. 5. Section 322.3, subsection 14, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. *f.* A final-stage manufacturer of multi-stage manufactured vehicles from being licensed as a used motor vehicle dealer or from assigning an incomplete motor vehicle's manufacturer's statement of origin to a retail buyer for purposes of issuance of a certificate of title by a county treasurer as a new motor vehicle with the same make as the incomplete motor vehicle without holding a new motor vehicle dealer license and without paying any associated motor vehicle registration fees. This paragraph shall not be construed to authorize a manufacturer or incomplete motor vehicle manufacturer to directly sell at retail incomplete or completed

motor vehicles to a retail buyer except as provided in this subsection.

JACK WHITVER
President of the Senate

LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2262, Eighty-seventh General Assembly.

W. CHARLES SMITHSON
Secretary of the Senate

Approved _____, 2018

KIM REYNOLDS
Governor