

House File 777 - Enrolled

House File 777

AN ACT

RELATING TO APPLICATIONS FOR A MOTOR VEHICLE SALVAGE
CERTIFICATE OF TITLE BY AN INSURER WITHOUT SURRENDERING
THE CERTIFICATE OF TITLE OR MANUFACTURER'S OR IMPORTER'S
STATEMENT OF ORIGIN, MAKING PENALTIES APPLICABLE, AND
INCLUDING EFFECTIVE DATE PROVISIONS.

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

Section 1. Section 321.52, subsection 4, paragraph a, Code 2026, is amended to read as follows:

a. (1) Notwithstanding any other provision of law to the contrary, an insurer may apply for and be issued a salvage certificate of title for a motor vehicle without surrendering the certificate of title or manufacturer's or importer's statement of origin properly assigned if ownership of the vehicle was transferred, or will transfer, to the insurer pursuant to a settlement with the previous owner of the vehicle arising from circumstances involving damage to the vehicle, and at least thirty days have expired since the effective date of such settlement.

(2) To obtain a salvage certificate of title pursuant to this paragraph "a", the insurer ~~shall~~ must submit an application for a salvage certificate of title to any county treasurer.

(a) The application ~~shall~~ must be accompanied by an affidavit from the insurer in which the insurer certifies it has made at least two written attempts to obtain a properly assigned certificate of title or manufacturer's or importer's

statement of origin for the vehicle by contacting the previous owner of the vehicle and all lienholders of record by certified mail or a similar service that provides proof of service using a return receipt, and has been unable to obtain the title or statement of origin. The failure of a previous owner or lienholder to provide a properly assigned certificate of title or manufacturer's or importer's statement of origin shall be deemed to be a waiver by the previous owner or lienholder of all rights, title, claim, and interest in the vehicle.

(b) Notwithstanding chapter 9B, section 633B.105, or any other provision to the contrary, a supporting document submitted with the application, including but not limited to a power of attorney described in section 321.49, a replacement certificate of title application for the vehicle owner described in section 321.42, or an odometer statement required under section 321.71 if permitted under 49 C.F.R. pt. 580, may be signed and affirmed under penalty of perjury in lieu of a notarized signature and, in accordance with chapter 554D, the signature may be electronic. The affirmation under penalty of perjury is limited to the signature identifying the signer as the owner or the signer's representation of the authority of the named agent to sign on the owner's behalf.

(c) The application ~~shall~~ must also be accompanied by the application fee required under paragraph "b", and proof of payment of the total amount of the settlement by the insurer to the previous owner of the vehicle. Upon receiving an application that complies with this paragraph "a", the county treasurer shall issue a salvage certificate of title to the insurer which ~~shall be~~ is free and clear of all liens and claims of ownership and ~~shall~~ must bear the word "SALVAGE" stamped or printed on the face of the title in a manner prescribed by the department.

(d) The department and a county treasurer may rely on representations made in a supporting document submitted under subparagraph division (b). The department or county treasurer is not liable to any person for such reliance if the department or county treasurer, as applicable, took reasonable steps to verify the validity of the supporting document prior to issuing the salvage certificate of title and had no knowledge that a

representation in the document was incorrect at the time the title was issued.

Sec. 2. EFFECTIVE DATE. This Act takes effect January 1, 2027.

PAT GRASSLEY
Speaker of the House

AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 777, Ninety-first General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2026

KIM REYNOLDS
Governor