

FEB 12 1974

HOUSE FILE 1188

Place On Calendar

By COMMITTEE ON STATE GOVERNMENT

Sen. Commerce 2/21, Pass 3/6

House File 1188
State Government—
Schwengels, Chairman
Schwieger
Hill

Passed House, Date 2-19-74 (527) Passed Senate, Date 3-12-74 (736)

Vote: Ayes 83 Nays 2 Vote: Ayes 42 Nays 2

Approved 3-29-74

A BILL FOR

1 An Act relating to the requirements, form, and content of
2 motor vehicle dealer license applications and renewal
3 applications and the approval of such applications.

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

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1 Section 1. Section three hundred twenty-two point four
2 (322.4), subsection seven (7), Code 1973, is amended to read
3 as follows:

4 ~~7. A financial statement of the applicant showing his~~
5 ~~true financial condition as of a date not more than six months~~
6 ~~prior to the date of such application.~~ Before the issuance
7 of a motor vehicle dealer's license to a dealer engaged in
8 the sale of vehicles for which a certificate of title is
9 required, under the provisions of chapter 321, the applicant
10 for such license shall furnish a surety bond executed by the
11 applicant as principal and executed by a corporate surety
12 company, licensed and qualified to do business within this
13 state, which bond shall run to the state of Iowa, be in the
14 amount of ~~ten~~ twenty-five thousand dollars and be conditioned
15 upon the faithful compliance by said applicant as a dealer,
16 if the license be issued to it or him, that such dealer will
17 comply with all of the statutes of this state regulating or
18 being applicable to the business of said dealer as a dealer
19 in motor vehicles, and indemnifying any person dealing or
20 transacting business with said dealer in connection with any
21 motor vehicle from any loss or damage occasioned by the failure
22 of such dealer to comply with any of the provisions of chapter
23 321 and this chapter, including, but not limited to, the
24 furnishing of a proper and valid certificate of title to the
25 motor vehicle involved in any such transaction, and that such
26 bond shall be filed with the department prior to the issuance
27 of license provided by law. The aggregate liability of the
28 surety of all persons, however, shall in no event exceed the
29 amount of said bond.

30 Sec. 2. Section three hundred twenty-two point six (322.6),
31 unnumbered paragraph one (1), Code 1973, is amended to read
32 as follows:

33 The department ~~shall~~ may deny the application of any person
34 for a license as a motor vehicle dealer and refuse to issue
35 a license to him as such, if, after reasonable notice and

1 a hearing, the department determines that such applicant:

2 Sec. 3. Section three hundred twenty-two point seven
3 (322.7), subsection four (4), Code 1973, is amended to read
4 as follows:

5 4. The motor vehicle dealer license provided for in this
6 chapter shall be renewed annually ~~in-the-same-manner-and-on~~
7 upon application in such form and content as prescribed by
8 the department and upon payment of the same required fee as
9 ~~in-the-case-of-the-original-license~~. Such renewal shall take
10 effect on the first day of January of each year.

11 EXPLANATION

12 This bill removes the requirement that a financial state-
13 ment be filed by an applicant for a motor vehicle dealer's
14 license and increases the amount of bond from \$10,000 to
15 \$25,000. The bill also gives the Department of Public Safety
16 discretion to determine whether an application should be
17 denied if the applicant violates the provisions of section
18 322.6. The Department of Public Safety also is given discre-
19 tion to determine the form and content of the application.

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