

FEB 16 1990

HOUSE FILE 2453  
BY COMMITTEE ON TRANSPORTATION

Place On Calendar

(SUCCESSOR TO HSB 675)

(COMPANION TO SF 2297)

*Substituted for S.F. 2297 3/5*

Passed House, Date 2/21/90 (p. 530) Passed Senate, Date 3/13/90 (p. 1014)

Vote: Ayes 88 Nays 0 Vote: Ayes 47 Nays 0

Approved March 26, 1990

**A BILL FOR**

1 An Act relating to arbitration agreements between manufacturers,  
2 distributors, or importers of motor vehicles and motor vehicle  
3 dealers.

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

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HF 2453

1 Section 1. Section 322.3, Code 1989, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 10. A manufacturer, distributor, or  
4 importer of motor vehicles or agent or representative of such  
5 manufacturer, distributor, or importer shall not require a  
6 motor vehicle dealer to submit to arbitration to resolve a  
7 controversy before the controversy arises. The parties may  
8 enter into a voluntary agreement to arbitrate a controversy  
9 after it arises. Such an agreement shall require that the  
10 arbitrator apply Iowa law in resolving the controversy.  
11 Either party may appeal a decision of an arbitrator to the  
12 district court on the grounds that the arbitrator failed to  
13 apply Iowa law.

14 EXPLANATION

15 This bill prohibits a manufacturer, distributor, or  
16 importer of motor vehicles or an agent or representative of  
17 the manufacturer, distributor, or importer from requiring that  
18 a motor vehicle dealer submit to arbitration before a  
19 controversy arises. A motor vehicle dealer can voluntarily  
20 agree to arbitration after a controversy arises. Iowa law  
21 must be applied to resolve the controversy pursuant to a  
22 voluntary arbitration agreement. A party may appeal an  
23 arbitration decision to the Iowa district court if the  
24 arbitrator did not apply Iowa law to resolve the conflict.

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HSB 675

TRANSPORTATION

Now

HOUSE FILE 2453

BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON KOENIGS)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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HOUSE FILE 2453

AN ACT

RELATING TO ARBITRATION AGREEMENTS BETWEEN MANUFACTURERS,  
DISTRIBUTORS, OR IMPORTERS OF MOTOR VEHICLES AND MOTOR  
VEHICLE DEALERS.

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

Section 1. Section 322.3, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 10. A manufacturer, distributor, or importer of motor vehicles or agent or representative of such manufacturer, distributor, or importer shall not require a motor vehicle dealer to submit to arbitration to resolve a controversy before the controversy arises. The parties may enter into a voluntary agreement to arbitrate a controversy after it arises. Such an agreement shall require that the arbitrator apply Iowa law in resolving the controversy. Either party may appeal a decision of an arbitrator to the

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2453, Seventy-third General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved March 26, 1990

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TERRY E. BRANSTAD  
Governor

HF 2453