

Sen. House 2/26 Dr. Pass 2/27 (p. 774)

FEB 16 1990

Plate On Calendar

HOUSE FILE 2461

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 779)

Passed House, Date 2/23/90 (p. 610) Passed Senate, Date 3/13/90 (p. 1024)

Vote: Ayes 43 Nays 1 Vote: Ayes 47 Nays 0

Approved April 3, 1990  
*Motion to reconsider (p. 1034) w/d 3/22*

A BILL FOR

1 An Act relating to motor vehicle odometer requirements.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2461

1 Section 1. Section 321.71, subsections 7 and 9, Code 1989,  
2 are amended to read as follows:

3 7. ~~As to~~ A certificate of title shall not be issued for a  
4 ~~motor vehicles~~ vehicle less than ~~eleven~~ ten model years old  
5 which ~~were~~ is equipped with an odometer by the manufacturer,  
6 ~~no-certificate-of-title-shall-be-issued~~ unless an odometer  
7 statement which is in compliance with federal law and  
8 regulations has been made by the transferor of ~~a~~ the vehicle  
9 and is furnished with the application for certificate of  
10 title. The new certificate of title shall record on its face  
11 the odometer reading and ~~if~~ the word "actual" if the true  
12 mileage is known. If the odometer reading is not the true  
13 mileage or the true mileage is unknown, ~~then~~ the word  
14 "unknown" words "not actual" shall be recorded. If the  
15 odometer reading is greater than the odometer can mechanically  
16 count, the words "exceeds the mechanical limits" shall be  
17 recorded. However, a certificate of title may be issued for a  
18 motor vehicle to a person who moves into this state if the  
19 person acquired ownership of the motor vehicle prior to moving  
20 to this state. This subsection does not apply ~~to-motor~~  
21 ~~vehicles-transferred-by-operation-of-law-pursuant-to-section~~  
22 ~~321.47-nor~~ to motor vehicles having a registered gross vehicle  
23 weight rating of more than sixteen thousand pounds.

24 9. An Iowa licensed motor vehicle dealer shall not have in  
25 possession as inventory for sale a used motor vehicle acquired  
26 by the dealer after the ~~eleventh~~ tenth model year prior to the  
27 current registration year, for which the dealer does not  
28 possess an odometer statement by the transferor which is in  
29 compliance with federal law and regulations unless a  
30 certificate of title has been issued for the vehicle in the  
31 name of the dealer. Transfer of a new motor vehicle with an  
32 ownership document which is a manufacturer's statement of  
33 origin requires an odometer statement only when transferred at  
34 retail.

35 Sec. 2. Section 321.71, Code 1989, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 10A. The department may adopt rules which  
3 shall be in compliance with the federal Truth in Mileage Act  
4 of 1986, Pub. L. No. 99-579.

5 EXPLANATION

6 Current law requires that before a certificate of title is  
7 issued for motor vehicles less than 11 years old equipped with  
8 an odometer by the manufacturer, an odometer statement must be  
9 made by the transferor and furnished with the application for  
10 title. This bill changes the age of the motor vehicles  
11 subject to this requirement to motor vehicles less than 10  
12 model years old.

13 If the true mileage is known, the new certificate of title  
14 must state the word "actual". If the odometer reading is not  
15 the true mileage or if the true mileage is unknown, rather  
16 than state the word "unknown" on the certificate of title, the  
17 words "not actual" will be stated. If the odometer reading is  
18 greater than the odometer can count, the words "exceeds the  
19 mechanical limits" will be stated on the certificate.

20 This bill strikes the exemption from section 321.71,  
21 subsection 7, of motor vehicles transferred by operation of  
22 law under section 321.47. A reference to gross vehicle weight  
23 is changed to gross vehicle weight rating.

24 Current law requires a licensed motor vehicle dealer to  
25 possess an odometer statement or certificate of title issued  
26 in the name of the dealer for used motor vehicles in inventory  
27 acquired after the eleventh model year prior to the current  
28 registration year. This bill changes the age of the motor  
29 vehicles to less than 10 model years.

30 A new motor vehicle transferred on a manufacturer's  
31 statement of origin ownership document requires an odometer  
32 statement only if the motor vehicle is transferred at retail.

33 Finally, the bill allows the state department of  
34 transportation to adopt rules in compliance with the federal  
35 Truth in Mileage Act of 1986.

TRANSPORTATION

HOUSE FILE 2461

BY (PROPOSED DEPARTMENT  
OF TRANSPORTATION BILL)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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1 Section 1. Section 321.71, subsections 7 and 9, Code 1989,  
2 are amended to read as follows:

3 7. As-to A certificate of title shall not be issued for a  
4 motor vehicles vehicle less than eleven ten model years old  
5 which were is equipped with an odometer by the manufacturer,  
6 ~~no-certificate-of-title-shall-be-issued~~ unless an odometer  
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21 ~~vehicles-transferred-by-operation-of-law-pursuant-to-section~~  
22 ~~321-47-nor~~ to motor vehicles having a registered gross vehicle  
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BACKGROUND STATEMENT  
SUBMITTED BY THE AGENCY

Congress enacted the federal odometer law in 1972 to prohibit odometer tampering and to establish safeguards for the protection of consumers. The law was strengthened in 1976. In 1986, congress passed the Truth in Mileage Act to enhance the paper trail of odometer readings. States were required to comply with the federal law by April 1989. All states except Kansas asked for extensions. Iowa was granted an extension until July 1, 1990.

This proposal brings Iowa law into compliance with the federal Truth in Mileage Act. The federal law is designed to protect the consumer from odometer fraud by making odometer designations uniform across the nation. Previously, some persons chose to title vehicles in other states with different laws to avoid the paper trail of odometer readings. Uniform national laws and regulations will eliminate this opportunity for odometer fraud.

## HOUSE FILE 2461

## AN ACT

RELATING TO MOTOR VEHICLE ODOMETER REQUIREMENTS.

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

Section 1. Section 321.71, subsections 7 and 9, Code 1989, are amended to read as follows:

7. As to A certificate of title shall not be issued for a motor vehicles vehicle less than eleven ten model years old

which ~~were~~ is equipped with an odometer by the manufacturer, ~~no certificate of title shall be issued~~ unless an odometer statement which is in compliance with federal law and regulations has been made by the transferor of ~~a~~ the vehicle and is furnished with the application for certificate of title. The new certificate of title shall record on its face the odometer reading and ~~if the word "actual" if the true mileage is known.~~ if the odometer reading is not the true mileage or the true mileage is unknown, then the word "unknown" words "not actual" shall be recorded. If the odometer reading is greater than the odometer can mechanically count, the words "exceeds the mechanical limits" shall be recorded. However, a certificate of title may be issued for a motor vehicle to a person who moves into this state if the person acquired ownership of the motor vehicle prior to moving to this state. This subsection does not apply ~~to motor vehicles transferred by operation of law pursuant to section 321-47-~~ nor to motor vehicles having a registered gross vehicle weight rating of more than sixteen thousand pounds.

9. An Iowa licensed motor vehicle dealer shall not have in possession as inventory for sale a used motor vehicle acquired by the dealer after the ~~eleventh tenth~~ tenth model year prior to the current registration year, for which the dealer does not possess an odometer statement by the transferor which is in compliance with federal law and regulations unless a certificate of title has been issued for the vehicle in the name of the dealer. Transfer of a new motor vehicle with an ownership document which is a manufacturer's statement of origin requires an odometer statement only when transferred at retail.



Sec. 2. Section 321.71, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 10A. The department may adopt rules which shall be in compliance with the federal Truth in Mileage Act of 1986, Pub. L. No. 99-579.

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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 2461, Seventy-third General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved April 3, 1990

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TERRY E. BRANSTAD  
Governor