

Law House of 4/10/91 Pl. Res 416/110 (1137)

MAR 21 1991

HOUSE FILE 625

HOUSE FILE 625
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 305)

Passed House, Date 3/23/91 (1442) Passed Senate, Date 4/10/91 (1222)
Vote: Ayes 97 Nays 0 Vote: Ayes 49 Nays 0

Approved May 7, 1991 (2172)
Approved House as amended by Senate
4/23/91 (1442)
45-0

A BILL FOR

- 1 An Act relating to issuance of junking certificates and
- 2 certificates of title.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 625

S-3373

- 1 Amend House File 625, as passed by the House, as
- 2 follows:
- 3 1. Page 2, by inserting after line 30, the
- 4 following:
- 5 "Sec. ____ . This Act is retroactively applicable to
- 6 all junking certificates for which certificates of
- 7 title have not been reissued."

By JIM LIND

S-3373 FILED APRIL 10, 1991
Amended 4/10/91 (1222)

SENATE AMENDMENT TO HOUSE FILE 625

H-3702

- 1 Amend House File 625, as passed by the House, as
- 2 follows:
- 3 1. Page 2, by inserting after line 30, the
- 4 following:
- 5 "Sec. ____ . This Act is retroactively applicable to
- 6 all junking certificates for which certificates of
- 7 title have not been reissued."

RECEIVED FROM THE SENATE

H-3702 FILED APRIL 18, 1991

Amended 4/23/91 (1442)

H 1 625

1 Section 1. Section 321.24, unnumbered paragraph 8, Code
2 1991, is amended to read as follows:

3573 If the county treasurer or department is not satisfied as
4 to the ownership of the vehicle or that there are no
5 undisclosed security interests in it, or a junking certificate
6 has been issued for the vehicle but a certificate of title
7 will not be reissued under section 321.52, subsection 3, the
8 county treasurer or department may register the vehicle but
9 shall as a condition of issuing a certificate of title and
10 registration receipt, require the applicant to file with the
11 department a bond in the form prescribed by the department and
12 executed by the applicant, and either accompanied by the
13 deposit of cash with the department or also executed by a
14 person authorized to conduct a surety business in this state.
15 The bond shall be in an amount equal to one and one-half times
16 the current value of the vehicle as determined by the
17 department and conditioned to indemnify any prior owner and
18 secured party and any subsequent purchaser of the vehicle or
19 person acquiring any security interest in it, and their
20 respective successors in interest, against any expense, loss
21 or damage, including reasonable attorney's fees, by reason of
22 the issuance of the certificate of title of the vehicle or or
23 account of any defect in or undisclosed security interest upon
24 the right, title and interest of the applicant in and to the
25 vehicle. Any such interested person has a right of action to
26 recover on the bond for any breach of its conditions, but the
27 aggregate liability of the surety to all persons shall not
28 exceed the amount of the bond. The bond, and any deposit
29 accompanying it, shall be returned at the end of three years
30 or prior thereto if the vehicle is no longer registered in
31 this state and the currently valid certificate of title is
32 surrendered to the department, unless the department has been
33 notified of the pendency of an action to recover on the bond.

34 Sec. 2. Section 321.52, subsection 2, Code 1991
35 amended to read as follows:

1 a bond with the state department of transportation.

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HSB 305

TRANSPORTATION

*Jay, Chair
DeSust.
Muhlbauer*

HOUSE FILE 625
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON KOENIGS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to issuance of junking certificates and
2 ce tificates of title.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 321.24, unnumbered paragraph 8, Code
2 1991, is amended to read as follows:

3 If the county treasurer or department is not satisfied as
4 to the ownership of the vehicle or that there are no
5 undisclosed security interests in it, or a junking certificate
6 has been issued for the vehicle but a certificate of title
7 will not be reissued under section 321.52, subsection 3, the
8 county treasurer or department may register the vehicle but
9 shall as a condition of issuing a certificate of title and
10 registration receipt, require the applicant to file with the
11 department a bond in the form prescribed by the department and
12 executed by the applicant, and either accompanied by the
13 deposit of cash with the department or also executed by a
14 person authorized to conduct a surety business in this state.
15 The bond shall be in an amount equal to one and one-half times
16 the current value of the vehicle as determined by the
17 department and conditioned to indemnify any prior owner and
18 secured party and any subsequent purchaser of the vehicle or
19 person acquiring any security interest in it, and their
20 respective successors in interest, against any expense, loss
21 or damage, including reasonable attorney's fees, by reason of
22 the issuance of the certificate of title of the vehicle or on
23 account of any defect in or undisclosed security interest upon
24 the right, title and interest of the applicant in and to the
25 vehicle. Any such interested person has a right of action to
26 recover on the bond for any breach of its conditions, but the
27 aggregate liability of the surety to all persons shall not
28 exceed the amount of the bond. The bond, and any deposit
29 accompanying it, shall be returned at the end of three years
30 or prior thereto if the vehicle is no longer registered in
31 this state and the currently valid certificate of title is
32 surrendered to the department, unless the department has been
33 notified of the pendency of an action to recover on the bond.

34 Sec. 2. Section 321.52, subsection 2, Code 1991, is
35 amended to read as follows:

1 2. The purchaser or transferee of a motor vehicle for
2 which a certificate of title is issued which is sold for scrap
3 or junk shall surrender the certificate of title to the county
4 treasurer of the county of residence of the transferee within
5 fifteen days after assignment of the certificate of title.
6 The county treasurer shall issue to such person without fee a
7 junking certificate. A junking certificate shall authorize
8 the holder to possess, transport or transfer by endorsement
9 the ownership of the junked vehicle. A certificate of title
10 shall not again be issued for the vehicle subsequent to the
11 issuance of a junking certificate except as provided in
12 subsection 3. The county treasurer shall cancel the record of
13 the vehicle and forward the certificate of title to the
14 department. The junking certificate shall be of a form to
15 allow for the assignment of ownership of the vehicle. The
16 junking certificate shall provide a space for the notation of
17 the transferee of the component parts of the vehicle
18 transferred by the owner of the vehicle.

19 Sec. 3. Section 321.52, subsection 3, unnumbered paragraph
20 2, Code 1991, is amended to read as follows:

21 However, upon application the department upon a showing of
22 good cause may issue a certificate of title after the
23 fourteen-day period for a junked vehicle for which a junking
24 certificate has been issued. For purposes of this subsection,
25 "good cause" means that the junking certificate was obtained
26 by mistake or inadvertence. If a person's application to the
27 department is denied, the person may make application for a
28 certificate of title under the bonding procedure as provided
29 in section 321.24, or the person may seek judicial review as
30 provided under sections 17A.19 and 17A.20.

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EXPLANATION

32 This bill allows for a person who has been issued a junking
33 certificate of title, but who has failed within the 14-day
34 period to receive a certificate of title for the junked
35 vehicle, to receive a certificate of title if the person files

S.F. _____ H.F. _____

1 a bond with the state department of transportation.

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