

MAR 8 1995

TRANSPORTATION

HOUSE FILE 298
BY WARNSTADT

(COMPANION TO 1910SS
BY HANSEN)

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

A BILL FOR

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

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1 Section 1. Section 321.40, Code 1995, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. The county treasurer shall
4 refuse to register a motor vehicle or renew the registration
5 of a motor vehicle of a person when notified that the person
6 has abandoned a motor vehicle and that the proceeds of the
7 sale of the abandoned vehicle were insufficient to pay the
8 costs of disposal. A county treasurer may register a motor
9 vehicle or renew the registration of a motor vehicle when
10 notified by the police authority, in accordance with section
11 321.89, that all of the expenses related to the abandonment of
12 the motor vehicle have been paid.

13 Sec. 2. Section 321.89, subsection 4, Code 1995, is
14 amended to read as follows:

15 4. AUCTION OF ABANDONED VEHICLES. If an abandoned vehicle
16 has not been reclaimed as provided for in subsection 3, the
17 police authority shall make a determination as to whether or
18 not the vehicle shall be sold for use upon the highways. If
19 the vehicle is not sold for use upon the highways, it shall be
20 sold for junk, or demolished and sold as scrap. The police
21 authority shall sell the vehicle at public auction.
22 Notwithstanding any other provision of this section, any
23 police authority, which has taken into possession any
24 abandoned vehicle which lacks an engine or two or more wheels
25 or another part which renders the vehicle totally inoperable
26 may dispose of the vehicle to a demolisher for junk after
27 complying with the notification procedures enumerated in
28 subsection 3 and without public auction. The purchaser of the
29 vehicle takes title free and clear of all liens and claims of
30 ownership, shall receive a sales receipt from the police
31 authority, and is entitled to register the vehicle and receive
32 a certificate of title if sold for use upon the highways.
33 However, if the vehicle is sold or disposed of to a demolisher
34 for junk, the sales receipt by itself is sufficient title only
35 for purposes of transferring the vehicle to the demolisher for

1 demolition, wrecking, or dismantling and, when so transferred,
2 no further titling of the vehicle is permitted. From the
3 proceeds of the sale of an abandoned vehicle the police
4 authority shall reimburse itself for the expenses of the
5 auction, the costs of towing, preserving, and storing which
6 resulted from placing the abandoned vehicle in custody, all
7 notice and publication costs incurred pursuant to subsection
8 3, the cost of inspection, and any other costs incurred except
9 costs of bookkeeping and other administrative costs. Any
10 remainder from the proceeds of a sale shall be held for the
11 owner of the vehicle or entitled lienholder for ninety days,
12 and shall then be deposited in the road use tax fund. The
13 costs to police authorities of auction, towing, preserving,
14 storage, and all notice and publication costs, and all other
15 costs which result from placing abandoned vehicles in custody,
16 whenever the proceeds from a sale of the abandoned vehicles
17 are insufficient to meet these expenses and costs, shall be
18 paid from the road use tax fund.

19 The director of transportation shall establish by rule a
20 claims procedure to be followed by police authorities in
21 obtaining expenses and costs from the fund.

22 A police authority shall notify the county treasurer of the
23 county of residence of the owner or owners of the abandoned
24 vehicle of the amount of the unpaid disposal expenses.
25 Notification shall be made by the end of the month following
26 the month of disposal of the abandoned motor vehicle. All
27 costs incurred by the police authority and costs which are
28 paid from the road use tax fund under this subsection are an
29 obligation of the last registered owner or owners, jointly and
30 severally. The police authority shall immediately notify the
31 county treasurer if the owner or owners pay the disposal
32 expenses.

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EXPLANATION

34 Current law requires that if a motor vehicle is abandoned
35 and has not been reclaimed, the police authority may sell the

1 vehicle at an auction. The police authority is directed to
2 reimburse itself from the proceeds of the sale for the
3 expenses of the auction, the costs of towing, preserving, and
4 storing the vehicle, notice and publication costs, inspection
5 costs, and any other costs incurred except bookkeeping and
6 administration. If the proceeds are insufficient to meet
7 these costs, the police authority is reimbursed from the road
8 use tax fund.

9 This bill requires a county treasurer to refuse to register
10 or to renew the registration for a motor vehicle if the county
11 treasurer has been notified that the owner of the motor
12 vehicle has abandoned a different motor vehicle and that the
13 proceeds of the sale of the abandoned vehicle were
14 insufficient to pay the costs of disposal. A county treasurer
15 shall not register the person's current vehicle until notified
16 by a police authority that the person has paid for the
17 expenses associated with the abandoned vehicle. The costs
18 incurred by the police authority and costs which are paid from
19 the road use tax fund are an obligation of the last registered
20 owner or owners, jointly and severally.

21 This bill may contain a state mandate under chapter 25B.
22 If the bill contains a state mandate, it will not take effect
23 unless an appropriation in accordance with section 25B.2,
24 subsection 3, is made fully funding or funding a proportionate
25 share of the costs of implementing the bill.

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