

2-13-96 Ironag.

FILED FEB 13 1996

SENATE FILE 2175
BY McLAREN and BANKS

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

A BILL FOR

1 An Act increasing motor vehicle damage disclosure statement
2 limits.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2175

1 Section 1. Section 321.69, subsections 2 and 3, Code
2 Supplement 1995, are amended to read as follows:

3 2. The damage disclosure statement required by this
4 section shall, at a minimum, state the total retail dollar
5 amount of all damage to the vehicle during the period of the
6 transferor's ownership of the vehicle and whether the
7 transferor knows if the vehicle was titled as a salvage or
8 flood vehicle in this or any other state prior to the
9 transferor's ownership of the vehicle. For the purposes of
10 this section, "damage" refers to damage to the vehicle caused
11 by fire, vandalism, collision, weather, falling objects,
12 submersion in water, or flood, where the cost of repair is
13 three five thousand dollars or more per incident, but does not
14 include normal wear and tear, glass damage, mechanical repairs
15 or electrical repairs that have not been caused by fire,
16 vandalism, collision, weather, falling objects, submersion in
17 water, or flood. "Damage" does not include the cost of
18 repairing, replacing, or reinstalling an inflatable restraint
19 system. A determination of the amount of damage to a vehicle
20 shall be based on estimates of the retail cost of repairing
21 the vehicle, including labor, parts, and other materials, if
22 the vehicle has not been repaired or on the actual retail cost
23 of repair, including labor, parts, and other materials, if the
24 vehicle has been repaired. Only individual incidents in which
25 the retail cost of repairs is three five thousand dollars or
26 more are required to be disclosed by this section. If the
27 vehicle has incurred damage of three five thousand dollars or
28 more per incident in more than one incident, the damage
29 amounts must be combined and disclosed as the total of all
30 separate incidents.

31 3. The damage disclosure statement shall be provided by
32 the transferor to the transferee at or before the time of
33 sale. If the transferor is not a resident of this state the
34 transferee shall not be required to submit a damage disclosure
35 statement from the transferor with the transferee's

1 application for title unless the state of the transferor's
2 residence requires a damage disclosure statement. However,
3 the transferee shall submit a damage disclosure statement with
4 the transferee's application for title indicating whether a
5 salvage or rebuilt title had ever existed for the vehicle,
6 whether the vehicle had incurred prior damage of three five
7 thousand dollars or more per incident, and the year, make, and
8 vehicle identification number of the motor vehicle.

9 EXPLANATION

10 Current law requires that a damage disclosure statement
11 must be completed in order to transfer ownership of a motor
12 vehicle. However, only individual incidents in which the
13 retail cost of repairs is \$3,000 or more are required to be
14 disclosed. This bill raises the disclosure amount to \$5,000,
15 so that if the retail cost of repair is \$5,000 or more, a
16 disclosure statement must be filed.

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