

SENATE FILE 236
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 191)

(P.719)
Passed Senate, Date 3/20/95 Passed House, Date _____
Vote: Ayes 34 Nays 16 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to salvage and wrecked motor vehicles.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 236

1 Section 1. Section 321.52, subsection 4, paragraph a, Code
2 1995, is amended to read as follows:

3 a. ~~A vehicle-rebuilder or a person engaged in the business~~
4 ~~of buying, selling, or exchanging vehicles of a type required~~
5 ~~to be registered in this state, upon acquisition of a~~ person
6 who acquires a wrecked or salvage vehicle, shall surrender the
7 certificate of title or manufacturer's or importer's statement
8 of origin properly assigned, together with an application for
9 a salvage certificate of title to the county treasurer of the
10 county of residence of the purchaser or transferee within
11 fifteen days after the date of assignment of the certificate
12 of title for the wrecked or salvage motor vehicle. This
13 subsection applies only to vehicles with a fair market value
14 of five hundred dollars or more, based on the value before the
15 vehicle became wrecked or salvage. Upon payment of a fee of
16 two dollars, the county treasurer shall issue a salvage
17 certificate of title which shall bear the word "SALVAGE"
18 stamped or printed on the face of the title in a manner
19 prescribed by the department. A salvage certificate of title
20 may be assigned to an educational institution, a new motor
21 vehicle dealer licensed under chapter 322, a person engaged in
22 the business of purchasing bodies, parts of bodies, frames or
23 component parts of vehicles for sale as scrap metal, a salvage
24 pool, or an authorized vehicle recycler licensed under chapter
25 321H. An authorized vehicle recycler licensed under chapter
26 321H or a new motor vehicle dealer licensed under chapter 322
27 may assign a salvage certificate of title to any person. A
28 vehicle on which ownership has transferred to an insurer of
29 the vehicle, as a result of a settlement with the owner of the
30 vehicle arising out of damage to, or unrecovered theft of the
31 vehicle, shall be deemed to be a wrecked or salvage vehicle
32 and the insurer shall comply with this subsection to obtain a
33 salvage certificate of title within fifteen days after the
34 date of assignment of the certificate of title of the vehicle.

35 Sec. 2. Section 321.69, subsection 5, 7, and 9, Code 1995,

1 are amended to read as follows:

2 5. Authorized vehicle recyclers and salvage pools licensed
3 under chapter 321H and motor vehicle dealers licensed under
4 chapter 322 shall maintain copies of all damage disclosure
5 statements where the recycler, salvage pool, or dealer is
6 either the transferor or the transferee for five years
7 following the date of the statement. The copies shall be made
8 available to the department or the attorney general upon
9 request.

10 7. A person, authorized vehicle recycler or salvage pool
11 licensed under chapter 321H, or motor vehicle dealer licensed
12 under chapter 322 shall not be liable to a subsequent owner of
13 a vehicle because a prior owner gave a false or inaccurate
14 damage disclosure statement or failed to disclose that the
15 vehicle had previously been damaged and repaired or had been
16 titled on a salvage or rebuilt certificate of title unless the
17 person, recycler, salvage pool, or dealer knew or reasonably
18 should have known that the prior owner gave a false or
19 inaccurate damage disclosure statement or failed to disclose
20 that the vehicle had been damaged and repaired or had been
21 titled on a salvage or rebuilt certificate of title.

22 9. A person who knowingly makes a false damage disclosure
23 statement commits a fraudulent practice. Failure of a person,
24 authorized vehicle recycler or salvage pool licensed under
25 chapter 321H, or motor vehicle dealer licensed under chapter
26 322, to comply with any duty imposed by this section
27 constitutes a violation of section 714.16, subsection 2,
28 paragraph "a".

29 Sec. 3. Section 321H.2, subsection 3, Code 1995, is
30 amended to read as follows:

31 3. "Extension" means a place of business ~~of-an-authorized~~
32 ~~vehicle-recycler~~ other than the principal place of business
33 within the county of the principal place of business.

34 Sec. 4. Section 321H.2, Code 1995, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. 4A. "Salvage pool" means the business of
2 selling at auction wrecked or salvage vehicles, as defined in
3 section 321.52.

4 Sec. 5. Section 321H.4, subsection 1, Code 1995, is
5 amended by striking the subsection and inserting in lieu
6 thereof the following:

7 1. Upon initial application or renewal and payment of a
8 fee, a person may apply for a license to engage in business as
9 an authorized vehicle recycler or a salvage pool. A person
10 may be issued a license to engage in business as both an
11 authorized vehicle recycler and a salvage pool if the
12 businesses are operated as separate entities. A person who
13 applies for an authorized vehicle recycler license may apply
14 to engage in business as a vehicle rebuilder, a used vehicle
15 parts dealer, or a vehicle salvager.

16 Sec. 6. Section 321H.4, subsection 2, unnumbered paragraph
17 1, Code 1995, is amended to read as follows:

18 Application for a license ~~as an authorized vehicle recycler~~
19 under this chapter shall be made to the department on forms
20 provided by the department. The application shall be
21 accompanied by a fee of seventy dollars for a two-year
22 license, one hundred forty dollars for a four-year license, or
23 two hundred ten dollars for a six-year license. The license
24 shall be approved or disapproved within thirty days after
25 application for the license. A license is valid for two
26 years, four years, or six years and expires on the last day of
27 the last month of the two-year, four-year, or six-year period,
28 as applicable. A separate license shall be obtained for each
29 county in which an applicant conducts operations.

30 EXPLANATION

31 Section 321.52, subsection 4, paragraph "a", is amended to
32 require that anyone who acquires a wrecked or salvage vehicle
33 must obtain a salvage title for the vehicle within 15 days of
34 transfer of the certificate of title. This requirement
35 applies only to vehicles with a fair market value of \$500 or

1 more, based on the value of the vehicle before it became
2 wrecked or salvage.

3 Chapter 321H is amended to require that persons operating
4 salvage pools must obtain a license. The bill defines salvage
5 pool to mean the business of selling at auction wrecked or
6 salvage vehicles. The bill provides that a person may operate
7 as a salvage pool and as an authorized vehicle recycler if the
8 businesses are operated as separate entities. A person who
9 violates a provision of chapter 321H is guilty of a simple
10 misdemeanor which is punishable by up to 30 days' imprisonment
11 or a fine of at least \$50 but not to exceed \$100. The bill
12 makes other changes to the Code which are related to adding a
13 salvage pool licensing requirement.

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Fraise
Jensen
Gettings

SSB-191

Succeeded by Transportation
SF/HF 236
SENATE FILE

BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON GETTINGS)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
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4 ~~of-buying,-selling,-or-exchanging-vehicles-of-a-type-required~~
5 ~~to-be-registered-in-this-state,-upon-acquisition-of-a person~~
6 who acquires a wrecked or salvage vehicle, shall surrender the
7 certificate of title or manufacturer's or importer's statement
8 of origin properly assigned, together with an application for
9 a salvage certificate of title to the county treasurer of the
10 county of residence of the purchaser or transferee within
11 fifteen days after the date of assignment of the certificate
12 of title for the wrecked or salvage motor vehicle. This
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35 the following new subsection:

1 NEW SUBSECTION. 4A. "Salvage pool" means the business of
2 selling at auction wrecked or salvage vehicles, as defined in
3 section 321.52.

4 Sec. 5. Section 321H.3, unnumbered paragraph 1, Code 1995,
5 is amended to read as follows:

6 Except for educational institutions, people licensed as new
7 vehicle dealers under chapter 322, people engaged in a hobby
8 not for profit, people engaged in the business of purchasing
9 bodies, parts of bodies, frames or component parts of vehicles
10 only for sale as scrap metal or a person licensed under the
11 provisions of this chapter ~~as-an-authorized-vehicle-recycler~~,
12 a person in this state shall not engage in the business of:

13 Sec. 6. Section 321H.4, subsection 1, Code 1995, is
14 amended by striking the subsection and inserting in lieu
15 thereof the following:

16 1. Upon initial application or renewal and payment of a
17 fee, a person may apply for a license to engage in business as
18 an authorized vehicle recycler or a salvage pool. A person
19 may be issued a license to engage in business as both an
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35 years, four years, or six years and expires on the last day of

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