

# Senate Study Bill 191

## Conference Committee Text

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

1 3 a. A

~~vehicle rebuilder or a person engaged in the business~~

1 4

~~of buying, selling, or exchanging vehicles of a type required~~

1 5

~~to be registered in this state, upon acquisition of a  
- person~~

1 6 who acquires a wrecked or salvage vehicle, shall surrender the  
1 7 certificate of title or manufacturer's or importer's statement  
1 8 of origin properly assigned, together with an application for  
1 9 a salvage certificate of title to the county treasurer of the  
1 10 county of residence of the purchaser or transferee within  
1 11 fifteen days after the date of assignment of the certificate  
1 12 of title for the wrecked or salvage motor vehicle. This  
1 13 subsection applies only to vehicles with a fair market value  
1 14 of five hundred dollars or more, based on the value before the  
1 15 vehicle became wrecked or salvage. Upon payment of a fee of  
1 16 two dollars, the county treasurer shall issue a salvage  
1 17 certificate of title which shall bear the word "SALVAGE"  
1 18 stamped or printed on the face of the title in a manner  
1 19 prescribed by the department. A salvage certificate of title  
1 20 may be assigned to an educational institution, a new motor  
1 21 vehicle dealer licensed under chapter 322, a person engaged in  
1 22 the business of purchasing bodies, parts of bodies, frames or  
1 23 component parts of vehicles for sale as scrap metal, a salvage  
1 24 pool, or an authorized vehicle recycler licensed under chapter  
1 25 321H. An authorized vehicle recycler licensed under chapter  
1 26 321H or a new motor vehicle dealer licensed under chapter 322  
1 27 may assign a salvage certificate of title to any person. A  
1 28 vehicle on which ownership has transferred to an insurer of  
1 29 the vehicle, as a result of a settlement with the owner of the  
1 30 vehicle arising out of damage to, or unrecovered theft of the  
1 31 vehicle, shall be deemed to be a wrecked or salvage vehicle  
1 32 and the insurer shall comply with this subsection to obtain a  
1 33 salvage certificate of title within fifteen days after the  
1 34 date of assignment of the certificate of title of the vehicle.

1 35 Sec. 2. Section [321.69](#), subsection 5, 7, and 9, Code 1995,  
2 1 are amended to read as follows:

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

2 10 7. A person, authorized vehicle recycler or salvage pool  
2 11 licensed under chapter 321H, or motor vehicle dealer licensed  
2 12 under chapter 322 shall not be liable to a subsequent owner of

2 13 a vehicle because a prior owner gave a false or inaccurate  
2 14 damage disclosure statement or failed to disclose that the  
2 15 vehicle had previously been damaged and repaired or had been  
2 16 titled on a salvage or rebuilt certificate of title unless the  
2 17 person, recycler, salvage pool, or dealer knew or reasonably  
2 18 should have known that the prior owner gave a false or  
2 19 inaccurate damage disclosure statement or failed to disclose  
2 20 that the vehicle had been damaged and repaired or had been  
2 21 titled on a salvage or rebuilt certificate of title.

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

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

2 31 3. "Extension" means a place of business

~~of an authorized~~

2 32

~~vehicle recycler~~

- other than the principal place of business

2 33 within the county of the principal place of business.

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

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

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

3 6 Except for educational institutions, people licensed as new  
3 7 vehicle dealers under chapter 322, people engaged in a hobby  
3 8 not for profit, people engaged in the business of purchasing  
3 9 bodies, parts of bodies, frames or component parts of vehicles  
3 10 only for sale as scrap metal or a person licensed under the  
3 11 provisions of this chapter

~~as an authorized vehicle recycler~~

3 12 a person in this state shall not engage in the business of:

3 13 Sec. 6. Section 321H.4, subsection 1, Code 1995, is  
3 14 amended by striking the subsection and inserting in lieu  
3 15 thereof the following:

3 16 1. Upon initial application or renewal and payment of a  
3 17 fee, a person may apply for a license to engage in business as  
3 18 an authorized vehicle recycler or a salvage pool. A person  
3 19 may be issued a license to engage in business as both an  
3 20 authorized vehicle recycler and a salvage pool if the  
3 21 businesses are operated as separate entities. A person who  
3 22 applies for an authorized vehicle recycler license may apply  
3 23 to engage in business as a vehicle rebuilder, a used vehicle  
3 24 parts dealer, or a vehicle salvager.

3 25 Sec. 7. Section 321H.4, subsection 2, unnumbered paragraph  
3 26 1, Code 1995, is amended to read as follows:

3 27 Application for a license

~~as an authorized vehicle recycler~~

3 28 under this chapter shall be made to the department on forms  
3 29 provided by the department. The application shall be  
3 30 accompanied by a fee of seventy dollars for a two-year  
3 31 license, one hundred forty dollars for a four-year license, or  
3 32 two hundred ten dollars for a six-year license. The license

3 33 shall be approved or disapproved within thirty days after  
3 34 application for the license. A license is valid for two  
3 35 years, four years, or six years and expires on the last day of  
4 1 the last month of the two-year, four-year, or six-year period,  
4 2 as applicable. A separate license shall be obtained for each  
4 3 county in which an applicant conducts operations.

4 4 EXPLANATION

4 5 Section 321.52, subsection 4, paragraph "a", is amended to  
4 6 require that anyone who acquires a wrecked or salvage vehicle  
4 7 must obtain a salvage title for the vehicle within 15 days of  
4 8 transfer of the certificate of title. This requirement  
4 9 applies only to vehicles with a fair market value of \$500 or  
4 10 more, based on the value of the vehicle before it became  
4 11 wrecked or salvage.

4 12 Chapter 321H is amended to require that persons operating  
4 13 salvage pools must obtain a license. The bill defines salvage  
4 14 pool to mean the business of selling at auction wrecked or  
4 15 salvage vehicles. The bill provides that a person may operate  
4 16 as a salvage pool and as an authorized vehicle recycler if the  
4 17 businesses are operated as separate entities. A person who  
4 18 violates a provision of chapter 321H is guilty of a simple  
4 19 misdemeanor which is punishable by up to 30 days' imprisonment  
4 20 or a fine of at least \$50 but not to exceed \$100. The bill  
4 21 makes other changes to the Code which are related to adding a  
4 22 salvage pool licensing requirement.

4 23 LSB 2325SC 76

4 24 js/cf/24