

FEB 9 1998
TRANSPORTATION

HOUSE FILE
BY COHOON

2193

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

A BILL FOR

1 An Act relating to the issuance of motor vehicle and mobile home
2 certificates of title.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2193

1 Section 1. Section 321.20, Code Supplement 1997, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 6. A statement issued by the appropriate
4 county treasurer that all registration fees previously owing
5 on the vehicle have been paid in full.

6 Sec. 2. Section 321.20A, subsection 1, Code 1997, is
7 amended to read as follows:

8 1. Notwithstanding other provisions of this chapter, the
9 owner of a commercial vehicle subject to the proportional
10 registration provisions of chapter 326, may make application
11 to the department for a certificate of title. The application
12 for certificate of title shall be made within fifteen thirty
13 days of purchase or transfer and accompanied by a ten dollar
14 title fee and appropriate use tax.

15 Sec. 3. Section 321.45, subsection 4, Code 1997, is
16 amended to read as follows:

17 4. A mobile home dealer, as defined in section 322B.2,
18 shall within fifteen thirty days of acquiring a used mobile or
19 manufactured home, titled in Iowa, apply for and obtain from
20 the county treasurer of the dealer's county of residence a new
21 certificate of title for the mobile or manufactured home.

22 Sec. 4. Section 321.46, subsection 1, Code 1997, is
23 amended to read as follows:

24 1. The transferee shall within fifteen thirty calendar
25 days after purchase or transfer apply for and obtain from the
26 county treasurer of the person's residence, or if a
27 nonresident, the county treasurer of the county where the
28 primary users of the vehicle are located or the county where
29 all other vehicles owned by the nonresident are registered, a
30 new registration and a new certificate of title for the
31 vehicle except as provided in section 321.25 or 321.48. The
32 transferee shall present with the application the certificate
33 of title endorsed and assigned by the previous owner and shall
34 indicate the name of the county in which the vehicle was last
35 registered and the registration expiration date. The

1 transferee shall be required to list a motor vehicle license
2 number.

3 Sec. 5. Section 321.48, subsection 2, Code 1997, is
4 amended to read as follows:

5 2. A foreign registered vehicle purchased or otherwise
6 acquired by a dealer for the purpose of resale shall be issued
7 a certificate of title for the vehicle by the county treasurer
8 of the dealer's residence upon proper application as provided
9 in this chapter and upon payment of a fee of five dollars and
10 the dealer is exempt from the payment of any and all
11 registration fees for the vehicle. The application for
12 certificate of title shall be made within ~~fifteen~~ thirty days
13 after the vehicle comes within the border of the state.
14 However, a dealer acquiring a vehicle registered in another
15 state which permits Iowa dealers to reassign that state's
16 certificates of title shall not be required to obtain a new
17 registration or a new certificate of title and upon
18 transferring title or interest to another person shall execute
19 an assignment upon the certificate of title for the vehicle to
20 the person to whom the transfer is made and deliver the
21 assigned certificate of title to the person.

22 Sec. 6. Section 321.49, subsections 1 and 3, Code 1997,
23 are amended to read as follows:

24 1. Except as provided in section 321.52, if an application
25 for transfer of registration and certificate of title is not
26 submitted to the county treasurer of the residence of the
27 transferee within ~~fifteen~~ thirty days of the date of
28 assignment or transfer of title, or within ~~twenty-two~~ thirty-
29 seven days of the date of delivery to the purchaser if the
30 vehicle is subject to a security interest and was offered for
31 sale pursuant to section 321.48, subsection 1, a penalty of
32 ten dollars shall accrue against the applicant, and no
33 registration card or certificate of title shall be issued to
34 the applicant for the vehicle until the penalty is paid.

35 3. A mobile home dealer who acquires a used mobile home,

1 titled in Iowa, and who does not apply for and obtain a
2 certificate of title from the county treasurer of the dealer's
3 county of residence within fifteen thirty days of the date of
4 acquisition, as required under section 321.45, subsection 4,
5 is subject to a penalty of ten dollars. A certificate of
6 title shall not be issued to the mobile home dealer until the
7 penalty is paid.

8 Sec. 7. Section 321.52, subsection 2, Code Supplement
9 1997, is amended to read as follows:

10 2. The purchaser or transferee of a motor vehicle for
11 which a certificate of title is issued which is sold for scrap
12 or junk shall surrender the certificate of title, properly
13 endorsed and signed by the previous owner, to the county
14 treasurer of the county of residence of the transferee, and
15 shall apply for a junking certificate from the county
16 treasurer, within fifteen thirty days after assignment of the
17 certificate of title. The county treasurer shall issue to
18 such person without fee a junking certificate. A junking
19 certificate shall authorize the holder to possess, transport
20 or transfer by endorsement the ownership of the junked
21 vehicle. A certificate of title shall not again be issued for
22 the vehicle subsequent to the issuance of a junking
23 certificate except as provided in subsection 3. The county
24 treasurer shall cancel the record of the vehicle. The junking
25 certificate shall be printed on the registration receipt form
26 and shall be imprinted with the words "junking certificate",
27 as prescribed by the department. A space for transfer by
28 endorsement shall be on the reverse side of the junking
29 certificate. A separate form for the notation of the transfer
30 of component parts shall be attached to the junking
31 certificate when the certificate is issued.

32 Sec. 8. Section 321.52, subsection 4, paragraph a, Code
33 Supplement 1997, is amended to read as follows:

34 a. A vehicle rebuilder or a person engaged in the business
35 of buying, selling, or exchanging vehicles of a type required

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

32 Sec. 9. Section 321.89, subsection 4, unnumbered paragraph
33 1, Code 1997, is amended to read as follows:

34 If an abandoned vehicle has not been reclaimed as provided
35 for in subsection 3, the police authority or private entity

1 shall make a determination as to whether or not the vehicle
2 shall be sold for use upon the highways. If the vehicle is
3 not sold for use upon the highways, it shall be sold for junk,
4 or demolished and sold as scrap. The police authority or
5 private entity shall sell the vehicle at public auction.
6 Notwithstanding any other provision of this section, a police
7 authority or private entity, which has taken into possession
8 any abandoned vehicle which lacks an engine, two or more
9 wheels, another part which renders the vehicle totally
10 inoperable, or which has a fair market value of less than five
11 hundred dollars as determined by the police authority or
12 private entity, may dispose of the vehicle to a demolisher for
13 junk without public auction after complying with the
14 notification procedures in subsection 3. The purchaser of the
15 vehicle takes title free and clear of all liens and claims of
16 ownership, shall receive a sales receipt from the police
17 authority or private entity, and is entitled to register the
18 vehicle and receive a certificate of title if sold for use
19 upon the highways. If the vehicle is sold or disposed of to a
20 demolisher for junk, the demolisher shall make application for
21 a junking certificate to the county treasurer within ~~fifteen~~
22 thirty days of purchase and shall surrender the sales receipt
23 in lieu of the certificate of title.

24 Sec. 10. Section 321.90, subsection 2, paragraphs d and e,
25 Code 1997, are amended to read as follows:

26 d. If the abandoned motor vehicle is not reclaimed in
27 accordance with section 321.89, subsection 3, or no lienholder
28 objects to the disposal in the case of an owner-applicant, the
29 police authority shall give the applicant a certificate of
30 authority allowing the applicant to obtain a junking
31 certificate for the motor vehicle. The applicant shall make
32 application for a junking certificate to the county treasurer
33 within ~~fifteen~~ thirty days of purchase and surrender the
34 certificate of authority in lieu of the certificate of title.
35 The demolisher shall accept the junking certificate in lieu of

1 the certificate of title to the motor vehicle.

2 e. Notwithstanding any other provisions of this section
3 and sections 321.89 and 321.91, any person, firm, corporation,
4 or unit of government upon whose property or in whose
5 possession is found any abandoned motor vehicle, or any person
6 being the owner of a motor vehicle whose title certificate is
7 faulty, lost, or destroyed, may dispose of such motor vehicle
8 to a demolisher for junk without a title and without the
9 notification procedures of section 321.89, subsection 3, if
10 the motor vehicle lacks an engine or two or more wheels or
11 other structural part which renders the vehicle totally
12 inoperable. The police authority shall give the applicant a
13 certificate of authority. The owner shall apply to the county
14 treasurer for a junking certificate within ~~fifteen~~ thirty days
15 of purchase and shall surrender the certificate of authority
16 in lieu of the certificate of title.

17 Sec. 11. Section 321.104, subsection 6, Code Supplement
18 1997, is amended to read as follows:

19 6. For a dealer to sell or transfer a mobile home without
20 delivering to the purchaser or transferee a certificate of
21 title or a manufacturer's or importer's certificate properly
22 assigned to the purchaser, or to transfer a mobile home
23 without disclosing to the purchaser the owner of the mobile
24 home in a manner prescribed by the department pursuant to
25 rules, or to fail to certify within seven days to the proper
26 county treasurer the information required under section
27 321.45, subsection 4, or to fail to apply for and obtain a
28 certificate of title for a used mobile home, titled in Iowa,
29 acquired by the dealer within ~~fifteen~~ thirty days from the
30 date of acquisition as required under section 321.45,
31 subsection 4.

32 Sec. 12. IMPLEMENTATION OF ACT. Section 25B.2, subsection
33 3, shall not apply to this Act.

34 Sec. 13. CERTIFICATES OF TITLE -- REVIEW. The state
35 department of transportation and the county treasurers shall

1 review the form and contents of certificates of title for
2 motor vehicles and mobile homes with the goal of simplifying
3 the use of the certificates in transferring ownership of motor
4 vehicles and mobile homes from one owner to another. The
5 department and the county treasurers shall report their
6 findings and recommendations regarding certificates of title
7 to the general assembly meeting in the year 1999.

8

EXPLANATION

9 This bill relates to the issuance of motor vehicle and
10 mobile home certificates of title.

11 The bill requires that an application for a certificate of
12 title include a statement issued by the county treasurer that
13 all registration fees previously owing on the vehicle have
14 been paid in full.

15 The bill extends the period for obtaining a new certificate
16 of title for motor vehicles and mobile homes from 15 to 30
17 days after purchase or transfer. An extension from 22 to 37
18 days is provided for certificates of title for vehicles
19 subject to a security interest that are sold by a motor
20 vehicle dealer.

21 The bill requires the state department of transportation
22 and the county treasurers to review the form and contents of
23 certificates of title for motor vehicles and mobile homes with
24 the goal of simplifying the use of the certificates in
25 transferring ownership. The findings and recommendations of
26 the review are to be reported to the general assembly meeting
27 in the year 1999.

28 The bill may include a state mandate as defined in Code
29 section 25B.3. This bill makes inapplicable Code section
30 25B.2, subsection 3, which would relieve a political
31 subdivision from complying with a state mandate if funding for
32 the cost of the state mandate is not provided or specified.
33 Therefore, political subdivisions are required to comply with
34 any state mandate included in this bill.

35

**HOUSE FILE 2193
FISCAL NOTE**

A fiscal note for House File 2193 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2193 extends the period for obtaining a new certificate of title for motor vehicles and mobile homes from 15 to 30 days after purchase. The Bill also requires that an application for a certificate of title includes a statement that all registration fees on the vehicle have been paid in full. The Bill requires the Department of Transportation (DOT) and county treasurers review the form and content of the certificate of title with the goal of simplifying the use of the certificate in transferring ownership. Findings and recommendations are to be reported to the General Assembly in 1999.

ASSUMPTIONS

1. There were 55,370 titles issued in 1997 which were assessed a \$10 late penalty fee. This fee generated approximately \$554,000 to the Road Use Tax Fund. The estimate assumes all new certificates of title for motor vehicles and mobile homes would be acquired within the prescribed deadline.
2. The time period for obtaining a certificate of title would be extended from 15 days to 30 days after purchase. This could significantly increase the number of persons obtaining certificates of title before a \$10 penalty is assessed.
3. Forms would be revised at a printing cost of \$.97 per pad of 100 forms. Currently, the State purchases a full year's worth of certificate of title forms (approximately 15,000 pads) in January of each year. The Bill, effective July 1, 1998, requires the DOT to purchase one-half year's worth of new certificate of title forms (7,500 pads) for the second half of 1998. This would result in a total cost increase of approximately \$7,000 to the Road Use Tax Fund.

FISCAL IMPACT

Based on penalties paid in 1997 and assuming all certificates of title would be acquired within the prescribed time frame, House File 2193 would result in a decrease to the Road Use Tax Fund of approximately \$561,000 in FY 1999. The estimate includes a decrease of \$554,000 in penalty assessments and a \$7,000 expenditure for the purchase of required forms. In future years, penalty assessment collections would be affected to the extent individuals acquire certificates of title after the prescribed deadline.

SOURCE

Department of Transportation

(LSB 3189hh, DLR)

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BY DENNIS PROUTY, FISCAL DIRECTOR