

WITHDRAWN

FEB 11 1998

TRANSPORTATION

HOUSE FILE
BY O'BRIEN

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

A BILL FOR

1 An Act relating to motor vehicle damage disclosure limitations.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2222

1 Section 1. Section 321.69, subsections 2 and 3, Code
2 Supplement 1997, 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 six 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 tires, lights,
19 windshields, windows, a sound system, or an inflatable
20 restraint system. A determination of the amount of damage to
21 a vehicle shall be based on estimates of the retail cost of
22 repairing the vehicle, including labor, parts, and other
23 materials, if the vehicle has not been repaired or on the
24 actual retail cost of repair, including labor, parts, and
25 other materials, if the vehicle has been repaired. Only
26 individual incidents in which the retail cost of repairs is
27 three six thousand dollars or more are required to be
28 disclosed by this section. If the vehicle has incurred damage
29 of three six thousand dollars or more per incident in more
30 than one incident, the damage amounts must be combined and
31 disclosed as the total of all separate incidents.

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

1 statement from the transferor with the transferee's
2 application for title unless the state of the transferor's
3 residence requires a damage disclosure statement. However,
4 the transferee shall submit a damage disclosure statement with
5 the transferee's application for title indicating whether a
6 salvage or rebuilt title had ever existed for the vehicle,
7 whether the vehicle had incurred prior damage of three six
8 thousand dollars or more per incident, and the year, make, and
9 vehicle identification number of the motor vehicle. The
10 transferee shall not be required to indicate whether the
11 vehicle had incurred prior damage of three six thousand
12 dollars or more per incident under this subsection if the
13 transferor's certificate of title is from another state and if
14 it indicates that the vehicle is salvaged and not rebuilt or
15 is another state's salvage certificate of title.

16 EXPLANATION

17 Current law requires a transferor of a motor vehicle to
18 provide a damage disclosure statement to the transferee
19 indicating the costs of repair to the vehicle if a single
20 damage amount exceeded \$3,000. The law provides that normal
21 wear and tear need not be included in calculating the damage
22 amount.

23 This bill changes the threshold damage amount from \$3,000
24 to \$6,000. The bill further provides that when calculating
25 the damage amount, the transferor does not need to include the
26 cost to repair or replace tires, lights, windshields, windows,
27 and any sound system.

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