

4-7-97 Referred to Transportation

MAR 14 1997

HOUSE FILE 641
BY COMMITTEE ON TRANSPORTATION

Place On Calendar

(SUCCESSOR TO HSB 223)

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 statements.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3

HOUSE FILE 641

H-1259

- 1 Amend House File 641 as follows:
- 2 1. Page 1, line 22, by inserting after the word
- 3 "damage" the following: "and the year in which the
- 4 significant damage was sustained".
- 5 2. Page 2, line 25, by inserting after the word
- 6 "damage" the following: ", the year in which the
- 7 significant damage was sustained".
- 8 3. Page 3, line 12, by inserting after the word
- 9 ""DAMAGED"" the following: "and the year in which the
- 10 significant damage was sustained".
- 11 4. Page 3, line 14, by inserting after the word
- 12 "designation" the following: ", and the year in which
- 13 the significant damage was sustained,".

By BRAUNS of Muscatine	CHIODO of Polk
WEIDMAN of Cass	HUSER of Polk
NELSON of Marshall	

H-1259 FILED MARCH 19, 1997

HF 641

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1 Section 1. Section 321.69, subsections 1 through 4 and 9,
2 Code 1997, are amended to read as follows:

3 1. A certificate of title shall not be issued for a motor
4 vehicle unless a damage disclosure statement has been made by
5 the transferor of the vehicle and is furnished with the
6 application for certificate of title. A damage disclosure
7 statement must be provided by the transferor to the transferee
8 in a transfer of ownership of a motor vehicle. ~~The new~~
9 ~~certificate-of-title-and-registration-receipt-shall-state-on~~
10 ~~the-face-of-the-title-the-total-cumulative-dollar-amount-of~~
11 ~~damage-reported-by-owners-prior-to-the-owner-listed-on-the~~
12 ~~front-of-the-title.~~

13 2. The damage disclosure statement required by this
14 section shall, at a minimum, state ~~the-total-retail-dollar~~
15 ~~amount-of-all-damage-to-the-vehicle-during-the-period-of-the~~
16 ~~transferor's-ownership-of-the-vehicle-and~~ whether the
17 transferor knows if the vehicle was titled as a salvage or
18 flood vehicle in this or any other state prior to the
19 transferor's ownership of the vehicle and whether, during the
20 period of the transferor's ownership or prior to the
21 transferor's ownership, the vehicle sustained significant
22 damage. For the purposes of this section, "damage"~~refers to~~
23 ~~damage-to-the-vehicle-caused-by-fire,-vandalism,-collision,-~~
24 ~~weather,-falling-objects,-submersion-in-water,-or-flood,-where~~
25 ~~the-cost-of-repair-is-three-thousand-dollars-or-more-per~~
26 ~~incident,-but-does-not-include-normal-wear-and-tear,-glass~~
27 ~~damage,-mechanical-repairs-or-electrical-repairs-that-have-not~~
28 ~~been-caused-by-fire,-vandalism,-collision,-weather,-falling~~
29 ~~objects,-submersion-in-water,-or-flood~~ "significant damage"
30 means damage sustained in any one incident for which the cost
31 of repair exceeds fifty percent of the fair market value of
32 the vehicle before it became damaged, as determined in
33 accordance with rules adopted by the department pursuant to
34 section 321.52, subsection 4, paragraph "d". "Damage"~~does~~
35 ~~not-include-the-cost-of-repairing,-replacing,-or-reinstalling~~

1 ~~an-inflatable-restraint-system.~~ A determination of the amount
2 of damage to a vehicle shall be based on estimates of the
3 retail cost of repairing the vehicle, including labor, parts,
4 and other materials, if the vehicle has not been repaired or
5 on the actual retail cost of repair, including labor, parts,
6 and other materials, if the vehicle has been repaired. Only
7 ~~individual-incidents-in-which-the-retail-cost-of-repairs-is~~
8 ~~three-thousand-dollars-or-more-are-required-to-be-disclosed-by~~
9 ~~this-section.--If-the-vehicle-has-incurred-damage-of-three~~
10 ~~thousand-dollars-or-more-per-incident-in-more-than-one~~
11 ~~incident, the damage amounts must be combined and disclosed as~~
12 ~~the total of all separate incidents.~~

13 3. The damage disclosure statement shall be provided by
14 the transferor to the transferee at or before the time of
15 sale. If the transferor is not a resident of this state the
16 transferee shall not be required to submit a damage disclosure
17 statement from the transferor with the transferee's
18 application for title unless the state of the transferor's
19 residence requires a damage disclosure statement. However,
20 the transferee shall submit a damage disclosure statement with
21 the transferee's application for title indicating whether the
22 transferee knows that a salvage or rebuilt title had ever
23 existed for the vehicle, whether the vehicle had incurred
24 ~~prior-damage-of-three-thousand-dollars-or-more-per-incident~~
25 ever sustained significant damage, and the year, make, and
26 vehicle identification number of the motor vehicle. The
27 ~~transferee shall not be required to indicate whether the~~
28 ~~vehicle had incurred prior damage of three thousand dollars or~~
29 ~~more per incident under this subsection if the transferor's~~
30 ~~certificate of title is from another state and if it indicates~~
31 ~~that the vehicle is salvaged and not rebuilt or is another~~
32 ~~state's salvage certificate of title.~~

33 4. A lessee who has executed a lease as defined in section
34 ~~321F.1 shall provide a damage disclosure statement to the~~
35 ~~lessor at the termination of the lease.--The damage disclosure~~

1 ~~statement shall be made on a separate disclosure document and~~
2 ~~shall state the total dollar amount of all damage to the~~
3 ~~vehicle which occurred during the term of the lease.---The~~
4 ~~lessee's damage disclosure statement shall not be submitted~~
5 ~~with the application for title, but the lessor shall retain~~
6 ~~the lessee's damage disclosure statement for five years~~
7 ~~following the date of the statement. If the transferor's~~
8 damage disclosure statement indicates that during the period
9 of the transferor's ownership or prior to the transferor's
10 ownership the vehicle sustained significant damage, the new
11 certificate of title and registration receipt shall contain
12 the designation of "DAMAGED" and subsequent certificates of
13 title and registration receipts shall contain the "DAMAGED"
14 designation for the life of the vehicle, unless the
15 certificate of title is transferred to a salvage certificate
16 of title or unless the vehicle acquired a "REBUILT" or
17 "SALVAGE" designation pursuant to section 321.24 or 321.52.

18 9. This section does not apply to motor trucks and truck
19 tractors with a gross vehicle weight rating of sixteen
20 thousand pounds or more, vehicles more than ~~nine~~ five model
21 years old, motorcycles, motorized bicycles, and special mobile
22 equipment. The section does apply to motor homes.

23 EXPLANATION

24 This bill makes the following changes to Code section
25 321.69, regarding motor vehicle damage disclosure statements:

26 1. The requirement that a new certificate of title and
27 registration receipt state on the face of the title the total
28 cumulative dollar amount of damage reported by owners prior to
29 the owner listed on the title is removed from subsection 1.

30 2. The requirement that a damage disclosure statement
31 contain the total retail dollar amount of all damage to the
32 vehicle during the time the vehicle was owned by the person
33 transferring the vehicle is removed from subsection 2. A
34 provision requiring the person transferring the vehicle to
35 state whether the person knows whether the vehicle sustained

1 significant damage during the time the vehicle was owned by
2 the person is added. "Significant damage" is defined as
3 damage in any one incident for which the cost of repair is
4 greater than 50 percent of the fair market value of the
5 vehicle prior to the damage. Fair market value is to be
6 determined in accordance with rules developed by the state
7 department of transportation regarding wrecked or salvage
8 vehicles.

9 3. The \$3,000 damage requirement for submitting damage
10 disclosure statements is eliminated.

11 4. A damage disclosure statement which must be submitted
12 by a person obtaining a vehicle from a transferor who is not a
13 resident of this state is changed to provide that the person
14 must state whether the person knows if the vehicle sustained
15 significant damage rather than whether the vehicle sustained
16 \$3,000 or more of damage.

17 5. Subsection 4, regarding damage disclosure statements at
18 the termination of leases, is stricken and replaced with a
19 provision requiring the certificate of title of a vehicle
20 which has sustained significant damage to contain the
21 designation "DAMAGED" unless the vehicle is transferred to a
22 salvage certificate of title or acquires a "REBUILT" or
23 "SALVAGE" designation.

24 6. Subsection 9 is amended to provide that the section
25 does not apply to vehicles more than five years old.
26 Currently, the section does not apply to vehicles more than
27 nine years old.

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Weldman Chair

Amend

Chords

May

Heater

NSB 223

TRANSPORTATION

Succeeded By

SF/HF 641

HOUSE FILE

BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON WELTER)

Passed House, Date _____

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Vote: Ayes _____ Nays _____

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27 ~~transferee-shall-not-be-required-to-indicate-whether-the~~
28 ~~vehicle-had-incurred-prior-damage-of-three-thousand-dollars-or~~
29 ~~more-per-incident-under-this-subsection-if-the-transferor's~~
30 ~~certificate-of-title-is-from-another-state-and-if-it-indicates~~
31 ~~that-the-vehicle-is-salvaged-and-not-rebuilt-or-is-another~~
32 ~~state's-salvage-certificate-of-title.~~

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