

House Study Bill 619

Bill Text

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1 1 Section 1. Section [321.69](#), subsections 2 and 3, Code
1 2 Supplement 1997, are amended to read as follows:
1 3 2. The damage disclosure statement required by this
1 4 section shall, at a minimum, state the total retail dollar
1 5 amount of all damage to the vehicle during the period of the
1 6 transferor's ownership of the vehicle and whether the
1 7 transferor knows if the vehicle was titled as a salvage or
1 8 flood vehicle in this or any other state prior to the
1 9 transferor's ownership of the vehicle. For the purposes of
1 10 this section, "damage" refers to damage to the vehicle caused
1 11 by fire, vandalism, collision, weather, falling objects,
1 12 submersion in water, or flood, where the cost of repair is
1 13

~~three~~
- ~~five~~ thousand dollars or more per incident, but does not
1 14 include normal wear and tear, glass damage, mechanical repairs
1 15 or electrical repairs that have not been caused by fire,
1 16 vandalism, collision, weather, falling objects, submersion in
1 17 water, or flood. "Damage" does not include the cost of
1 18 repairing, replacing, or reinstalling tires, lights,
1 19 windshields, windows, a sound system, or an inflatable
1 20 restraint system. A determination of the amount of damage to
1 21 a vehicle shall be based on estimates of the retail cost of
1 22 repairing the vehicle, including labor, parts, and other
1 23 materials, if the vehicle has not been repaired or on the
1 24 actual retail cost of repair, including labor, parts, and
1 25 other materials, if the vehicle has been repaired. Only
1 26 individual incidents in which the retail cost of repairs is
1 27

~~three~~
- ~~five~~ thousand dollars or more are required to be
1 28 disclosed by this section. If the vehicle has incurred damage
1 29 of

~~three~~
- ~~five~~ thousand dollars or more per incident in more
1 30 than one incident, the damage amounts must be combined and
1 31 disclosed as the total of all separate incidents.
1 32 3. The damage disclosure statement shall be provided by
1 33 the transferor to the transferee at or before the time of
1 34 sale. If the transferor is not a resident of this state the
1 35 transferee shall not be required to submit a damage disclosure
2 1 statement from the transferor with the transferee's
2 2 application for title unless the state of the transferor's
2 3 residence requires a damage disclosure statement. However,
2 4 the transferee shall submit a damage disclosure statement with
2 5 the transferee's application for title indicating whether a
2 6 salvage or rebuilt title had ever existed for the vehicle,
2 7 whether the vehicle had incurred prior damage of

~~three~~
- ~~five~~
2 8 thousand dollars or more per incident, and the year, make, and
2 9 vehicle identification number of the motor vehicle. The

2 10 transferee shall not be required to indicate whether the
2 11 vehicle had incurred prior damage of

~~three~~

- five thousand

2 12 dollars or more per incident under this subsection if the
2 13 transferor's certificate of title is from another state and if
2 14 it indicates that the vehicle is salvaged and not rebuilt or
2 15 is another state's salvage certificate of title.

2 16 EXPLANATION

2 17 Current law requires a transferor of a motor vehicle to
2 18 provide a damage disclosure statement to the transferee
2 19 indicating the costs of repair to the vehicle if a single
2 20 damage amount exceeded \$3,000. The law provides that normal
2 21 wear and tear need not be included in calculating the damage
2 22 amount.

2 23 This bill changes the threshold damage amount from \$3,000
2 24 to \$5,000. The bill further provides that when calculating
2 25 the damage amount, the transferor does not need to include the
2 26 cost to repair or replace tires, lights, windshields, windows,
2 27 and any sound system.

2 28 LSB 3652HC 77

2 29 jm/sc/14