

REPRINTED

FILED FEB 12 1998

SENATE FILE 2192  
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 2104)

Passed Senate, <sup>(P.637)</sup> Date 3/11/98 Passed House, Date 3/23/98 <sup>(P.857)</sup>  
Vote: Ayes 44 Nays 5 Vote: Ayes 79 Nays 18  
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:

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S.F. 2192

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

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

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

15 EXPLANATION

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

22 This bill changes the threshold damage amount from \$3,000  
23 to \$5,000. The bill further provides that when calculating  
24 the damage amount, the transferor does not need to include the  
25 cost to repair or replace tires, lights, and batteries.

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S-5192

1 Amend Senate File 2192 as follows:

2 1. Page 1, line 12, by inserting after the word  
3 "repair" the following: "per incident".

4 2. Page 1, lines 12 and 13 by striking the words  
5 "is three five thousand dollars or more per incident"  
6 and inserting the following: "is-three-thousand  
7 dollars-or-more-per-incident exceeds the lesser of  
8 thirty-three percent of the average retail market  
9 value of the vehicle before it was damaged or five  
10 thousand dollars".

11 3. Page 1, by striking line 26 and inserting the  
12 following: "retail-cost-of-repairs-is-three-thousand  
13 dollars-or-more retail cost of repairs exceeds the  
14 lesser of thirty-three percent of the average retail  
15 market value of the vehicle before it was damaged or  
16 five thousand dollars".

17 4. Page 1, lines 28 and 29, by striking the words  
18 "of three five thousand dollars or more per incident"  
19 and inserting the following: "of-three-thousand  
20 dollars-or-more-per-incident that required a damage  
21 disclosure statement under this section".

22 5. Page 1, by inserting after line 30 the  
23 following: "For the purposes of this section, the  
24 average retail market value of a vehicle is defined as  
25 the average retail value of a motor vehicle including  
26 any valuation adjustments made for mileage and other  
27 vehicle options published in a nationally recognized  
28 publication of motor vehicle retail values which was  
29 current the date the damage occurred."

30 6. Page 2, lines 6 and 7, by striking the words  
31 "of three five thousand dollars or more per incident"  
32 and inserting the following: "of-three-thousand  
33 dollars-or-more-per-incident that exceeded the lesser  
34 of thirty-three percent of the average retail market  
35 value of the vehicle before it became damaged or five  
36 thousand dollars".

37 7. Page 2, lines 10 and 11, by striking the words  
38 "of three five thousand dollars or more" and inserting  
39 the following: "of-three-thousand-dollars-or-more  
40 that exceeded the lesser of thirty-three percent of  
41 the average retail market value of the vehicle before  
42 it became damaged or five thousand dollars".

By MIKE CONNOLLY

S-5192 FILED MARCH 11, 1998

LOST

(P.637)

SENATE FILE 2192

S-5040

- 1 Amend Senate File 2192 as follows:
- 2 1. Page 1, line 33, by inserting after the word
- 3 "sale." the following: "However, if a vehicle has a
- 4 salvage certificate of title, a damage disclosure
- 5 statement is not required under this section."

By EUGENE S. FRAISE  
JOHN P. KIBBIE  
DON GETTINGS

TOM FLYNN  
JOHN W. JENSEN

S-5040 FILED FEBRUARY 17, 1998

**WITHDRAWN** 3/11/97

SENATE FILE 2192

S-5158

- 1 Amend Senate File 2192 as follows:
- 2 1. Page 1, line 33, by inserting after the word
- 3 "sale." the following: "However, if the transferor
- 4 has a salvage certificate of title for the vehicle,
- 5 the transferor is not required to disclose under this
- 6 section the total retail cost of repairs to the
- 7 vehicle during the period of the transferor's
- 8 ownership of the vehicle."

By EUGENE S. FRAISE

S-5158 FILED MARCH 10, 1998

*Adopted*  
3/11/98 (p. 637)

*Substituted for  
H.F. 2413 3/23/98  
(p. 856)*

SENATE FILE **2192**

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 2104)

(AS AMENDED AND PASSED BY THE SENATE MARCH 11, 1998)

~~-----~~ - New Language by the Senate

Passed Senate, <sup>(p. 850)</sup> Date 3/24/98 Passed House, Date 3/23/98 (p. 857)  
Vote: Ayes 49 Nays 0 Vote: Ayes 79 Nays 18  
Approved April 1, 1998

**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:

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SF. 2192

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 five 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 batteries, or an inflatable restraint system. A determination  
20 of the amount of damage to a vehicle shall be based on  
21 estimates of the retail cost of repairing the vehicle,  
22 including labor, parts, and other materials, if the vehicle  
23 has not been repaired or on the actual retail cost of repair,  
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25 has been repaired. Only individual incidents in which the  
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27 are required to be disclosed by this section. If the vehicle  
28 has incurred damage of three five thousand dollars or more per  
29 incident in more than one incident, the damage amounts must be  
30 combined and disclosed as the total of all separate incidents.

31 3. The damage disclosure statement shall be provided by  
32 the transferor to the transferee at or before the time of  
33 sale. However, if the transferor has a salvage certificate of  
34 title for the vehicle, the transferor is not required to  
35 disclose under this section the total retail cost of repairs

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

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SENATE FILE 2192

H-8387

1 Amend Senate File 2192, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, line 19, by inserting after the word  
4 "batteries," the following: "windshields, windows, a  
5 sound system,".

By CHIODO of Polk  
EDDIE of Buena Vista  
RAYHONS of Hancock

CARROLL of Poweshiek  
BLODGETT of Cerro Gordo

H-8387 FILED MARCH 12, 1998

*Adopted 3/23/98 (p. 857)*

SENATE FILE 2192

H-8422

1 Amend Senate File 2192 as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, line 13, by striking the word "five"  
4 and inserting the following: "six".  
5 2. Page 1, line 26, by striking the word "five"  
6 and inserting the following: "six".  
7 3. Page 1, line 28, by striking the word "five"  
8 and inserting the following: "six".  
9 4. Page 2, line 10, by striking the word "five"  
10 and inserting the following: "six".  
11 5. Page 2, line 14, by striking the word "five"  
12 and inserting the following: "six".

By O'BRIEN of Boone

H-8422 FILED MARCH 15, 1998

*W/d 3/23/98 (p. 857)*

HOUSE AMENDMENT TO  
SENATE FILE 2192

S-5324

1 Amend Senate File 2192, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, line 19, by inserting after the word  
4 "batteries," the following: "windshields, windows, a  
5 sound system,".

RECEIVED FROM THE HOUSE

S-5324 FILED MARCH 23, 1998

*Senate Concurred  
3/24/98  
(p. 850)*

Jensen  
Drake  
Frais

SSB 2104

Transportation

Succeeded By

SENATE FILE SE/HF 2192

BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON DRAKE)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

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9 transferor's ownership of the vehicle. For the purposes of  
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1 statement from the transferor with the transferee's  
 2 application for title unless the state of the transferor's  
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 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 five 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.

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 \$5,000. 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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SENATE FILE 2192

AN ACT

RELATING TO MOTOR VEHICLE DAMAGE DISCLOSURE STATEMENTS.

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

Section 1. Section 321.69, subsections 2 and 3, Code Supplement 1997, are amended to read as follows:

2. The damage disclosure statement required by this section shall, at a minimum, state the total retail dollar amount of all damage to the vehicle during the period of the transferor's ownership of the vehicle and whether the transferor knows if the vehicle was titled as a salvage or flood vehicle in this or any other state prior to the transferor's ownership of the vehicle. For the purposes of this section, "damage" refers to damage to the vehicle caused by fire, vandalism, collision, weather, falling objects, submersion in water, or flood, where the cost of repair is three five thousand dollars or more per incident, but does not include normal wear and tear, glass damage, mechanical repairs or electrical repairs that have not been caused by fire, vandalism, collision, weather, falling objects, submersion in water, or flood. "Damage" does not include the cost of

repairing, replacing, or reinstalling tires, lights, batteries, windshields, windows, a sound system, or an inflatable restraint system. A determination of the amount of damage to a vehicle shall be based on estimates of the retail cost of repairing the vehicle, including labor, parts, and other materials, if the vehicle has not been repaired or on the actual retail cost of repair, including labor, parts, and other materials, if the vehicle has been repaired. Only individual incidents in which the retail cost of repairs is three five thousand dollars or more are required to be disclosed by this section. If the vehicle has incurred damage of three five thousand dollars or more per incident in more than one incident, the damage amounts must be combined and disclosed as the total of all separate incidents.

3. The damage disclosure statement shall be provided by the transferor to the transferee at or before the time of sale. However, if the transferor has a salvage certificate of title for the vehicle, the transferor is not required to disclose under this section the total retail cost of repairs to the vehicle during the period of the transferor's ownership of the vehicle. If the transferor is not a resident of this state the transferee shall not be required to submit a damage disclosure statement from the transferor with the transferee's application for title unless the state of the transferor's residence requires a damage disclosure statement. However, the transferee shall submit a damage disclosure statement with the transferee's application for title indicating whether a salvage or rebuilt title had ever existed for the vehicle, whether the vehicle had incurred prior damage of three five thousand dollars or more per incident, and the year, make, and vehicle identification number of the motor vehicle. The transferee shall not be required to indicate whether the vehicle had incurred prior damage of three five thousand dollars or more per incident under this subsection if the transferor's certificate of title is from another state and if

it indicates that the vehicle is salvaged and not rebuilt or is another state's salvage certificate of title.

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MARY E. KRAMER  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2192, Seventy-seventh General Assembly.

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MARY PAT GUNDERSON  
Secretary of the Senate

Approved April 1, 1998

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TERRY E. BRANSTAD  
Governor