

FILED JAN 12 2000

SENATE FILE 2020
BY MADDOX

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

A BILL FOR

1 An Act relating to damage disclosure statements for motor
2 vehicles.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2020
TRANSPORTATION

1 Section 1. Section 321.69, subsections 2 and 3, Code 1999,
2 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 per
13 incident equals at least five thousand dollars or more-per
14 incident twenty-five percent of the fair market value of the
15 vehicle, whichever is greater, but does not include normal
16 wear and tear, glass damage, mechanical repairs or electrical
17 repairs that have not been caused by fire, vandalism,
18 collision, weather, falling objects, submersion in water, or
19 flood. "Damage" does not include the cost of repairing,
20 replacing, or reinstalling tires, lights, batteries,
21 windshields, windows, a sound system, or an inflatable
22 restraint system. A determination of the amount of damage to
23 a vehicle shall be based on estimates of the retail cost of
24 repairing the vehicle, including labor, parts, and other
25 materials, if the vehicle has not been repaired or on the
26 actual retail cost of repair, including labor, parts, and
27 other materials, if the vehicle has been repaired. Only
28 individual incidents in which the retail cost of repairs is at
29 least five thousand dollars or more twenty-five percent of the
30 fair market value of the vehicle, whichever is greater, are
31 required to be disclosed by this section. If the vehicle has
32 incurred sustained damage of at least five thousand dollars or
33 more twenty-five percent of the fair market value of the
34 vehicle, whichever is greater, per incident in more than one
35 incident, the damage amounts must be combined and disclosed as

1 the total of all separate incidents. For purposes of this
2 section, "fair market value of the vehicle" means the fair
3 market value of the vehicle immediately preceding the
4 incident, as determined by the Kelley blue book.

5 3. The damage disclosure statement shall be provided by
6 the transferor to the transferee at or before the time of
7 sale. However, if the transferor has a salvage certificate of
8 title for the vehicle, the transferor is not required to
9 disclose under this section the total retail cost of repairs
10 to the vehicle during the period of the transferor's ownership
11 of the vehicle. If the transferor is not a resident of this
12 state the transferee shall not be required to submit a damage
13 disclosure statement from the transferor with the transferee's
14 application for title unless the state of the transferor's
15 residence requires a damage disclosure statement. However,
16 the transferee shall submit a damage disclosure statement with
17 the transferee's application for title indicating whether a
18 salvage or rebuilt title had ever existed for the vehicle,
19 whether the vehicle had incurred sustained prior damage of at
20 least five thousand dollars or more twenty-five percent of the
21 fair market value of the vehicle, whichever is greater, per
22 incident, and the year, make, and vehicle identification
23 number of the motor vehicle. The transferee shall not be
24 required to indicate whether the vehicle had incurred
25 sustained prior damage of at least five thousand dollars or
26 more twenty-five percent of the fair market value of the
27 vehicle, whichever is greater, per incident under this
28 subsection if the transferor's certificate of title is from
29 another state and if it indicates that the vehicle is salvaged
30 and not rebuilt or is another state's salvage certificate of
31 title.

32 EXPLANATION

33 This bill amends Code section 321.69, which currently
34 requires the owner of a motor vehicle to make a damage
35 disclosure statement prior to transferring ownership of the

1 motor vehicle if the motor vehicle has sustained \$5,000 or
2 more in damage to the vehicle in one incident. The bill
3 provides instead that such statement must be made if the motor
4 vehicle sustained damage of at least \$5,000 or 25 percent of
5 the fair market value of the vehicle, whichever is greater, in
6 one incident. The bill defines "fair market value of the
7 vehicle", for purposes of Code section 321.69, as the fair
8 market value of the vehicle immediately preceding the
9 incident, as determined by the Kelley blue book.

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