

Drake
Jensen
McCoy

SSB 3155
Transportation

Succeeded By
HF 2315

SENATE/HOUSE FILE
BY (PROPOSED ATTORNEY GENERAL
BILL)

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

A BILL FOR

1 An Act relating to the motor vehicle lemon law, and making an
2 administrative fine applicable.

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

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1 Section 1. Section 321.24, Code Supplement 1999, is
2 amended by adding the following new unnumbered paragraph after
3 unnumbered paragraph 5:

4 NEW UNNUMBERED PARAGRAPH. If the prior certificate of
5 title is from another state and indicates that the vehicle was
6 returned to the manufacturer pursuant to a law of another
7 state similar to chapter 322G, the new registration receipt
8 and certificate of title, and all subsequent registration
9 receipts and certificates of title issued for the vehicle,
10 shall contain a designation indicating the vehicle was
11 returned to the manufacturer. The department shall determine
12 the manner in which other states' designations are to be
13 indicated on Iowa registration receipts and certificates of
14 title. The department may determine that a "REBUILT" or
15 "SALVAGE" designation supersedes the designation required by
16 this paragraph and include the "REBUILT" or "SALVAGE"
17 designation on the registration receipt and certificate of
18 title in lieu of the designation required by this paragraph.

19 Sec. 2. Section 321.46, subsections 1 and 2, Code
20 Supplement 1999, are amended to read as follows:

21 1. The transferee shall within fifteen calendar days after
22 purchase or transfer apply for and obtain from the county
23 treasurer of the person's residence, or if a nonresident, the
24 county treasurer of the county where the primary users of the
25 vehicle are located or the county where all other vehicles
26 owned by the nonresident are registered, a new registration
27 and a new certificate of title for the vehicle except as
28 provided in section 321.25, or 321.48, or 322G.12. The
29 transferee shall present with the application the certificate
30 of title endorsed and assigned by the previous owner and shall
31 indicate the name of the county in which the vehicle was last
32 registered and the registration expiration date. The Unless
33 the transferee is a manufacturer obtaining a new certificate
34 of title pursuant to section 322G.12, the transferee shall be
35 required to list a driver's license number.

1 2. Upon filing the application for a new registration and
2 a new title, the applicant shall pay a title fee of ten
3 dollars and a registration fee prorated for the remaining
4 unexpired months of the registration year. However, ~~no~~ a
5 title fee shall not be charged to a mobile home dealer
6 applying for a certificate of title for a used mobile home or
7 manufactured housing, titled in Iowa, as required under
8 section 321.45, subsection 4, and a title or registration fee
9 shall not be charged to a manufacturer applying for a
10 certificate of title pursuant to section 322G.12. The county
11 treasurer, if satisfied of the genuineness and regularity of
12 the application, and in the case of a mobile home or
13 manufactured housing, that taxes are not owing under chapter
14 435, and that applicant has complied with all the requirements
15 of this chapter, shall issue a new certificate of title and,
16 except for a mobile home, ~~or~~ manufactured housing, or a
17 vehicle returned to and accepted by a manufacturer as
18 described in section 322G.12, a registration card to the
19 purchaser or transferee, shall cancel the prior registration
20 for the vehicle, and shall forward the necessary copies to the
21 department on the date of issuance, as prescribed in section
22 321.24. Mobile homes or manufactured housing titled under
23 chapter 448 that have been subject under section 446.18 to a
24 public bidder sale in a county, shall be titled in the
25 county's name, with no fee, and the county treasurer shall
26 issue the title.

27 Sec. 3. Section 322G.2, subsection 8, Code 1999, is
28 amended to read as follows:

29 8. "Lemon law rights period" means the term of the
30 manufacturer's written warranty, the period ending two years
31 after the date of the original delivery of a motor vehicle to
32 a consumer, or the first twenty-four thousand miles of
33 operation attributable to a consumer, whichever expires **first**
34 last.

5 Sec. 4. Section 322G.4, subsection 3, unnumbered paragraph

1 2, Code 1999, is amended to read as follows:

2 The terms of this subsection shall be extended for a period
3 of up to two years after the date of the original delivery of
4 a motor vehicle to a consumer, or the first twenty-four
5 thousand miles of operation attributable to a consumer,
6 whichever occurs ~~first~~ last, if a nonconformity has been
7 reported but has not been cured by the manufacturer, or its
8 authorized service agent, before the expiration of the lemon
9 law rights period.

10 Sec. 5. Section 322G.11, Code 1999, is amended to read as
11 follows:

12 322G.11 DEALER LIABILITY.

13 This chapter, except for the requirements of section
14 322G.3, subsections 4 and 5, and section 322G.12, does not
15 impose any liability on a franchised motor vehicle dealer or
16 create a cause of action by a consumer against a dealer. A
17 dealer shall not be made a party defendant in any action
18 involving or relating to this chapter, except as provided in
19 this section. The manufacturer shall not charge back or
20 require reimbursement by the dealer for any costs, including
21 but not limited to any refunds or vehicle replacements,
22 incurred by the manufacturer pursuant to this chapter, in the
23 absence of a finding by a court that the related repairs had
24 been carried out by the dealer in a manner substantially
25 inconsistent with the manufacturer's published instructions.
26 A manufacturer who is found by a court to have improperly
27 charged back a dealer because of a violation of this section
28 is liable to the injured dealer for full reimbursement plus
29 reasonable costs and any ~~attorney's~~ attorney fees.

30 Sec. 6. Section 322G.12, Code 1999, is amended to read as
31 follows:

32 322G.12 RESALE OF RETURNED VEHICLES.

33 ~~Subsequent to December 31, 1991,~~ a A manufacturer who
34 accepts the return of a motor vehicle pursuant to a
35 settlement, determination, or decision under this chapter

S.F. _____ H.F. _____

1 shall notify the state department of transportation, and
2 report the vehicle identification number of that motor vehicle
3 within ten days after the acceptance, and obtain a new
4 certificate of title for the vehicle in the manufacturer's
5 name pursuant to section 321.46. In obtaining a new
6 certificate of title, the manufacturer shall title the vehicle
7 in the county of the transferor's residence and shall be
8 exempt from the registration and title fee requirements of
9 section 321.46. For purposes of chapter 423, a manufacturer's
10 acceptance of the return of a motor vehicle, as described in
11 this section, shall not be considered "use", as defined in
12 section 423.1. The state-department-of-transportation new
13 certificate of title, and all subsequent registration receipts
14 and certificates of title issued for the motor vehicle, shall
15 note-the-fact contain a designation indicating that the motor
16 vehicle was returned to the manufacturer pursuant to this
17 chapter on-the-title-for-the-motor-vehicle or a similar law of
18 another state. The state department of transportation shall
19 determine the manner in which the designation is to be
20 indicated on registration receipts and certificates of title
21 and may determine that a "REBUILT" or "SALVAGE" designation
22 supersedes the designation required by this paragraph and
23 include the "REBUILT" or "SALVAGE" designation on the
24 registration receipt and certificate of title in lieu of the
25 designation required by this paragraph.

26 PARAGRAPH DIVIDED. A person shall not knowingly lease, or
27 sell, either at wholesale or retail, or transfer a title to a
28 motor vehicle returned by reason of a settlement,
29 determination, or decision pursuant to this chapter or a
30 similar statute-of-any-other law of another state unless the
31 nature of the nonconformity is clearly and conspicuously
32 disclosed to the prospective transferee, lessee, or buyer.
33 The attorney general shall prescribe by rule the form,
34 content, and procedure pertaining to such a disclosure
35 statement, recognizing the need of manufacturers to implement

1 a uniform disclosure form. The manufacturer shall make a
2 reasonable effort to ensure that such disclosure is made to
3 the first subsequent retail buyer or lessee. For purposes of
4 this subsection section, "settlement" includes an agreement
5 entered into between the manufacturer and the consumer that
6 occurs after the ~~dispute has been submitted to a state-~~
7 ~~operated dispute resolution program or to a manufacturer-~~
8 ~~established program certified in this or any other state, but~~
9 ~~does not include agreements reached in informal proceedings~~
10 ~~prior to the first written or oral presentation to the state-~~
11 ~~operated or state certified dispute resolution program by~~
12 either party manufacturer's receipt of the consumer's written
13 notification pursuant to section 322G.4. "Settlement" also
14 ~~includes an agreement entered into between a manufacturer and~~
15 ~~a consumer that occurs after the dispute has been submitted to~~
16 ~~a dispute resolution program that is not state operated or~~
17 ~~state certified.~~

18 EXPLANATION

19 This bill makes various Code changes in and relating to the
20 motor vehicle lemon law in Code chapter 322G. The bill amends
21 the definition of "lemon law rights period" in Code chapter
22 322G to extend the period within which a consumer may exercise
23 certain rights in relation to the consumer's purchase of a
24 motor vehicle from a manufacturer or the manufacturer's agent,
25 including the right to obtain a refund or replacement vehicle
26 from the manufacturer, to the later of the expiration of two
27 years, 24,000 miles, or the period of the manufacturer's
28 express warranty rather than the earlier of those time
29 periods. A corresponding change is made in Code section
30 322G.4.

31 The bill also amends Code section 322G.11 to impose
32 liability on franchised motor vehicle dealers who fail to
33 provide to consumers copies of certain repair and diagnosis
34 statements and technical service bulletins issued by
35 manufacturers to such dealers regarding the year, make, and

1 model of such consumers' vehicles, as required of the dealers
2 by Code section 322G.3.

3 The bill amends Code section 322G.12, relating to the
4 resale of vehicles returned to a manufacturer pursuant to a
5 settlement, determination, or decision under the motor vehicle
6 lemon law, to require a manufacturer who accepts such a return
7 to obtain a new certificate of title for the vehicle in the
8 manufacturer's name. The motor vehicle shall be titled in the
9 county of the transferor's residence and the manufacturer
10 shall be exempt from the registration and title fee
11 requirements. The bill provides that a manufacturer's
12 acceptance of such a return shall not be considered a "use"
13 subject to the use tax on motor vehicles pursuant to Code
14 chapter 423. The bill also modifies the definition of a
15 "settlement", for purposes of Code section 322G.12, to include
16 an agreement entered into between the manufacturer and the
17 consumer that occurs after the manufacturer's receipt of the
18 consumer's written notification of the nonconformity of a
19 motor vehicle manufactured by the manufacturer and purchased
20 by the consumer. Currently, a "settlement" includes such an
21 agreement entered into after the dispute was submitted to a
22 state-operated dispute resolution program, state-certified
23 manufacturer-established program, or other dispute resolution
24 program, but does not include agreements reached in informal
25 proceedings prior to the first presentation to a state-
26 operated or state-certified program.

27 The bill also amends Code sections 321.24 and 322G.12 to
28 require the state department of transportation or the county
29 treasurer to include a designation indicating a motor vehicle
30 was returned to the manufacturer on the registration receipt
31 and certificate of title for a returned vehicle and every
32 subsequently issued registration receipt or certificate of
33 title, whether the prior certificate of title was issued in
34 Iowa or another state. The state department of transportation
35 is to determine the manner in which Iowa's and other states'

1 designations are to be indicated on Iowa registration receipts
2 and certificates of title and may determine that a "REBUILT"
3 or "SALVAGE" designation supersedes the returned designation
4 and include the "REBUILT" or "SALVAGE" designation on the
5 registration receipt and certificate of title in lieu of the
6 returned designation.

7 Manufacturers who do not comply with the provisions of Code
8 chapter 322G may be subject to an administrative fine of up to
9 \$1,000 levied by the attorney general pursuant to Code section
10 322G.9.

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THOMAS J. MILLER
ATTORNEY GENERAL

CONSUMER PROTECTION DIVISION
HOOVER BUILDING
DES MOINES, IOWA 50319
TELEPHONE: 515-281-5926
TELEFAX: 515-281-6771

Department of Justice

MEMORANDUM

TO: Members of the General Assembly
FROM: John Pederson, Legislative Liaison
DATE: January 10, 2000
SUBJECT: Amendments to Iowa Motor Vehicle Lemon Law

The Iowa Attorney General's Office is submitting a bill request for legislation amending the Motor Vehicle Lemon Law, chapter 322G, to extend the consumer rights period to get a refund or replacement vehicle from the earlier of the expiration of 2 years, 24,000 miles or the period of the manufacturer's express warranty to the later of those time periods. The time period begins from the time in which the first retail buyer puts the vehicle in use.

A primary purpose of the Lemon Law, as stated in section 322G.1 relating to legislative intent, is to encourage manufacturers to resolve good faith "warranty" complaints by car buyers within a specified time period. Some manufacturers' express warranties exceed 2 years and 24,000 miles. Based on information provided by new car buyers to the Attorney General, a number of warranty problems arise following the first 2 years and 24,000 miles of consumer use of a motor vehicle. These problems are often covered by the warranty, but cannot be repaired after a number of attempts. Given that the warranty still applies, where the manufacturer cannot repair the vehicle it is fair to provide the car owner the right to replacement or refund.

The bill also amends the Lemon Law to require auto manufacturers to report the repurchase of a vehicle under the act to the Department of Transportation earlier in the dispute resolution process than as under the current law, and requires the manufacturers to subsequently title the vehicle in Iowa. This will help ensure that true "Lemons" are disclosed upon resale, and that titles are branded so that subsequent buyers in Iowa other states will receive notice of the repurchase and not unwittingly purchase a vehicle they otherwise would have avoided. The bill also amends section 321.24 to address vehicle title transfers of repurchased Lemons.

The bill also makes a minor change to the section otherwise excepting auto dealers from liability under the act to impose liability on dealers for failing to provide copies of repair and diagnosis statements and technical service bulletins issued by manufacturers to dealers about the vehicle year, make and model as required of dealers by section 322G.3.

REPRINTED

FILED FEB 24 2000

SENATE FILE 2315
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 3155)

Passed Senate, ⁽⁵⁴⁵⁾ Date 3/7/00 Passed House, ^(P.1007) Date 3-27-00
Vote: Ayes 48 Nays 0 Vote: Ayes 98 Nays 0
Approved 4/5/00

A BILL FOR

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2 administrative fine applicable.

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SF 2315

1 Section 1. Section 321.24, Code Supplement 1999, is
2 amended by adding the following new unnumbered paragraph after
3 unnumbered paragraph 5:

4 NEW UNNUMBERED PARAGRAPH. If the prior certificate of
5 title is from another state and indicates that the vehicle was
6 returned to the manufacturer pursuant to a law of another
7 state similar to chapter 322G, the new registration receipt
8 and certificate of title, and all subsequent registration
9 receipts and certificates of title issued for the vehicle,
10 shall contain a designation indicating the vehicle was
11 returned to the manufacturer. The department shall determine
12 the manner in which other states' designations are to be
13 indicated on Iowa registration receipts and certificates of
14 title. The department may determine that a "REBUILT" or
15 "SALVAGE" designation supersedes the designation required by
16 this paragraph and include the "REBUILT" or "SALVAGE"
17 designation on the registration receipt and certificate of
18 title in lieu of the designation required by this paragraph.

19 Sec. 2. Section 321.46, subsections 1 and 2, Code
20 Supplement 1999, are amended to read as follows:

21 1. The transferee shall within fifteen calendar days after
22 purchase or transfer apply for and obtain from the county
23 treasurer of the person's residence, or if a nonresident, the
24 county treasurer of the county where the primary users of the
25 vehicle are located or the county where all other vehicles
26 owned by the nonresident are registered, a new registration
27 and a new certificate of title for the vehicle except as
28 provided in section 321.25, or 321.48, or 322G.12. The
29 transferee shall present with the application the certificate
30 of title endorsed and assigned by the previous owner and shall
31 indicate the name of the county in which the vehicle was last
32 registered and the registration expiration date. The Unless
33 the transferee is a manufacturer obtaining a new certificate
34 of title pursuant to section 322G.12, the transferee shall be
35 required to list a driver's license number.

1 2. Upon filing the application for a new registration and
2 a new title, the applicant shall pay a title fee of ten
3 dollars and a registration fee prorated for the remaining
4 unexpired months of the registration year. However, no a
5 title fee shall not be charged to a mobile home dealer
6 applying for a certificate of title for a used mobile home or
7 manufactured housing, titled in Iowa, as required under
8 section 321.45, subsection 4, and a title or registration fee
9 shall not be charged to a manufacturer applying for a
10 certificate of title pursuant to section 322G.12. The county
11 treasurer, if satisfied of the genuineness and regularity of
12 the application, and in the case of a mobile home or
13 manufactured housing, that taxes are not owing under chapter
14 435, and that applicant has complied with all the requirements
15 of this chapter, shall issue a new certificate of title and,
16 except for a mobile home, or manufactured housing, or a
17 vehicle returned to and accepted by a manufacturer as
18 described in section 322G.12, a registration card to the
19 purchaser or transferee, shall cancel the prior registration
20 for the vehicle, and shall forward the necessary copies to the
21 department on the date of issuance, as prescribed in section
22 321.24. Mobile homes or manufactured housing titled under
23 chapter 448 that have been subject under section 446.18 to a
24 public bidder sale in a county, shall be titled in the
25 county's name, with no fee, and the county treasurer shall
26 issue the title.

27 Sec. 3. Section 322G.12, Code 1999, is amended to read as
28 follows:

29 322G.12 RESALE OF RETURNED VEHICLES.

30 ~~Subsequent-to-December-31-1991-~~a A manufacturer who
31 accepts the return of a motor vehicle pursuant to a
32 settlement, determination, or decision under this chapter
33 shall notify the state department of transportation, and
34 report the vehicle identification number of that motor vehicle
35 within ten days after the acceptance, and obtain a new

1 certificate of title for the vehicle in the manufacturer's
2 name pursuant to section 321.46. In obtaining a new
3 certificate of title, the manufacturer shall title the vehicle
4 in the county of the transferor's residence and shall be
5 exempt from the registration and title fee requirements of
6 section 321.46. For purposes of chapter 423, a manufacturer's
7 acceptance of the return of a motor vehicle, as described in
8 this section, shall not be considered "use", as defined in
9 section 423.1. The state-department-of-transportation new
10 certificate of title, and all subsequent registration receipts
11 and certificates of title issued for the motor vehicle, shall
12 note-the-fact contain a designation indicating that the motor
13 vehicle was returned to the manufacturer pursuant to this
14 chapter on-the-title-for-the-motor-vehicle or a similar law of
15 another state. The state department of transportation shall
16 determine the manner in which the designation is to be
17 indicated on registration receipts and certificates of title
18 and may determine that a "REBUILT" or "SALVAGE" designation
19 supersedes the designation required by this paragraph and
20 include the "REBUILT" or "SALVAGE" designation on the
21 registration receipt and certificate of title in lieu of the
22 designation required by this paragraph.

23 PARAGRAPH DIVIDED. A person shall not knowingly lease, or
24 sell, either at wholesale or retail, or transfer a title to a
25 motor vehicle returned by reason of a settlement,
26 determination, or decision pursuant to this chapter or a
27 similar statute-of-any-other law of another state unless the
28 nature of the nonconformity is clearly and conspicuously
29 disclosed to the prospective transferee, lessee, or buyer.
30 The attorney general shall prescribe by rule the form,
31 content, and procedure pertaining to such a disclosure
32 statement, recognizing the need of manufacturers to implement
33 a uniform disclosure form. The manufacturer shall make a
34 reasonable effort to ensure that such disclosure is made to
35 the first subsequent retail buyer or lessee. For purposes of

1 this subsection section, "settlement" includes an agreement
 2 entered into between the manufacturer and the consumer that
 3 occurs after the ~~dispute has been submitted to a state-~~
 4 ~~operated dispute resolution program or to a manufacturer-~~
 5 ~~established program certified in this or any other state, but~~
 6 ~~does not include agreements reached in informal proceedings~~
 7 ~~prior to the first written or oral presentation to the state-~~
 8 ~~operated or state certified dispute resolution program by~~
 9 either party thirtieth day following the manufacturer's
 10 receipt of the consumer's written notification pursuant to
 11 section 322G.4. "Settlement" ~~also includes an agreement~~
 12 ~~entered into between a manufacturer and a consumer that occurs~~
 13 ~~after the dispute has been submitted to a dispute resolution~~
 14 ~~program that is not state operated or state certified.~~

EXPLANATION

16 This bill makes various Code changes in and relating to the
17 motor vehicle lemon law in Code chapter 322G.

18 The bill amends Code section 322G.12, relating to the
 19 resale of vehicles returned to a manufacturer pursuant to a
 20 settlement, determination, or decision under the motor vehicle
 21 lemon law, to require a manufacturer who accepts such a return
 22 to obtain a new certificate of title for the vehicle in the
 23 manufacturer's name. The motor vehicle shall be titled in the
 24 county of the transferor's residence and the manufacturer
 25 shall be exempt from the registration and title fee
 26 requirements. The bill provides that a manufacturer's
 27 acceptance of such a return shall not be considered a "use"
 28 subject to the use tax on motor vehicles pursuant to Code
 29 chapter 423. The bill also modifies the definition of a
 30 "settlement", for purposes of Code section 322G.12, to include
 31 an agreement entered into between the manufacturer and the
 32 consumer that occurs after the thirtieth day following the
 33 manufacturer's receipt of the consumer's written notification
 34 of the nonconformity of a motor vehicle manufactured by the
 35 manufacturer and purchased by the consumer. Currently, a

1 "settlement" includes such an agreement entered into after the
2 dispute was submitted to a state-operated dispute resolution
3 program, state-certified manufacturer-established program, or
4 other dispute resolution program, but does not include
5 agreements reached in informal proceedings prior to the first
6 presentation to a state-operated or state-certified program.

7 The bill also amends Code sections 321.24 and 322G.12 to
8 require the state department of transportation or the county
9 treasurer to include a designation indicating a motor vehicle
10 was returned to the manufacturer on the registration receipt
11 and certificate of title for a returned vehicle and every
12 subsequently issued registration receipt or certificate of
13 title, whether the prior certificate of title was issued in
14 Iowa or another state. The state department of transportation
15 is to determine the manner in which Iowa's and other states'
16 designations are to be indicated on Iowa registration receipts
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18 or "SALVAGE" designation supersedes the returned designation
19 and include the "REBUILT" or "SALVAGE" designation on the
20 registration receipt and certificate of title in lieu of the
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22 Manufacturers who do not comply with the provisions of Code
23 chapter 322G may be subject to an administrative fine of up to
24 \$1,000 levied by the attorney general pursuant to Code section
25 322G.9.

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SENATE FILE 2315

S-5061

- 1 Amend Senate File 2315 as follows:
2 1. Page 2, by striking lines 4 through 10 and
3 inserting the following: "unexpired months of the
4 registration year. A manufacturer applying for a
5 certificate of title pursuant to section 322G.12 shall
6 pay a title fee of two dollars. However, ~~no~~ a title
7 fee shall not be charged to a mobile home dealer
8 applying for a certificate of title for a used mobile
9 home or manufactured housing, titled in Iowa, as
10 required under section 321.45, subsection 4. The
11 county".
12 2. Page 4, by inserting after line 14 the
13 following:
14 "Sec. ____ . EFFECTIVE DATE. This Act takes effect
15 January 1, 2001."
16 3. Title page, line 1, by striking the word
17 "and".
18 4. Title page, line 2, by inserting after the
19 word "applicable" the following: ", and providing an
20 effective date".
21 5. By renumbering as necessary.

By RICHARD F. DRAKE

S-5061 FILED MARCH 6, 2000

w/d 3-7-00 (p. 545)
SENATE FILE 2315

S-5066

- 1 Amend Senate File 2315 as follows:
2 1. Page 2, by striking lines 4 through 10 and
3 inserting the following: "unexpired months of the
4 registration year. A manufacturer applying for a
5 certificate of title pursuant to section 322G.12 shall
6 pay a title fee of two dollars. However, ~~no~~ a title
7 fee shall not be charged to a mobile home dealer
8 applying for a certificate of title for a used mobile
9 home or manufactured housing, titled in Iowa, as
10 required under section 321.45, subsection 4. The
11 county".
12 2. Page 3, line 5, by striking the words "and
13 title".
14 3. Page 4, by inserting after line 14 the
15 following:
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17 January 1, 2001."
18 4. Title page, line 1, by striking the word
19 "and".
20 5. Title page, line 2, by inserting after the
21 word "applicable" the following: ", and providing an
22 effective date".
23 6. By renumbering as necessary.

By RICHARD F. DRAKE

S-5066 FILED MARCH 6, 2000

*Adopted**3-7-00**(p. 545)*

H. 3/8/00 Ironpat.
H. 3/15/00 Do Pass
H. 3/23/00 Unfinished Business
Calendar

SENATE FILE **2315**
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 3155)

(AS AMENDED AND PASSED BY THE SENATE MARCH 7, 2000)

_____ - New Language by the Senate
* - Language Stricken by the Senate

Passed Senate, Date _____ Passed House, ^(P.1007) Date 3-27-00
Vote: Ayes _____ Nays _____ Vote: Ayes 98 Nays 0
Approved 4/5/00

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S.F. 2315

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4 unexpired months of the registration year. A manufacturer
5 applying for a certificate of title pursuant to section
6 322G.12 shall pay a title fee of two dollars. However, no a
7 title fee shall not be charged to a mobile home dealer
8 applying for a certificate of title for a used mobile home or
9 manufactured housing, titled in Iowa, as required under
10 section 321.45, subsection 4. The county treasurer, if
11 satisfied of the genuineness and regularity of the
12 application, and in the case of a mobile home or manufactured
13 housing, that taxes are not owing under chapter 435, and that
14 applicant has complied with all the requirements of this
15 chapter, shall issue a new certificate of title and, except
16 for a mobile home, or manufactured housing, or a vehicle
17 returned to and accepted by a manufacturer as described in
18 section 322G.12, a registration card to the purchaser or
19 transferee, shall cancel the prior registration for the
20 vehicle, and shall forward the necessary copies to the
21 department on the date of issuance, as prescribed in section
22 321.24. Mobile homes or manufactured housing titled under
23 chapter 448 that have been subject under section 446.18 to a
24 public bidder sale in a county, shall be titled in the
25 county's name, with no fee, and the county treasurer shall
26 issue the title.

27 Sec. 3. Section 322G.12, Code 1999, is amended to read as
28 follows:

29 322G.12 RESALE OF RETURNED VEHICLES.

30 ~~Subsequent-to-December-31-1991-~~ A manufacturer who
31 accepts the return of a motor vehicle pursuant to a
32 settlement, determination, or decision under this chapter
33 shall notify the state department of transportation, and
34 report the vehicle identification number of that motor vehicle
35 within ten days after the acceptance, and obtain a new

1 certificate of title for the vehicle in the manufacturer's
2 name pursuant to section 321.46. In obtaining a new
3 certificate of title, the manufacturer shall title the vehicle
4 in the county of the transferor's residence and shall be
* 5 exempt from the registration fee requirements of section
6 321.46. For purposes of chapter 423, a manufacturer's
7 acceptance of the return of a motor vehicle, as described in
8 this section, shall not be considered "use", as defined in
9 section 423.1. The state-department-of-transportation new
10 certificate of title, and all subsequent registration receipts
11 and certificates of title issued for the motor vehicle, shall
12 note-the-fact contain a designation indicating that the motor
13 vehicle was returned to the manufacturer pursuant to this
14 chapter on-the-title-for-the-motor-vehicle or a similar law of
15 another state. The state department of transportation shall
16 determine the manner in which the designation is to be
17 indicated on registration receipts and certificates of title
18 and may determine that a "REBUILT" or "SALVAGE" designation
19 supersedes the designation required by this paragraph and
20 include the "REBUILT" or "SALVAGE" designation on the
21 registration receipt and certificate of title in lieu of the
22 designation required by this paragraph.

23 PARAGRAPH DIVIDED. A person shall not knowingly lease^r-or^L
24 sell, either at wholesale or retail^r,^L or transfer a title to a
25 motor vehicle returned by reason of a settlement,
26 determination, or decision pursuant to this chapter or a
27 similar statute-of-any-other law of another state unless the
28 nature of the nonconformity is clearly and conspicuously
29 disclosed to the prospective transferee, lessee, or buyer.
30 The attorney general shall prescribe by rule the form,
31 content, and procedure pertaining to such a disclosure
32 statement, recognizing the need of manufacturers to implement
33 a uniform disclosure form. The manufacturer shall make a
34 reasonable effort to ensure that such disclosure is made to
35 the first subsequent retail buyer or lessee. For purposes of

1 this subsection section, "settlement" includes an agreement
2 entered into between the manufacturer and the consumer that
3 occurs after the ~~dispute-has-been-submitted-to-a-state-~~
4 ~~operated-dispute-resolution-program-or-to-a-manufacturer-~~
5 ~~established-program-certified-in-this-or-any-other-state,~~ but
6 ~~does-not-include-agreements-reached-in-informal-proceedings~~
7 ~~prior-to-the-first-written-or-oral-presentation-to-the-state-~~
8 ~~operated-or-state-certified-dispute-resolution-program-by~~
9 ~~either-party~~ thirtieth day following the manufacturer's
10 receipt of the consumer's written notification pursuant to
11 section 322G.4. "Settlement"-also-includes-an-agreement
12 ~~entered-into-between-a-manufacturer-and-a-consumer-that-occurs~~
13 ~~after-the-dispute-has-been-submitted-to-a-dispute-resolution~~
14 ~~program-that-is-not-state-operated-or-state-certified.~~

15 Sec. 4. EFFECTIVE DATE. This Act takes effect January 1,
16 2001.

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SENATE FILE 2315

AN ACT

RELATING TO THE MOTOR VEHICLE LEMON LAW, MAKING AN
ADMINISTRATIVE FINE APPLICABLE, AND PROVIDING AN
EFFECTIVE DATE.

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

Section 1. Section 321.24, Code Supplement 1999, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 5:

NEW UNNUMBERED PARAGRAPH. If the prior certificate of title is from another state and indicates that the vehicle was returned to the manufacturer pursuant to a law of another state similar to chapter 322G, the new registration receipt and certificate of title, and all subsequent registration receipts and certificates of title issued for the vehicle, shall contain a designation indicating the vehicle was returned to the manufacturer. The department shall determine

the manner in which other states' designations are to be indicated on Iowa registration receipts and certificates of title. The department may determine that a "REBUILT" or "SALVAGE" designation supersedes the designation required by this paragraph and include the "REBUILT" or "SALVAGE" designation on the registration receipt and certificate of title in lieu of the designation required by this paragraph.

Sec. 2. Section 321.46, subsections 1 and 2, Code Supplement 1999, are amended to read as follows:

1. The transferee shall within fifteen calendar days after purchase or transfer apply for and obtain from the county treasurer of the person's residence, or if a nonresident, the county treasurer of the county where the primary users of the vehicle are located or the county where all other vehicles owned by the nonresident are registered, a new registration and a new certificate of title for the vehicle except as provided in section 321.25, or 321.48, or 322G.12. The transferee shall present with the application the certificate of title endorsed and assigned by the previous owner and shall indicate the name of the county in which the vehicle was last registered and the registration expiration date. The Unless the transferee is a manufacturer obtaining a new certificate of title pursuant to section 322G.12, the transferee shall be required to list a driver's license number.

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of ten dollars and a registration fee prorated for the remaining unexpired months of the registration year. A manufacturer applying for a certificate of title pursuant to section 322G.12 shall pay a title fee of two dollars. However, no a title fee shall not be charged to a mobile home dealer applying for a certificate of title for a used mobile home or manufactured housing, titled in Iowa, as required under section 321.45, subsection 4. The county treasurer, if satisfied of the genuineness and regularity of the

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application, and in the case of a mobile home or manufactured housing, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, or manufactured housing, or a vehicle returned to and accepted by a manufacturer as described in section 322G.12, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured housing titled under chapter 448 that have been subject under section 446.18 to a public bidder sale in a county, shall be titled in the county's name, with no fee, and the county treasurer shall issue the title.

Sec. 3. Section 322G.12, Code 1999, is amended to read as follows:

322G.12 RESALE OF RETURNED VEHICLES.

~~Subsequent to December 31, 1991, a~~ A manufacturer who accepts the return of a motor vehicle pursuant to a settlement, determination, or decision under this chapter shall notify the state department of transportation, and report the vehicle identification number of that motor vehicle within ten days after the acceptance, and obtain a new certificate of title for the vehicle in the manufacturer's name pursuant to section 321.46. In obtaining a new certificate of title, the manufacturer shall title the vehicle in the county of the transferor's residence and shall be exempt from the registration fee requirements of section 321.46. For purposes of chapter 423, a manufacturer's acceptance of the return of a motor vehicle, as described in this section, shall not be considered "use", as defined in section 423.1. The state department of transportation new certificate of title, and all subsequent registration receipts and certificates of title issued for the motor vehicle, shall

~~note-the-fact contain a designation indicating that the motor vehicle was returned to the manufacturer pursuant to this chapter on-the-title-for-the-motor-vehicle or a similar law of another state. The state department of transportation shall determine the manner in which the designation is to be indicated on registration receipts and certificates of title and may determine that a "REBUILT" or "SALVAGE" designation supersedes the designation required by this paragraph and include the "REBUILT" or "SALVAGE" designation on the registration receipt and certificate of title in lieu of the designation required by this paragraph.~~

PARAGRAPH DIVIDED. A person shall not knowingly lease, or, sell, either at wholesale or retail, or transfer a title to a motor vehicle returned by reason of a settlement, determination, or decision pursuant to this chapter or a similar statute of any other law of another state unless the nature of the nonconformity is clearly and conspicuously disclosed to the prospective transferee, lessee, or buyer. The attorney general shall prescribe by rule the form, content, and procedure pertaining to such a disclosure statement, recognizing the need of manufacturers to implement a uniform disclosure form. The manufacturer shall make a reasonable effort to ensure that such disclosure is made to the first subsequent retail buyer or lessee. For purposes of this subsection, "settlement" includes an agreement entered into between the manufacturer and the consumer that occurs after the dispute has been submitted to a state-operated dispute-resolution program or to a manufacturer-established program certified in this or any other state, but does not include agreements reached in informal proceedings prior to the first written or oral presentation to the state-operated or state-certified dispute-resolution program by either party thirtieth day following the manufacturer's receipt of the consumer's written notification pursuant to section 322G.4. "Settlement" also includes an agreement

~~entered-into-between-a-manufacturer-and-a-consumer-that-occurs
after-the-dispute-has-been-submitted-to-a-dispute-resolution
program-that-is-not-state-operated-or-state-certified.~~

Sec. 4. EFFECTIVE DATE. This Act takes effect January 1,
2001.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2315, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 4/5, 2000

THOMAS J. VILSACK
Governor