

FILED FEB 4 '03

SENATE FILE

81

BY LUNDBY

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

A BILL FOR

1 An Act prohibiting registration of a motor vehicle pending
 2 delivery of the certificate of title for notation of a
 3 security interest.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

SF 81
 TRANSPORTATION

1 Section 1. Section 321.30, Code 2003, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 15. The department or the county
4 treasurer shall refuse registration of a vehicle if the holder
5 of the certificate of title for the vehicle has failed to
6 deliver the certificate of title to the county treasurer for
7 notation of a security interest as required under section
8 321.50, subsection 2. Upon delivery of the certificate of
9 title and notation of the security interest, the registration
10 shall be issued as otherwise provided in this chapter.

11 EXPLANATION

12 This bill prevents the state department of transportation
13 or a county treasurer from registering a motor vehicle if the
14 holder of the certificate of title has failed to deliver the
15 certificate of title to the county treasurer for notation of a
16 security interest.

17 Under Code section 321.50, when the county treasurer
18 receives an application for a security interest in a vehicle,
19 the certificate of title is to be delivered to the treasurer
20 at the same time. Otherwise, the treasurer notifies the
21 holder of the certificate of title to deliver the certificate
22 of title to the county treasurer within five days to permit
23 notation of the security interest.

24 The bill also provides that once the certificate of title
25 has been delivered to the county treasurer and the security
26 interest has been noted, the vehicle is eligible for
27 registration.

28
29
30
31
32
33
34
35