

# House File 545 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON TRANSPORTATION  
(SUCCESSOR TO HSB 155)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act establishing prelicensing and continuing education  
2 requirements for used motor vehicle dealers.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1879HV 82  
5 dea/je/5

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1 1 Section 1. Section 322.4, Code 2007, is amended by adding  
1 2 the following new subsection:  
1 3 NEW SUBSECTION. 8A. If the applicant is applying for a  
1 4 used motor vehicle dealer license, certification that the  
1 5 applicant has met the educational requirements for licensure  
1 6 under section 322.7A. The certification may be transmitted to  
1 7 the department by the education provider in electronic format.  
1 8 Sec. 2. Section 322.7, subsection 4, Code 2007, is amended  
1 9 to read as follows:  
1 10 4. The motor vehicle dealer license provided for in this  
1 11 chapter shall be renewed upon application in the form and  
1 12 content prescribed by the department and upon payment of the  
1 13 required fee. A used motor vehicle dealer license shall not  
1 14 be renewed for an applicant who is subject to continuing  
1 15 education requirements until the licensee certifies completion  
1 16 of the educational requirements for license renewal under  
1 17 section 322.7A. The certification may be transmitted to the  
1 18 department by the education provider in electronic format. A  
1 19 licensee shall have the month of expiration and the month  
1 20 after the month of expiration to renew the license. A person  
1 21 who fails to renew a license by the end of this time period  
1 22 and desires to hold a license shall file a new license  
1 23 application and pay the required fee.  
1 24 Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER  
1 25 EDUCATION PROGRAM.  
1 26 1. An applicant for a license as a used motor vehicle  
1 27 dealer shall complete a minimum of eight hours of prelicensing  
1 28 education program courses pursuant to this section prior to  
1 29 submitting an application to the department.  
1 30 2. A person seeking renewal of a used motor vehicle dealer  
1 31 license shall complete a minimum of five hours of continuing  
1 32 education program courses over a two-year period pursuant to  
1 33 this section prior to submitting an application for license  
1 34 renewal. However, an applicant for renewal of a used motor  
1 35 vehicle dealer license who has met the prelicensing education  
2 1 requirement under subsection 1 within the preceding twelve  
2 2 months is exempt from the continuing education requirement for  
2 3 license renewal.  
2 4 3. To meet the requirements of this section, at least one  
2 5 individual who is associated with the used motor vehicle  
2 6 dealer as an owner, principal, corporate officer, director, or  
2 7 member or partner of a limited liability company or limited  
2 8 liability partnership shall complete the education program  
2 9 courses.  
2 10 4. The Iowa independent automobile dealers association, in  
2 11 consultation with the state department of transportation, the  
2 12 department of education, the attorney general, and the Iowa  
2 13 association of community college trustees, shall develop the  
2 14 prelicensing and continuing education course curricula for the  
2 15 used motor vehicle dealer education program, which shall  
2 16 include but not be limited to examination of federal and state  
2 17 laws applicable to the motor vehicle industry and federal and  
2 18 state regulations pertaining to used motor vehicle dealers.

2 19 The education program courses shall be provided by community  
2 20 colleges as defined in section 260C.2 or by the Iowa  
2 21 independent automobile dealers association in conjunction with  
2 22 a community college. The department of education shall adopt  
2 23 rules establishing reasonable fees to be charged for the  
2 24 prelicensing education courses and the continuing education  
2 25 courses.

2 26 5. A community college shall issue a certificate to each  
2 27 person who successfully completes the prelicensing education  
2 28 program or a continuing education program under this section.  
2 29 The current certificate of completion, or a copy of the  
2 30 certificate, shall be posted conspicuously in the principal  
2 31 office of the licensee.

2 32 6. The provisions of this section apply to all used motor  
2 33 vehicle dealers, including but not limited to individuals,  
2 34 corporations, and partnerships, except for the following:

2 35 a. Motor vehicle rental companies having a national  
3 1 franchise.  
3 2 b. National motor vehicle auction companies.  
3 3 c. Wholesale dealer-only auction companies.  
3 4 d. Used car dealerships owned by a franchise motor vehicle  
3 5 dealer.

3 6 e. Banks, credit unions, and savings and loan  
3 7 associations.

3 8 7. Each community college providing used motor vehicle  
3 9 dealer education program courses shall transmit a report on  
3 10 the program annually by December 31 to the director of  
3 11 transportation, the director of the department of education,  
3 12 the attorney general, and the president of the Iowa  
3 13 association of community college trustees.

3 14 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM ==  
3 15 NOTICE. The department of transportation shall provide  
3 16 reasonable notice to current used motor vehicle dealer  
3 17 licensees of the need to meet continuing education  
3 18 requirements as a condition for future license renewal.

#### 3 19 EXPLANATION

3 20 This bill establishes prelicensing education and continuing  
3 21 education requirements for used motor vehicle dealers. An  
3 22 applicant for licensure as a used motor vehicle dealer is  
3 23 required to complete at least eight hours of prelicensing  
3 24 education prior to licensure, and an applicant for renewal of  
3 25 a license is required to complete at least five hours of  
3 26 continuing education over a two-year period as a condition for  
3 27 license renewal. A person who completes a prelicensing or  
3 28 continuing education program course shall be issued a  
3 29 certificate. The current certificate is required to be posted  
3 30 conspicuously in the principal office of the used motor  
3 31 vehicle dealer.

3 32 The bill specifies those persons associated with a dealer  
3 33 in an official capacity who can fulfill the education  
3 34 requirements on behalf of the dealer. The education  
3 35 requirements do not apply to nationally franchised rental  
4 1 companies; national motor vehicle and wholesale dealer-only  
4 2 auction companies; used car dealerships owned by a franchise  
4 3 motor vehicle dealer; and banks, credit unions, and savings  
4 4 and loan associations.

4 5 The bill requires the Iowa independent automobile dealers  
4 6 association, in consultation with the department of  
4 7 transportation, the department of education, the attorney  
4 8 general, and the Iowa association of community college  
4 9 trustees, to develop course curricula for the education  
4 10 program. The program courses shall be provided by community  
4 11 colleges or by the Iowa independent automobile dealers  
4 12 association in conjunction with a community college.  
4 13 Reasonable fees for the courses shall be established by the  
4 14 department of education by rule. Each community college that  
4 15 provides the courses is required to transmit an annual report  
4 16 to the director of transportation, the director of the  
4 17 department of education, the attorney general, and the  
4 18 president of the Iowa association of community college  
4 19 trustees.

4 20 The department of transportation is directed to provide  
4 21 timely notice of the new requirements to current licensees.

4 22 LSB 1879HV 82

4 23 dea:nh/je/5