

# Senate Study Bill 1160

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON RIELLY)

Passed Senate, Date \_\_\_\_\_ Passed House, 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 1879XC 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. The provisions of this section apply to all used motor  
2 27 vehicle dealers, including but not limited to individuals,  
2 28 corporations, and partnerships, except for the following:

2 29 a. Motor vehicle rental companies having a national  
2 30 franchise.  
2 31 b. National motor vehicle auction companies.  
2 32 c. Wholesale dealer-only auction companies.  
2 33 d. Used car dealerships owned by a franchise motor vehicle  
2 34 dealer.

2 35 e. Banks, credit unions, and savings and loan  
3 1 associations.

3 2 6. Each community college providing used motor vehicle  
3 3 dealer education program courses shall transmit a report on  
3 4 the program annually by December 31 to the director of  
3 5 transportation, the director of the department of education,  
3 6 the attorney general, and the president of the Iowa  
3 7 association of community college trustees.

3 8 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM ==  
3 9 NOTICE. The department of transportation shall provide  
3 10 reasonable notice to current used motor vehicle dealer  
3 11 licensees of the need to meet continuing education  
3 12 requirements as a condition for future license renewal.

3 13 EXPLANATION

3 14 This bill establishes prelicensing education and continuing  
3 15 education requirements for used motor vehicle dealers. An  
3 16 applicant for licensure as a used motor vehicle dealer is  
3 17 required to complete at least eight hours of prelicensing  
3 18 education prior to licensure, and an applicant for renewal of  
3 19 a license is required to complete at least five hours of  
3 20 continuing education over a two-year period as a condition for  
3 21 license renewal. The bill specifies those persons associated  
3 22 with a dealer in an official capacity who can fulfill the  
3 23 education requirements on behalf of the dealer. The education  
3 24 requirements do not apply to nationally franchised rental  
3 25 companies; national motor vehicle and wholesale dealer-only  
3 26 auction companies; used car dealerships owned by a franchise  
3 27 motor vehicle dealer; and banks, credit unions, and savings  
3 28 and loan associations.

3 29 The bill requires the Iowa independent automobile dealers  
3 30 association, in consultation with the department of  
3 31 transportation, the department of education, the attorney  
3 32 general, and the Iowa association of community college  
3 33 trustees, to develop course curricula for the education  
3 34 program. The program courses shall be provided by community  
3 35 colleges or by the Iowa independent automobile dealers  
4 1 association in conjunction with a community college.  
4 2 Reasonable fees for the courses shall be established by the  
4 3 department of education by rule. Each community college that  
4 4 provides the courses is required to transmit an annual report  
4 5 to the director of transportation, the director of the  
4 6 department of education, the attorney general, and the  
4 7 president of the Iowa association of community college  
4 8 trustees.

4 9 The department of transportation is directed to provide  
4 10 timely notice of the new requirements to current licensees.

4 11 LSB 1879XC 82

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