

Senate Study Bill 1276

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON KREIMAN)

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

A BILL FOR

1 An Act relating to the applicability of the motor vehicle dealer
2 licensing requirements to certain financial institutions which
3 are holders of retail installment contracts secured by motor
4 vehicles.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2409SC 83
7 lh/nh/24

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1 1 Section 1. Section 322.2, unnumbered paragraph 2, Code
1 2 2009, is amended by striking the unnumbered paragraph.
1 3 Sec. 2. Section 322.15, Code 2009, is amended to read as
1 4 follows:
1 5 322.15 LIBERAL CONSTRUCTION == EXCEPTION.
1 6 1. All provisions of this chapter shall be liberally
1 7 construed to the end that the practice or commission of fraud
1 8 in the sale, barter, or disposition of motor vehicles at
1 9 retail in this state may be prohibited and prevented, and
1 10 irresponsible, unreliable, or dishonest persons may be
1 11 prevented from engaging in the business of selling, bartering,
1 12 or otherwise dealing in motor vehicles at retail in this state
1 13 and reliable persons may be encouraged to engage in the
1 14 business of selling, bartering, and otherwise dealing in motor
1 15 vehicles at retail in this state.
1 16 2. This chapter shall not be construed to require the
1 17 licensing of any bank, savings and loan, credit union, or
1 18 trust company as to any motor vehicle on which that bank,
1 19 savings and loan, credit union, or trust company is a holder
1 20 of a retail installment contract secured by that motor
1 21 vehicle.

EXPLANATION

1 22
1 23 This bill strikes language from the definitions section of
1 24 Code chapter 322 dealing with the licensing of motor vehicle
1 25 dealers, and adds a new exception to the provision that
1 26 outlines how the chapter is to be construed. The language
1 27 that is stricken was added in 1957 Iowa Acts, chapter 311, and
1 28 states that "nothing contained herein is to be construed to
1 29 require the licensing or to apply to any bank, credit union or
1 30 trust company in Iowa". The language added in this bill
1 31 includes savings and loan companies, in addition to banks,
1 32 credit unions, or trust companies, to the list of financial
1 33 institutions excepted from licensing under Code chapter 322
1 34 and limits the exception to those listed financial
1 35 institutions which are holders of a retail installment
2 1 contract secured by a motor vehicle.
2 2 LSB 2409SC 83
2 3 lh/nh/24