

House File 2122 - Introduced

HOUSE FILE 2122

BY HEIN and PETTENGILL

A BILL FOR

1 An Act relating to motor home dealer and manufacturer licensing
2 and the business hours of recreational vehicle dealers,
3 making a penalty applicable, and including effective and
4 applicability date provisions.

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

1 Section 1. Section 307.27, subsection 2, Code Supplement
2 2011, is amended to read as follows:

3 2. Administer and supervise the licensing of motor vehicle
4 or motor home manufacturers, distributors, and dealers pursuant
5 to chapter chapters 322 and 322C.

6 Sec. 2. Section 321.1, subsection 42, paragraphs b and c,
7 Code Supplement 2011, are amended to read as follows:

8 *b. "Used motor vehicle" or "secondhand motor vehicle"*
9 *or "used car" means a motor vehicle of a type subject to*
10 *registration under the laws of this state which has been sold*
11 *"at retail" as defined in ~~chapter~~ chapters 322 and 322C and*
12 *previously registered in this or any other state.*

13 *c. "New motor vehicle or new car" means a motor vehicle*
14 *subject to registration which has not been sold "at retail" as*
15 *defined in ~~chapter~~ chapters 322 and 322C.*

16 Sec. 3. Section 321.20B, subsection 8, Code 2011, is amended
17 to read as follows:

18 8. This section does not apply to a motor vehicle owned by
19 a motor vehicle or motor home dealer or wholesaler licensed
20 pursuant to chapter 322 or 322C.

21 Sec. 4. Section 321.23, subsection 3, Code 2011, is amended
22 to read as follows:

23 3. In the event an applicant for registration of a foreign
24 vehicle for which a certificate of title has been issued is
25 able to furnish evidence of being the registered owner of the
26 vehicle to the county treasurer of the owner's residence,
27 although unable to surrender such certificate of title, the
28 county treasurer may issue a registration receipt and plates
29 upon receipt of the required annual registration fee and the
30 fee for new registration but shall not issue a certificate of
31 title thereto. Upon surrender of the certificate of title
32 from the foreign state, the county treasurer shall issue a
33 certificate of title to the owner, or person entitled thereto,
34 of such vehicle as provided in this chapter. The owner of a
35 vehicle registered under this subsection shall not be required

1 to obtain a certificate of title in this state and may transfer
2 ownership of the vehicle to a motor vehicle or motor home
3 dealer licensed under chapter 322 or 322C if, at the time of
4 the transfer, the certificate of title is held by a secured
5 party and the dealer has forwarded to the secured party the
6 sum necessary to discharge the security interest pursuant to
7 section 321.48, subsection 1.

8 Sec. 5. Section 321.52, subsection 4, paragraph a, Code
9 2011, is amended to read as follows:

10 a. A vehicle rebuilder or a person engaged in the business
11 of buying, selling, or exchanging vehicles of a type required
12 to be registered in this state, upon acquisition of a wrecked
13 or salvage vehicle, shall surrender the certificate of
14 title or manufacturer's or importer's statement of origin
15 properly assigned, together with an application for a salvage
16 certificate of title, to the county treasurer of the county of
17 residence of the purchaser or transferee within thirty days
18 after the date of assignment of the certificate of title for
19 the wrecked or salvage motor vehicle. This subsection applies
20 only to vehicles with a fair market value of five hundred
21 dollars or more, based on the value before the vehicle became
22 wrecked or salvage. Upon payment of a fee of ten dollars, the
23 county treasurer shall issue a salvage certificate of title
24 which shall bear the word "SALVAGE" stamped or printed on the
25 face of the title in a manner prescribed by the department. A
26 salvage certificate of title may be assigned to an educational
27 institution, a new motor vehicle dealer licensed under chapter
28 322, a new motor home dealer licensed under chapter 322C, a
29 person engaged in the business of purchasing bodies, parts
30 of bodies, frames or component parts of vehicles for sale as
31 scrap metal, a salvage pool, or an authorized vehicle recycler
32 licensed under chapter 321H. An authorized vehicle recycler
33 licensed under chapter 321H ~~or~~, a a new motor vehicle dealer
34 licensed under chapter 322, or a new motor home dealer licensed
35 under chapter 322C, may assign or reassign an Iowa salvage

1 certificate of title or a salvage certificate of title from
2 another state to any person, and the provisions of section
3 321.24, subsection 5, requiring issuance of an Iowa salvage
4 certificate of title shall not apply. A vehicle on which
5 ownership has transferred to an insurer of the vehicle as a
6 result of a settlement with the owner of the vehicle arising
7 out of damage to, or unrecovered theft of, the vehicle shall be
8 deemed to be a wrecked or salvage vehicle and the insurer shall
9 comply with this subsection to obtain a salvage certificate of
10 title within thirty days after the date of assignment of the
11 certificate of title of the vehicle.

12 Sec. 6. Section 321.57, subsections 5 and 6, Code 2011, are
13 amended to read as follows:

14 5. A dealer licensed as a wholesaler for a new motor vehicle
15 model under chapter 322 or a dealer licensed as a wholesaler
16 for a new motor home model under chapter 322C may operate a new
17 motor vehicle or new motor home of that model, owned by the
18 wholesaler, upon the highway when there is displayed on the
19 vehicle a special plate issued to the wholesaler as provided in
20 sections 321.58 through 321.62 and when operated solely for the
21 purposes of demonstration, show, or exhibition.

22 6. A manufacturer licensed under chapter 322 or 322C that
23 manufactures ambulances, rescue vehicles, or fire vehicles
24 may operate or move a new ambulance, rescue vehicle, or fire
25 vehicle manufactured and owned by the manufacturer solely for
26 purposes of transporting, demonstrating, showing, or exhibiting
27 the vehicle when there is displayed on the vehicle a special
28 plate issued to the manufacturer as provided in sections 321.58
29 through 321.62.

30 Sec. 7. Section 321.58, Code 2011, is amended to read as
31 follows:

32 **321.58 Application.**

33 All dealers, transporters, and new motor vehicle or new
34 motor home wholesalers licensed under chapter 322 or 322C,
35 upon payment of a fee of seventy dollars for a two-year

1 period or part thereof, may make application to the department
2 upon the appropriate form for a certificate containing a
3 general distinguishing number and for one or more special
4 plates as appropriate to various types of vehicles subject
5 to registration. The applicant shall also submit proof of
6 the applicant's status as a bona fide transporter, new motor
7 vehicle wholesaler, or new motor home wholesaler licensed under
8 chapter 322 or 322C, or dealer, as reasonably required by the
9 department. Dealers in new vehicles shall furnish satisfactory
10 evidence of a valid franchise with the manufacturer of the
11 vehicles authorizing the dealership.

12 Sec. 8. Section 321.69, subsections 6, 8, and 11, Code 2011,
13 are amended to read as follows:

14 6. Authorized vehicle recyclers licensed under chapter
15 321H, ~~and~~ motor vehicle dealers licensed under chapter 322, and
16 motor home dealers licensed under chapter 322C shall maintain
17 copies of all damage disclosure statements where the recycler
18 or dealer is either the transferor or the transferee for five
19 years following the date of the statement. The copies shall be
20 made available to the department or the attorney general upon
21 request.

22 8. A person, authorized vehicle recycler licensed under
23 chapter 321H, ~~or~~ motor vehicle dealer licensed under chapter
24 322, or motor home dealer licensed under chapter 322C shall
25 not be liable to a subsequent owner, driver, or passenger of
26 a vehicle because a prior owner or lessee gave a false or
27 inaccurate damage disclosure statement or failed to disclose
28 that the vehicle had previously been damaged and repaired or
29 had been titled on a salvage, rebuilt, or flood certificate of
30 title unless the person, recycler, or dealer knew or reasonably
31 should have known that the prior owner or lessee gave a false
32 or inaccurate damage disclosure statement or failed to disclose
33 that the vehicle had been damaged and repaired or had been
34 titled on a salvage, rebuilt, or flood certificate of title.

35 11. A person who knowingly makes a false damage disclosure

1 statement or fails to make a damage disclosure statement
2 required by this section commits a fraudulent practice.
3 Failure of a person, authorized vehicle recycler licensed under
4 chapter 321H, or motor vehicle dealer licensed under chapter
5 322, or motor home dealer licensed under chapter 322C to comply
6 with any duty imposed by this section constitutes a violation
7 of section 714.16, subsection 2, paragraph "a".

8 Sec. 9. Section 321.69A, subsection 1, paragraph a,
9 unnumbered paragraph 1, Code Supplement 2011, is amended to
10 read as follows:

11 A person licensed as a new motor vehicle or new motor home
12 dealer pursuant to chapter 322 or 322C, shall not be required
13 to disclose to a prospective or actual buyer or lessee of a
14 new motor vehicle repairs of damage to or adjustments on or
15 replacements of parts with new parts on the motor vehicle if
16 all of the following are true:

17 Sec. 10. Section 321.69A, subsection 2, Code Supplement
18 2011, is amended to read as follows:

19 2. A person licensed as a new motor vehicle or new motor
20 home dealer pursuant to chapter 322 or 322C, shall disclose
21 in writing, at or before the time of sale or lease, to the
22 buyer or lessee of a new motor vehicle that the vehicle has
23 been subject to any repairs of damage to or adjustments on or
24 replacements of parts with new parts if the actual cost of any
25 labor or parts charged to or performed by the dealer for any
26 such repairs, adjustments, or parts exceeds four percent of the
27 dealer's adjusted cost. The written disclosure shall include
28 the signature of the buyer or lessee and be in a form and in
29 a format approved by the attorney general by rule. A dealer
30 shall retain a copy of each written disclosure issued pursuant
31 to this section for five years from the date of issuance.

32 Sec. 11. Section 321.71, subsection 9, Code 2011, is amended
33 to read as follows:

34 9. An Iowa licensed motor vehicle or motor home dealer
35 shall not have in possession as inventory for sale a used motor

1 vehicle acquired by the dealer after the tenth model year
2 prior to the current registration year, for which the dealer
3 does not possess an odometer statement by the transferor which
4 is in compliance with federal law and regulations unless a
5 certificate of title has been issued for the vehicle in the
6 name of the dealer. Transfer of a new motor vehicle with
7 an ownership document which is a manufacturer's statement of
8 origin requires an odometer statement only when transferred at
9 retail.

10 Sec. 12. Section 321.95, subsection 1, Code 2011, is amended
11 to read as follows:

12 1. Peace officers shall have the authority to inspect any
13 vehicle or component part in possession of a vehicle rebuilder,
14 vehicle salvager, used vehicle parts dealer, or any person
15 licensed under chapter 322 or 322C, or found upon the public
16 highway or in any public garage, enclosure, or property in
17 which vehicles or component parts are kept for sale, storage,
18 hire, or repair and for that purpose may enter any such public
19 garage, enclosure, or property. Every vehicle rebuilder,
20 vehicle salvager, used vehicle parts dealer, or any person
21 licensed under chapter 322 or 322C, or a person having used
22 engines or transmissions which are component parts for sale
23 shall keep an accurate and complete record of all vehicles
24 demolished and of such component parts purchased or received
25 for resale as component parts in the course of business. These
26 records shall contain the name and address of the person from
27 whom each such vehicle or component part was purchased or
28 received and the date when the purchase or receipt occurred or
29 the junking certificate if required for the vehicle. These
30 records shall be open for inspection by any peace officer at
31 any time during normal business hours. Records required by
32 this section shall be kept for at least three years after the
33 transaction which they record.

34 Sec. 13. Section 321.105A, subsection 2, paragraph a,
35 subparagraphs (1) and (3), Code Supplement 2011, are amended

1 to read as follows:

2 (1) Exempted from the purchase price of any vehicle subject
3 to registration is the amount of any cash rebate which is
4 provided by a motor vehicle or motor home manufacturer to the
5 purchaser of the vehicle subject to registration so long as the
6 rebate is applied to the purchase price of the vehicle.

7 (3) Exempted from the purchase price of a replacement
8 motor vehicle owned by a motor vehicle or motor home dealer
9 licensed under chapter 322 or 322C which is being registered
10 by that dealer and is not otherwise exempt from the fee for
11 new registration is the fair market value of a replaced motor
12 vehicle if all of the following conditions are met:

13 (a) The motor vehicle being registered is being placed in
14 service as a replacement motor vehicle for a motor vehicle
15 registered by the motor vehicle or motor home dealer.

16 (b) The motor vehicle being registered is taken from the
17 motor vehicle or motor home dealer's inventory.

18 (c) Use tax or the fee for new registration on the motor
19 vehicle being replaced was paid by the motor vehicle or motor
20 home dealer when that motor vehicle was registered.

21 (d) The replaced motor vehicle is returned to the motor
22 vehicle or motor home dealer's inventory for sale.

23 (e) The application for registration and title of the motor
24 vehicle being registered is filed with the county treasurer
25 within two weeks of the date the replaced motor vehicle is
26 returned to the motor vehicle or motor home dealer's inventory.

27 (f) The motor vehicle being registered is placed in the same
28 or substantially similar service as the replaced motor vehicle.

29 Sec. 14. Section 321.105A, subsection 2, paragraph c,
30 subparagraphs (6) and (14), Code Supplement 2011, are amended
31 to read as follows:

32 (6) Vehicles subject to registration in any state when
33 purchased for rental or registered and titled by a motor
34 vehicle or motor home dealer licensed pursuant to chapter
35 322 or 322C for rental use, and held for rental for a period

1 of one hundred twenty days or more and actually rented for
2 periods of sixty days or less by a person regularly engaged in
3 the business of renting vehicles including but not limited to
4 motor vehicle dealers licensed pursuant to chapter 322 who rent
5 automobiles to users, if the rental of the vehicles is subject
6 to taxation under chapter 423C.

7 (14) Vehicles purchased by a licensed motor vehicle or motor
8 home dealer for resale.

9 Sec. 15. Section 321.115, subsection 2, Code 2011, is
10 amended to read as follows:

11 2. The sale of a motor vehicle twenty years old or older
12 which is primarily of value as a collector's item and not as
13 transportation is not subject to chapter 322 or 322C, and any
14 person may sell such a vehicle at retail without a license as
15 required under chapter 322 or 322C.

16 Sec. 16. Section 321.124, subsection 2, Code 2011, is
17 amended to read as follows:

18 2. Class A motor homes and class C motor homes are exempt
19 from the provisions of section ~~322.5, subsection 2~~ 322C.4A,
20 except that a motor vehicle dealer showing class A motor
21 homes and class C motor homes shall apply for a temporary
22 permit upon forms and for such time as provided in section
23 ~~322.5, subsection 2~~ 322C.4A, and the department may issue the
24 temporary permit upon payment of the fee provided therein.

25 Sec. 17. Section 321.157, subsection 1, Code 2011, is
26 amended to read as follows:

27 1. A manufacturer or importer of a motor vehicle sold or
28 offered for sale in this state, either by the manufacturer,
29 importer, distributor, dealer, or any other person, shall file
30 in the office of the department a sworn statement showing the
31 various models manufactured by the manufacturer, importer,
32 distributor, dealer, or other person, and the retail list
33 price and weight of each model concurrently with a public
34 announcement of such prices or concurrently with notification
35 of such prices to dealers licensed to sell such motor vehicles

1 or motor homes under chapter 322 or 322C, whichever comes
2 first. The manufacturer, importer, distributor, dealer, or
3 other person shall also make the same report on subsequent new
4 models manufactured.

5 Sec. 18. Section 321A.39, subsection 1, unnumbered
6 paragraph 1, Code 2011, is amended to read as follows:

7 Whenever any dealer licensed under chapter 322 or 322C sells
8 a motor vehicle at retail and the transaction does not include
9 the sale of liability insurance coverage which will protect the
10 purchaser under the Iowa motor vehicle financial and safety
11 responsibility Act the purchase order or invoice evidencing the
12 transaction shall contain a statement in the following form:

13 Sec. 19. Section 321F.9, Code 2011, is amended to read as
14 follows:

15 **321F.9 Option to purchase — dealer's license.**

16 Any person engaged in business in this state shall not
17 enter into any agreement for the use of a motor vehicle under
18 the terms of which that person grants to another an option
19 to purchase the motor vehicle without first having obtained
20 a motor vehicle or motor home dealer's license under the
21 provisions of chapter 322 or 322C, and all sales of motor
22 vehicles under such options shall be subject to sales or use
23 taxes imposed under the provisions of chapter 423. Nothing
24 contained in this section shall require such person to have a
25 place of business as provided by section 322.6, subsection 1,
26 paragraph "h" or chapter 322C.

27 Sec. 20. Section 321H.3, unnumbered paragraph 1, Code 2011,
28 is amended to read as follows:

29 Except for educational institutions; persons licensed as new
30 vehicle or new motor home dealers under chapter 322 or 322C;
31 persons engaged in a hobby not for profit; persons engaged in
32 the business of purchasing bodies, parts of bodies, frames,
33 or component parts of vehicles only for sale as scrap metal;
34 or persons licensed under the provisions of this chapter as
35 authorized vehicle recyclers, a person in this state shall not

1 engage in the business of any of the following:

2 Sec. 21. Section 322.2, subsections 11 and 12, Code 2011,
3 are amended to read as follows:

4 11. "*Manufacturer*" means any person engaged in the business
5 of fabricating or assembling motor vehicles. It does not
6 include a person who converts, modifies, or alters a completed
7 motor vehicle manufactured by another person. ~~It includes~~
8 ~~a person who uses a completed motor vehicle manufactured by~~
9 ~~another person to construct a class "B" motor home as defined~~
10 ~~in section 321.124.~~

11 12. "*Motor vehicle*" means any self-propelled vehicle subject
12 to registration under chapter 321 except a motor home as
13 defined in section 322C.2.

14 Sec. 22. Section 322.2, Code 2011, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 14A. "*Recreational vehicle*" means a motor
17 home as defined in section 321.1, subsection 36C, or a travel
18 trailer as defined in section 322C.2, subsection 10.

19 Sec. 23. Section 322.3, subsection 14, paragraph d, Code
20 2011, is amended by striking the paragraph.

21 Sec. 24. Section 322.36, Code 2011, is amended to read as
22 follows:

23 **322.36 Motorcycle and recreational vehicle dealer business**
24 **hours.**

25 1. A person in the business of selling motorcycles under
26 chapter 322D is not required to maintain regular business hours
27 at the dealer's principal place of business or other place of
28 business.

29 2. a. A person in the business of selling recreational
30 vehicles under chapter 322C is not required to maintain regular
31 business hours at the dealer's principal place of business or
32 other place of business unless the person sells motor vehicles
33 at the same place of business.

34 b. A person in the business of selling recreational vehicles
35 under chapter 322C shall post the dealer's contact information

1 and a business telephone number in a conspicuous location in
2 the dealer's place of business. The person shall maintain
3 a business telephone number which is answered by a person
4 employed by the dealer or by a recorded message which provides
5 the business's contact information.

6 Sec. 25. Section 322A.2, subsection 2, Code 2011, is amended
7 to read as follows:

8 2. A franchiser may terminate a franchise for a particular
9 line-make if the franchiser discontinues that line-make and
10 a franchiser may terminate a franchise if the franchisee's
11 license as a motor vehicle or motor home dealer is revoked
12 pursuant to the provisions of chapter 322 or 322C.

13 Sec. 26. Section 322A.12, subsection 1, Code 2011, is
14 amended to read as follows:

15 1. Notwithstanding the terms, provisions, or conditions of
16 an agreement or franchise, subject to the provisions of section
17 322A.11, subsection 2, in the event of the sale or transfer of
18 ownership of a franchisee's dealership by sale or transfer of
19 the business or by stock transfer or in the event of a change
20 in the executive management of a franchisee's dealership, the
21 franchiser shall give effect to the change in the franchise
22 unless the transfer of the franchisee's license under chapter
23 322 or 322C is denied or the new owner is unable to obtain a
24 license under that chapter.

25 Sec. 27. Section 322A.14, Code 2011, is amended to read as
26 follows:

27 **322A.14 License to dealer denied.**

28 In the event that a franchiser enters into or attempts to
29 enter into a franchise, whether upon termination or refusal
30 to continue another franchise or upon the establishment of an
31 additional motor vehicle dealership in a community where the
32 same line-make is then represented, without first complying
33 with the provisions of this chapter, no license under chapter
34 322 or 322C shall be issued to that franchisee or proposed
35 franchisee to engage in the business of selling motor vehicles

1 manufactured or distributed by that franchiser.

2 Sec. 28. Section 322C.2, subsections 1, 3, 5, and 8, Code
3 2011, are amended to read as follows:

4 1. To sell "*at retail*" means to sell a travel trailer or
5 motor home to a person who will devote it to a consumer use.

6 3. "*Distributor*" or "*wholesaler*" means a person who in whole
7 or in part sells or distributes travel trailers to travel
8 trailer dealers, or a person who in whole or in part sells or
9 distributes motor homes to motor home dealers, either directly
10 or through a representative employed by a distributor.

11 5. "*Manufacturer*" means a person engaged in the business of
12 fabricating or assembling travel trailers or motor homes of a
13 type required to be registered. It includes a person who uses
14 a completed motor vehicle manufactured by another person to
15 construct a class "B" motor home as defined in section 321.124.

16 8. "*Place of business*" means a designated location where
17 facilities are maintained for displaying, reconditioning and
18 repairing either new or used travel trailers or motor homes.

19 Sec. 29. Section 322C.2, Code 2011, is amended by adding the
20 following new subsections:

21 NEW SUBSECTION. 4A. The "*holder*" of a retail installment
22 contract means the retail seller of the motor home under or
23 subject to the contract or, if the contract is purchased by
24 a sales finance company or other assignee, the sales finance
25 company or other assignee.

26 NEW SUBSECTION. 5A. "*Motor home*" means the same as defined
27 in section 321.1, subsection 36C, paragraph "d".

28 NEW SUBSECTION. 5B. "*New motor home*" means a motor home
29 that has not been sold at retail.

30 NEW SUBSECTION. 8A. "*Retail buyer*" or "*buyer*" means a
31 person who buys a motor home from a retail seller.

32 NEW SUBSECTION. 8B. "*Retail installment contract*" means an
33 agreement entered into in this state, pursuant to which the
34 title to, the property in or a lien upon the motor home, which
35 is the subject matter of a retail installment transaction, is

1 retained or taken by a retail seller from a retail buyer as
2 security, in whole or in part, for the buyer's obligation. The
3 term includes a chattel mortgage, a conditional sales contract,
4 and a contract for the bailment or leasing of a motor home by
5 which the bailee or lessee contracts to pay as compensation for
6 its use a sum substantially equivalent to or in excess of its
7 value and by which it is agreed that the bailee or lessee is
8 bound to become, or has the option of becoming, the owner of
9 the motor home upon full compliance with the provisions of the
10 contract.

11 NEW SUBSECTION. 8C. "*Retail installment transaction*" means
12 any sale evidenced by a retail installment contract between a
13 retail buyer and a retail seller wherein the retail buyer buys
14 a motor home from a retail seller at a time price payable in one
15 or more installments.

16 NEW SUBSECTION. 8D. "*Retail seller*" or "*seller*" means a
17 person who sells a motor home to a retail buyer.

18 NEW SUBSECTION. 8E. "*Sales finance company*" means a person
19 engaged, in whole or in part, in the business of purchasing
20 retail installment contracts from one or more retail sellers.
21 The term also includes a retail seller engaged, in whole
22 or in part, in the business of creating and holding retail
23 installment contracts. The term does not include the pledgee
24 of an aggregate number of such contracts to secure a bona fide
25 loan thereon.

26 NEW SUBSECTION. 10A. "*Used motor home*" means a motor home
27 which has been sold at retail and previously registered in this
28 or any other state.

29 Sec. 30. Section 322C.3, Code Supplement 2011, is amended
30 to read as follows:

31 **322C.3 Prohibited acts — exception.**

32 1. a. A person shall not engage in this state in the
33 business of selling at retail new travel trailers of any make,
34 or represent or advertise that the person is engaged or intends
35 to engage in such business in this state, unless the person is

1 authorized by a contract in writing between that person and the
2 manufacturer or distributor of that make of new travel trailers
3 to sell the trailers in this state, and unless the department
4 has issued to the person a license as a travel trailer dealer
5 for the same make of travel trailer.

6 b. A person shall not engage in this state in the business
7 of selling at retail new motor homes of any make, or represent
8 or advertise that the person is engaged or intends to engage in
9 such business in this state, unless the person is authorized by
10 a contract in writing between that person and the manufacturer
11 or distributor of that make of new motor homes to sell the
12 motor homes in this state, and unless the department has issued
13 to the person a license as a motor home dealer for the same make
14 of motor homes.

15 2. a. A person, other than a licensed travel trailer
16 dealer in new travel trailers, shall not engage in the business
17 of selling at retail used travel trailers or represent or
18 advertise that the person is engaged or intends to engage in
19 such business in this state unless the department has issued to
20 the person a license as a used travel trailer dealer.

21 b. A person, other than a licensed motor home dealer in
22 new motor homes, shall not engage in the business of selling
23 at retail used motor homes or represent or advertise that the
24 person is engaged or intends to engage in such business in this
25 state unless the department has issued to the person a license
26 as a used motor home dealer.

27 3. A person is not required to obtain a license as a travel
28 trailer or motor home dealer if the person is disposing of a
29 travel trailer or motor home acquired or repossessed, so long
30 as the person is exercising a power or right granted by a lien,
31 title-retention instrument, or security agreement given as
32 security for a loan or a purchase money obligation.

33 4. a. A travel trailer dealer shall not enter into a
34 contract, agreement, or understanding, expressed or implied,
35 with a manufacturer or distributor that the dealer will sell,

1 assign, or transfer an agreement or contract arising from
2 the retail installment sale of a travel trailer only to a
3 designated person or class of persons. Any such condition,
4 agreement, or understanding between a manufacturer or
5 distributor and a travel trailer dealer is against the public
6 policy of this state and is unlawful and void.

7 b. A motor home dealer shall not enter into a contract,
8 agreement, or understanding, expressed or implied, with a
9 manufacturer or distributor that the dealer will sell, assign,
10 or transfer an agreement or contract arising from the retail
11 installment sale of a motor home only to a designated person
12 or class of persons. Any such condition, agreement, or
13 understanding between a manufacturer or distributor and a motor
14 home dealer is against the public policy of this state and is
15 unlawful and void.

16 5. a. A manufacturer or distributor of travel trailers or
17 an agent or representative of the manufacturer or distributor,
18 shall not refuse to renew a contract for a term of less than
19 five years, and shall not terminate or threaten to terminate
20 a contract, agreement or understanding for the sale of new
21 travel trailers to a travel trailer dealer in this state
22 without just, reasonable and lawful cause or because the travel
23 trailer dealer failed to sell, assign or transfer a contract
24 or agreement arising from the retail sale of a travel trailer
25 to only a person or a class of persons designated by the
26 manufacturer or distributor.

27 b. A manufacturer or distributor of motor homes or an agent
28 or representative of the manufacturer or distributor shall not
29 terminate, threaten to terminate, or fail to renew a contract,
30 agreement, or understanding for the sale of new motor homes to
31 a motor home dealer in this state without just, reasonable,
32 and lawful cause or because the motor home dealer failed to
33 sell, assign, or transfer any retail installment contract
34 arising from the retail sale of a motor home or any one or more
35 of them to a person or a class of persons designated by the

1 manufacturer or distributor.

2 6. A travel trailer or motor home dealer shall not make and
3 enter into a security agreement, retail installment contract,
4 or other contract unless the agreement or contract meets the
5 following requirements:

6 a. The security agreement, retail installment contract,
7 or other contract is in writing, is signed by both the buyer
8 and the seller, and is complete as to all essential provisions
9 prior to the signing of the agreement, retail installment
10 contract, or other contract by the buyer except that, if
11 delivery of the travel trailer or motor home is not made at
12 the time of the execution of the agreement or contract, the
13 identifying numbers of the travel trailer or motor home or
14 similar information and the due date of the first installment
15 may be inserted in the agreement or contract after its
16 execution.

17 b. The agreement, retail installment contract, or other
18 contract complies with the Iowa consumer credit code, chapter
19 537, where applicable.

20 7. a. A manufacturer or distributor of travel trailers or
21 an agent or representative of a manufacturer or distributor
22 shall not coerce or attempt to coerce a travel trailer dealer
23 to accept delivery of a travel trailer or travel trailer parts
24 or accessories, or any other commodity which has not been
25 ordered by the dealer.

26 b. A manufacturer or distributor of motor homes or an agent
27 or representative of a manufacturer or distributor of motor
28 homes shall not coerce or attempt to coerce a motor home dealer
29 to accept delivery of a motor home or motor home parts or
30 accessories, or any other commodity which has not been ordered
31 by the dealer.

32 8. Except under subsection 9 of this section or section
33 322C.4A, a person licensed under section 322C.4 shall not,
34 either directly or through an agent, salesperson or employee,
35 engage or represent or advertise that the person is engaged or

1 intends to engage in this state, in the business of buying or
2 selling new or used travel trailers or motor homes on Sunday.

3 9. A travel trailer dealer may display new travel trailers
4 at fairs, shows, and exhibitions on any day of the week as
5 provided in this subsection. Travel trailer dealers, in
6 addition to selling travel trailers at their principal place
7 of business and lots, may, upon receipt of a temporary permit
8 approved by the department, display and offer new travel
9 trailers for sale and negotiate sales of new travel trailers
10 at fairs, shows, and exhibitions. Application for temporary
11 permits shall be made upon forms provided by the department and
12 shall be accompanied by a ten dollar permit fee. Temporary
13 permits shall be issued for a period not to exceed fourteen
14 days. The department may issue multiple consecutive temporary
15 permits.

16 10. A person who has been convicted of a fraudulent
17 practice, has been convicted of three or more violations of
18 section 321.92, subsection 2, or section 321.99, or has been
19 convicted of any other indictable offense in connection with
20 selling or other activity relating to vehicles, in this state
21 or any other state, shall not for a period of five years from
22 the date of conviction be an owner, salesperson, employee,
23 officer of a corporation, or representative of a licensed
24 travel trailer or motor home dealer or represent themselves
25 as an owner, salesperson, employee, officer of a corporation,
26 or representative of a licensed travel trailer or motor home
27 dealer.

28 11. A manufacturer, distributor, or importer of motor homes
29 or agent or representative of such manufacturer, distributor,
30 or importer shall not require a motor home dealer to submit to
31 arbitration to resolve a controversy before the controversy
32 arises. The parties may enter into a voluntary agreement to
33 arbitrate a controversy after it arises. Such an agreement
34 shall require that the arbitrator apply Iowa law in resolving
35 the controversy. Either party may appeal a decision of an

1 arbitrator to the district court on the grounds that the
2 arbitrator failed to apply Iowa law.

3 12. a. A manufacturer, distributor, or importer of
4 motor homes or agent or representative of such manufacturer,
5 distributor, or importer shall not reduce the amount of
6 compensation for, or disallow a claim for, any of the following
7 if twelve months or more have passed since the claim was
8 submitted to the manufacturer, distributor, or importer or
9 agent or representative thereof:

10 (1) Warranty parts, repairs, or service supplied by a motor
11 home dealer.

12 (2) Sales or leasing incentives provided to a motor home
13 dealer or to a customer of a motor home dealer including but
14 not limited to rebates and discounted interest rates.

15 b. The twelve-month limitation shall not apply if a court
16 of competent jurisdiction in this state finds the claim was
17 fraudulent.

18 13. A manufacturer, distributor, or importer of motor homes
19 or an agent or representative of a manufacturer, distributor,
20 or importer shall not reduce the amount of compensation for,
21 or disallow a claim for, warranty parts, repairs, or service
22 supplied by a motor home dealer on the grounds that the dealer
23 failed to submit a claim fewer than sixty days after the
24 motor home dealer completed the work underlying the claim for
25 warranty parts, repairs, or service.

26 Sec. 31. Section 322C.4, Code 2011, is amended to read as
27 follows:

28 **322C.4 Dealer's license application and fees.**

29 1. Upon application and payment of a fee, a person may
30 be licensed as a travel trailer or motor home dealer. The
31 license fee is seventy dollars for a two-year period or part
32 thereof. The person shall pay an additional fee of twenty
33 dollars for a two-year period or part thereof for each travel
34 trailer or motor home lot in addition to the principal place
35 of business unless the lot is adjacent to the principal place

1 of business. For purposes of this subsection, "adjacent" means
2 that the principal place of business and each additional lot
3 are adjoining parcels of property. The applicant shall file
4 in the office of the department a verified application for
5 license as a travel trailer or motor home dealer in the form
6 the department prescribes, which shall include the following:

7 a. The name of the applicant and the applicant's principal
8 place of business.

9 b. The name of the applicant's business and whether the
10 applicant is an individual, partnership, corporation or other
11 legal entity.

12 (1) If the applicant is a partnership the name under which
13 the partnership intends to engage in business and the name and
14 post office address of each partner.

15 (2) If the applicant is a corporation, the state of
16 incorporation and the name and post office address of each
17 officer and director.

18 c. The make or makes of new travel trailers or motor homes,
19 if any, which the applicant will offer for sale at retail in
20 this state.

21 d. The location of each place of business within this state
22 to be used by the applicant for the conduct of the business.

23 e. If the applicant is a party to a contract, agreement,
24 or understanding with a manufacturer or distributor of travel
25 trailers or motor homes or is about to become a party to a
26 contract, agreement, or understanding, the applicant shall
27 state the name of each manufacturer and distributor and the
28 make or makes of new travel trailers or motor homes, if any,
29 which are the subject matter of the contract, agreement, or
30 understanding.

31 f. Other information concerning the business of the
32 applicant the department reasonably requires for administration
33 of this chapter.

34 g. Proof that the applicant for a license as a motor home
35 dealer has financial liability coverage as defined in section

1 321.1, except that such coverage shall be in limits of not less
2 than one hundred thousand dollars because of bodily injury to
3 or death of one person in any one accident and, subject to the
4 limit for one person, three hundred thousand dollars because
5 of bodily injury to or death of two or more persons in any one
6 accident, and fifty thousand dollars because of injury to or
7 destruction of property of others in any one accident.

8 h. If the applicant is applying for a used motor home
9 dealer license, certification that the applicant has met the
10 educational requirements for licensure under section 322C.6A.
11 The certification may be transmitted to the department by the
12 education provider in electronic format.

13 2. The license shall be granted or refused within thirty
14 days after application. A license is valid for a two-year
15 period and expires, unless revoked or suspended by the
16 department, on December 31 of even-numbered years. A licensee
17 shall have the month of expiration and the month after the
18 month of expiration to renew the license. A used motor home
19 dealer license shall not be renewed for an applicant who is
20 subject to continuing education requirements until the licensee
21 certifies completion of the educational requirements for
22 license renewal under section 322C.6A. The certification may
23 be transmitted to the department by the education provider in
24 electronic format. A person who fails to renew a license by
25 the end of this time period and desires to hold a license shall
26 file a new license application and pay the required fee. A
27 separate license shall be obtained for each county in which
28 an applicant does business as a travel trailer or motor home
29 dealer.

30 3. A licensee shall file with the department a supplemental
31 statement when there is a change in an item of information
32 required under paragraphs "a" to "e" "h" of subsection 1, within
33 fifteen days after the change. Upon filing a supplemental
34 statement, the licensee shall surrender its license to the
35 department together with a thirty-five-dollar fee. The

1 department shall issue a new license modified to reflect the
2 changes on the supplemental statement.

3 4. Before the issuance of a travel trailer dealer's license,
4 the applicant shall furnish a surety bond executed by the
5 applicant as principal and executed by a corporate surety
6 company, licensed and qualified to do business within this
7 state, which bond shall run to the state of Iowa, be in the
8 amount of twenty-five thousand dollars and be conditioned upon
9 the faithful compliance by the applicant as a dealer with all
10 statutes of this state regulating or applicable to a travel
11 trailer dealer, and shall indemnify any person dealing or
12 transacting business with the dealer from loss or damage caused
13 by the failure of the dealer to comply with the provisions of
14 chapter 321 and this chapter, including the furnishing of a
15 proper and valid certificate of title to a travel trailer, and
16 that the bond shall be filed with the department prior to the
17 issuance of the license. A person licensed under subsection 5
18 or chapter 322, with the same name and location or locations,
19 is not subject to the provisions of this subsection.

20 5. Before the issuance of a motor home dealer's license
21 to be a dealer engaged in the sale of motor homes for which
22 a certificate of title is required under chapter 321, the
23 applicant shall furnish a surety bond executed by the applicant
24 as principal and executed by a corporate surety company,
25 licensed and qualified to do business within this state,
26 which bond shall run to the state of Iowa, be in the amount of
27 fifty thousand dollars and be conditioned upon the faithful
28 compliance by the applicant as a dealer with all of the
29 statutes of this state regulating or applicable to the business
30 of a dealer in motor homes, and indemnifying any person who
31 buys a motor home from the dealer from any loss or damage
32 occasioned by the failure of the dealer to comply with any of
33 the provisions of chapter 321 and this chapter, including but
34 not limited to the furnishing of a proper and valid certificate
35 of title to the motor home involved in a transaction. The bond

1 shall also indemnify any motor home purchaser from any loss
2 or damage caused by the failure of the dealer to comply with
3 the odometer requirements in section 321.71, regardless of
4 whether the motor home was purchased directly from the dealer.
5 The bond shall be filed with the department prior to the
6 issuance of a license. The aggregate liability of the surety,
7 however, shall not exceed the amount of the bond. A person
8 licensed under chapter 322, with the same name and location or
9 locations, is not subject to the provisions of this subsection.

10 Sec. 32. NEW SECTION. 322C.4A Temporary permits.

11 1. A motor home dealer may do any of the following:

12 a. Display new motor homes at fairs, vehicle shows, and
13 vehicle exhibitions, upon application for and receipt of a
14 temporary permit issued by the department.

15 b. Display, offer for sale, and negotiate sales of new motor
16 homes at fair events, as defined in chapter 174, vehicle shows,
17 and vehicle exhibitions, upon application for and receipt of a
18 temporary permit issued by the department. Such activities may
19 only be conducted at fair events, vehicle shows, and vehicle
20 exhibitions that are held in the county of the motor home
21 dealer's principal place of business. A sale of a motor home
22 by a motor home dealer shall not be completed and an agreement
23 for the sale of a motor home shall not be signed at a fair
24 event, vehicle show, or vehicle exhibition. All such sales
25 shall be consummated at the motor home dealer's principal place
26 of business.

27 2. An application for a temporary permit under this
28 subsection shall be made upon a form provided by the department
29 and shall be accompanied by a ten dollar permit fee. The
30 department may issue a temporary permit for a period not to
31 exceed fourteen days. The department may issue multiple
32 consecutive temporary permits.

33 Sec. 33. Section 322C.5, Code 2011, is amended to read as
34 follows:

35 **322C.5 Display of license.**

1 1. A license issued under section 322C.4 shall specify the
2 location of the principal place of business and the location
3 of each additional place of business, if any, for which the
4 license is issued, and the license shall be conspicuously
5 displayed at the principal place of business except during
6 periods when the license is surrendered for modification.

7 2. A license issued under section 322C.9 for manufacturers
8 and distributors of motor homes shall specify the location
9 of the office and must be conspicuously displayed at such
10 location. In case such location be changed, the department
11 shall endorse the change of location on the license without
12 charge if it be within the same municipality. A change of
13 location to another municipality shall require a new license.

14 Sec. 34. Section 322C.6, unnumbered paragraph 1, Code 2011,
15 is amended to read as follows:

16 A license or permit issued under section 322C.4, 322C.4A, or
17 322C.9 may be denied, revoked, or suspended, after opportunity
18 for a hearing before the department of inspections and appeals
19 in accordance with chapters 10A and 17A, if it is determined
20 that the licensee or applicant has done any of the following:

21 Sec. 35. Section 322C.6, subsection 2, Code 2011, is amended
22 to read as follows:

23 2. Made a material misrepresentation to the department in
24 connection with an application for a license, certificate of
25 title, or registration of a travel trailer, motor home, or
26 other vehicle.

27 Sec. 36. Section 322C.6, Code 2011, is amended by adding the
28 following new subsections:

29 NEW SUBSECTION. 8. Failing upon the sale or transfer of
30 a motor home to deliver to the purchaser or transferee of the
31 motor home sold or transferred, a manufacturer's or importer's
32 certificate, or a certificate of title duly assigned as
33 provided in chapter 321.

34 NEW SUBSECTION. 9. Failing upon the purchasing or otherwise
35 acquiring of a motor home to obtain a manufacturer's or

1 importer's certificate, or a certificate of title duly assigned
2 as provided in chapter 321.

3 NEW SUBSECTION. 10. Failing upon the purchasing or
4 otherwise acquiring of a motor home to obtain a new certificate
5 of title to such motor home when and where required in chapter
6 321.

7 Sec. 37. NEW SECTION. **322C.6A Used motor home dealer**
8 **education program.**

9 1. An applicant for a license as a used motor home dealer
10 shall complete prelicensing education program courses pursuant
11 to section 322.7A prior to submitting an application to the
12 department.

13 2. A person seeking renewal of a used motor home dealer
14 license shall complete continuing education program courses as
15 provided in section 322.7A.

16 Sec. 38. Section 322C.7, Code 2011, is amended to read as
17 follows:

18 **322C.7 Manufacturer's or distributor's license.**

19 1. A manufacturer or distributor of travel trailers shall
20 not engage in business in this state without a license pursuant
21 to this chapter.

22 2. A manufacturer of motor homes, except an alien
23 manufacturer represented by an importer, shall not engage in
24 business as a manufacturer in this state or employ, appoint,
25 or maintain distributors or wholesalers or dealers, without a
26 license as provided in this chapter. However, new motor home
27 dealers may wholesale motor homes without an additional license
28 and used motor home dealers may wholesale used motor homes
29 without an additional license.

30 Sec. 39. NEW SECTION. **322C.8 Wholesaler and distributor's**
31 **license.**

32 1. A person shall not engage in business as a wholesaler
33 of new motor homes in this state without a license as provided
34 in this chapter. Prior to the issuance of such license,
35 the department, at a minimum, and in addition to any other

1 information the department deems necessary to the application,
2 shall require proof that the applicant has financial liability
3 coverage as defined in section 321.1, except that such coverage
4 shall be in limits of not less than one hundred thousand
5 dollars because of bodily injury to or death of one person in
6 any one accident and, subject to the limit for one person,
7 three hundred thousand dollars because of bodily injury to
8 or death of two or more persons in any one accident, and
9 fifty thousand dollars because of injury to or destruction of
10 property of others in any one accident.

11 2. A distributor or wholesaler of new motor homes shall
12 not sell or offer for sale a new motor home at retail unless
13 licensed as a new motor home dealer. A licensed distributor
14 or wholesaler of a new motor home shall not register or title a
15 new motor home held for sale and shall transfer ownership of
16 a new motor home by assigning the manufacturer's statement of
17 origin for the motor home.

18 Sec. 40. Section 322C.9, Code 2011, is amended to read as
19 follows:

20 **322C.9 License application and fees.**

21 1. ~~Upon application and payment of a seventy dollar fee for~~
22 ~~a two-year period or part thereof,~~ a person may be licensed as
23 a manufacturer, wholesaler, or distributor of travel trailers
24 or motor homes. The application shall be in the form and
25 shall contain information as the department prescribes. The
26 license shall be granted or refused within thirty days after
27 application. The license expires, unless sooner revoked or
28 suspended by the department, on December 31 of even-numbered
29 years. A licensee shall have the month of expiration and the
30 month after the month of expiration to renew the license. A
31 person who fails to renew a license by the end of this time
32 period and desires to hold a license shall file a new license
33 application and pay the required fee.

34 2. License fees for each two-year period or part thereof are
35 as follows:

- 1 a. For a motor home manufacturer, seventy dollars.
2 b. For a travel trailer manufacturer or distributor, seventy
3 dollars.
4 c. For a new motor home distributor or wholesaler, forty
5 dollars.

6 3. A license shall not be issued to a person as a
7 distributor or wholesaler for a new motor home model unless the
8 distributor or wholesaler has written authorization from the
9 manufacturer as a distributor or wholesaler of the motor home
10 model.

11 4. Upon payment of the license fee as provided in this
12 section, a person who rebuilds new completed motor homes by
13 fabricating, altering, adding, or replacing essential parts,
14 components, or equipment for the purpose of building an
15 ambulance, rescue vehicle, fire vehicle, or towing or recovery
16 vehicle as defined in chapter 321 may be issued a license as
17 a wholesaler of new motor homes of the make and model rebuilt
18 without written authorization from the manufacturer.

19 5. Notwithstanding any other provision of this chapter,
20 a person licensed as a wholesaler under subsection 4 may be
21 licensed as a used motor home dealer.

22 **Sec. 41. NEW SECTION. 322C.13 **Copy of contract to buyer.****

23 A copy of every retail installment contract shall be
24 furnished to the buyer at the time of the execution of the
25 contract. An acknowledgment by the buyer contained in the body
26 of the retail installment contract of the delivery of a copy
27 thereof shall be conclusive proof of delivery in any action or
28 proceeding by or against any assignee of a retail installment
29 contract.

30 **Sec. 42. NEW SECTION. 322C.14 **Dual-interest insurance.****

31 If dual-interest insurance on the motor home is purchased
32 by the holder it shall, within thirty days after execution of
33 the retail installment contract, send or cause to be sent to
34 the buyer a policy or policies or certificate of insurance,
35 written by an insurance company authorized to do business in

1 this state, clearly setting forth the amount of the premium,
2 the kind or kinds of insurance and the coverages. The buyer
3 shall have the privilege of purchasing such insurance from an
4 agent or broker of the buyer's own selection and of selecting
5 an insurance company acceptable to the holder; but in such
6 case the inclusion of the insurance premium in the retail
7 installment contract shall be optional with the seller. If
8 any insurance is canceled, unearned insurance premium refunds
9 received by the holder shall be credited to the final maturing
10 installments of the contract except to the extent applied
11 toward payment for similar insurance protecting the interests
12 of the buyer and the holder or either of them.

13 Sec. 43. NEW SECTION. 322C.15 Motor home retail installment
14 transactions — finance charges — amount.

15 1. Notwithstanding the provisions of any other existing
16 law, a retail installment transaction may include a finance
17 charge not in excess of the following rates:

18 a. Class 1. Any new motor home designated by the
19 manufacturer by a year model not earlier than the year in which
20 the sale is made, an amount equivalent to one and three-fourths
21 percent per month simple interest on the declining balance of
22 the amount financed.

23 b. Class 2. Any new motor home not in Class 1 and any
24 used motor home designated by the manufacturer by a year model
25 of the same or not more than two years prior to the year in
26 which the sale is made, an amount equivalent to two percent per
27 month simple interest on the declining balance of the amount
28 financed.

29 c. Class 3. Any used motor home not in Class 2 and
30 designated by the manufacturer by a year model more than two
31 years prior to the year in which the sale is made, an amount
32 equivalent to two and one-fourth percent per month simple
33 interest on the declining balance of the amount financed.

34 2. For purposes of this section, "amount financed" means
35 as defined in section 537.1301. However, notwithstanding

1 section 322C.21, subsection 3, the amount financed may also
2 include additional charges for the following, which shall not
3 be included in the finance charge:

4 a. A service contract as defined in section 516E.1.

5 b. Voluntary debt cancellation coverage, whether insurance
6 or debt waiver, which may be excluded from the finance charge
7 under the federal Truth in Lending Act as defined in section
8 537.1302.

9 Sec. 44. NEW SECTION. **322C.16 Extension of time.**

10 Sections 537.2503 and 537.3402 notwithstanding, if the
11 holder of a retail installment contract in connection with the
12 purchase or sale of a motor home, at the request of the buyer,
13 renews the loan or extends the scheduled due date of all or
14 any part of an installment or installments, the holder may
15 restate the amount of installments and the time schedule for
16 paying installments and collect for installments, subject to
17 the renewal or extension, a finance charge on the outstanding
18 declining balance of the amount financed for the period of
19 the extension or renewal. The finance charge on a renewal or
20 extension under this subsection shall not exceed the rate on
21 the original retail installment contract as limited by section
22 322C.15.

23 Sec. 45. NEW SECTION. **322C.17 Remaining balance on trade
24 vehicle.**

25 The extension of credit by a retail seller to a retail
26 buyer, pursuant to a retail installment contract, of the amount
27 actually paid or to be paid by the retail seller to discharge
28 a purchase-money security interest, as provided in section
29 554.9103, on a motor home traded in by the retail buyer shall
30 not subject the retail seller to the provisions of chapter 536
31 or 536A.

32 Sec. 46. NEW SECTION. **322C.18 Complaints.**

33 Any retail buyer having reason to believe that the
34 provisions of this chapter relating to the buyer's installment
35 contract have been violated may file with the department a

1 written complaint setting forth the details of such alleged
2 violation and the department, upon the receipt of such
3 complaint, may inspect the pertinent books, records, letters
4 and contracts of the licensee or other person relating to such
5 specific complaint.

6 Sec. 47. NEW SECTION. **322C.19 Hearings — subpoenas.**

7 1. The department of transportation and the department
8 of inspections and appeals may issue subpoenas to compel the
9 attendance of witnesses and the production of documents,
10 papers, books, records, and other evidence in any matter over
11 which the respective department has jurisdiction, control, or
12 supervision pertaining to this chapter.

13 2. If a person refuses to obey a subpoena, to give
14 testimony, or to produce evidence as required, a judge of the
15 district court of the state of Iowa in and for Polk county
16 may, upon application and proof of the refusal, make an order
17 awarding process of subpoena, or subpoena duces tecum, out of
18 the court, for the witness to appear before the respective
19 department, to give testimony, and to produce evidence as
20 required. Upon filing the order in the office of the clerk of
21 the district court, the clerk shall issue process of subpoena
22 as directed, under the seal of the court, requiring the
23 person to whom it is directed to appear at the time and place
24 designated.

25 Sec. 48. NEW SECTION. **322C.20 Construction and**
26 **applicability to contracts.**

27 Nothing in this chapter shall be construed to impair the
28 obligations of a contract or to prevent a licensee hereunder
29 from requiring performance of a written contract entered into
30 with another licensee hereunder, nor shall the requirement
31 of such performance constitute a violation of any of the
32 provisions of this chapter.

33 Sec. 49. NEW SECTION. **322C.21 Applicability of Iowa**
34 **consumer credit code.**

35 1. The provisions of the Iowa consumer credit code, chapter

1 537, shall apply to a consumer credit sale in which a licensed
2 motor home dealer participates or engages, and any violation of
3 that code shall be a violation of this chapter.

4 2. Article 2, parts 5 and 6, and article 3, sections
5 537.3203, 537.3206, 537.3209, 537.3304, 537.3305, and 537.3306
6 shall apply to any credit transaction as defined in section
7 537.1301, that is a retail installment transaction. For the
8 purpose of applying provisions of the consumer credit code in
9 those transactions, "*consumer credit sale*" shall include a sale
10 for a business purpose.

11 3. A provision of the Iowa consumer credit code, chapter
12 537, shall supersede a conflicting provision of this chapter.

13 Sec. 50. Section 322G.1, Code 2011, is amended to read as
14 follows:

15 **322G.1 Legislative intent.**

16 The general assembly recognizes that a motor vehicle
17 is a major consumer acquisition and that a defective motor
18 vehicle undoubtedly creates a hardship for the consumer. The
19 general assembly further recognizes that a duly franchised
20 motor vehicle or motor home dealer is an authorized service
21 agent of the manufacturer. It is the intent of the general
22 assembly that a good faith motor vehicle warranty complaint by
23 a consumer be resolved by the manufacturer within a specified
24 period of time. It is further the intent of the general
25 assembly to provide the statutory procedures whereby a consumer
26 may receive a replacement motor vehicle, or a full refund,
27 for a motor vehicle which cannot be brought into conformity
28 with the warranty provided for in this chapter. However,
29 this chapter does not limit the rights or remedies which are
30 otherwise available to a consumer under any other law.

31 Sec. 51. Section 322G.2, subsection 12, Code 2011, is
32 amended to read as follows:

33 12. "*Manufacturer*" means a person engaged in the business
34 of constructing or assembling new motor vehicles or installing
35 on previously assembled vehicle chassis special bodies or

1 equipment which, when installed, form an integral part of the
2 new motor vehicle, or a person engaged in the business of
3 importing new motor vehicles into the United States for the
4 purpose of selling or distributing the new motor vehicles to
5 new motor vehicle or motor home dealers.

6 Sec. 52. Section 423C.2, subsection 3, Code 2011, is amended
7 to read as follows:

8 3. "*Lessor*" means a person engaged in the business of
9 renting automobiles to users. "*Lessor*" includes a motor
10 vehicle or motor home dealer licensed pursuant to chapter 322
11 or 322C who rents automobiles to users. For this purpose,
12 the objective of making a profit is not necessary to make the
13 renting activity a business.

14 Sec. 53. Section 535.2, subsection 2, paragraph b,
15 subparagraph (6), Code Supplement 2011, is amended to read as
16 follows:

17 (6) With respect to any transaction referred to in paragraph
18 "a" of this subsection, this subsection supersedes any
19 interest-rate or finance-charge limitations contained in the
20 Code, including but not limited to this chapter and chapters
21 321, 322, 322C, 524, 533, 534, 536A, and 537.

22 Sec. 54. Section 537.2201, subsection 1, Code 2011, is
23 amended to read as follows:

24 1. With respect to a consumer credit sale, other than a
25 sale pursuant to open end credit, a creditor may contract for
26 and receive a finance charge not exceeding the maximum charge
27 permitted by the law of this state or the United States for
28 similar creditors. In addition, with respect to a consumer
29 credit sale of goods or services, other than a sale pursuant
30 to open end credit or a sale of a motor vehicle, a creditor may
31 contract for and receive a finance charge not exceeding that
32 permitted in subsections 2 to 6. With respect to a consumer
33 credit sale of a motor vehicle, a creditor may contract for
34 and receive a finance charge as provided in section 322.19 or
35 322C.15, and a finance charge in excess of that provided in

1 section 322.19 or 322C.15, is an excess charge in violation of
2 this chapter.

3 Sec. 55. Section 602.8102, Code 2011, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 55A. Carry out duties relating to the
6 licensing of motor home dealers as provided in section 322C.19.

7 Sec. 56. TRANSITION PROVISIONS. The department
8 of transportation shall establish procedures for the
9 implementation of this Act. The procedures shall provide
10 for the transition of the licensure of motor home dealers,
11 manufacturers, wholesalers, and distributors under chapter 322,
12 Code 2011, to licensure under chapter 322C, as amended by this
13 Act.

14 Sec. 57. EFFECTIVE UPON ENACTMENT. The following
15 provisions of this Act, being deemed of immediate importance,
16 take effect upon enactment:

17 1. The section of this Act enacting section 322.2,
18 subsection 14A.

19 2. The section of this Act amending section 322.36.

20 Sec. 58. APPLICABILITY.

21 1. The provisions of this Act enacting section 322.2,
22 subsection 14A, and amending section 322.36, apply to all
23 persons in the business of selling recreational vehicles, as
24 defined in section 322.2, as amended in this Act.

25 2. Unless otherwise provided, this Act applies to motor home
26 dealers, manufacturers, wholesalers, and distributors applying
27 for initial licensure or renewal of licensure on or after July
28 1, 2012.

29 3. Unless otherwise provided, this Act applies to all motor
30 home dealers, manufacturers, wholesalers, and distributors on
31 July 1, 2014.

32 EXPLANATION

33 This bill relates to motor home dealer licensing and the
34 business hours of recreational vehicle dealers.

35 The bill amends Code section 322.2 by adding a definition

1 for "recreational vehicle" which means a motor home or travel
2 trailer. The bill amends the definition of "motor vehicle" for
3 purposes of Code chapter 322 by excluding "motor home" from
4 the definition. The bill provides that a person who sells
5 recreational vehicles is not required to maintain regular
6 business hours at the principal place of business or another
7 place of business. The bill does require a person selling
8 recreational vehicles to post business contact information and
9 a business telephone number in a conspicuous location in the
10 place of business. The business telephone must be answered
11 by an employee of the dealer or by a recorded message which
12 provides the business's contact information.

13 The bill requires motor home dealers, manufacturers,
14 wholesalers, and distributors to be licensed under Code
15 chapter 322C, rather than Code chapter 322. Under the bill,
16 the department of transportation may employ employees as is
17 necessary to administer the licensing requirements for motor
18 home dealers, manufacturers, wholesalers, and distributors
19 without the Code chapter 322 limitation that the amount
20 expended in a year cannot exceed the amount generated.

21 The bill amends Code chapter 322C.3 to add that the
22 prohibited acts therein apply to motor home dealers,
23 manufacturers, and sales. Code chapters 322 and 322C contain
24 similar prohibitions on a person engaging in the sale of new
25 vehicles or motor homes and used vehicles or motor homes and
26 entering into contracts with manufacturers or distributors for
27 the motor vehicles or motor homes. However, unlike in Code
28 chapter 322, Code chapter 322C does not specifically require
29 the separate licensing of persons employed as salespersons.

30 The bill amends Code section 322C.3 to include provisions
31 regarding a manufacturer or distributor's retaliatory action,
32 entrance into retail installment agreements, the sale of motor
33 homes on Sunday, fraudulent practices, arbitration, and the
34 amount of compensation. These provisions are substantially
35 similar to provisions in Code section 322.3.

1 Unlike Code section 322.3, the bill does not prohibit a
2 person from selling a motor home from a location other than
3 the person's place of business and also does not prohibit a
4 manufacturer from having ownership or interest in a dealership.

5 The bill amends Code section 322C.3 to provide that a person
6 is not required to obtain a license as a motor home dealer if
7 disposing of a motor home so long as the person is exercising
8 a power or right granted by certain legal instruments or
9 agreements. Code chapter 322 does not contain a similar
10 provision.

11 The bill amends Code section 322C.4 regarding application
12 for licensure as a dealer. Unlike in Code chapter 322, an
13 application for licensure, under the provisions of the bill,
14 would not need to include a statement of the applicant's
15 previous history, a description of the general plan, or a
16 method of doing business.

17 The bill amends Code section 322C.4 to require a motor home
18 dealer to furnish a surety bond, proof of financial liability
19 coverage, and certification of the requisite educational
20 requirements as is required under Code chapter 322. Unlike
21 in Code chapter 322, the bill does not provide requirements
22 for the information included in a dealer license once the
23 license is granted. Additionally, under the provisions of the
24 bill, motor home dealer licensees would be required to submit
25 supplemental statements within 15 days and pay a \$35 fee. Code
26 chapter 322 did not specify a fee or the number of days within
27 which to submit a supplemental statement for dealer licenses.

28 The bill adds provisions to Code chapter 322C regarding
29 temporary permits and display of licenses to mirror provisions
30 in Code chapter 322.

31 The bill amends Code section 322C.6, relating to the denial,
32 suspension, or revocation of a dealer or manufacturer license
33 to add similar provisions to those provided in Code section
34 322.6. Code chapters 322 and 322C contain different criterion
35 for denial, suspension, or revocation of a license. The bill

1 amends Code section 322C.6 to add the following reasons for
2 the department to deny, revoke, or suspend a license that
3 are contained in Code section 322.9: failing to deliver a
4 motor home upon its sale or transfer, failing to obtain a
5 manufacturer's or importer's certificate upon the purchase of a
6 motor home, and failing to obtain a new certificate of title.

7 The bill amends Code chapter 322C to add Code section 322C.6A
8 regarding continuing education requirements for used motor home
9 dealers, referencing the specific provisions for such education
10 in Code section 322.7A.

11 The bill adds Code section 322C.8 regarding wholesaler and
12 distributor's licenses. This provision is similar to that
13 provided in Code sections 322.27A and 322.28.

14 The bill amends Code section 322C.9, regarding the license
15 and application fees for a manufacturer or distributor
16 to include license and application fees for motor home
17 manufacturers, distributors, and wholesalers. The additions
18 are similar to that provided in Code section 322.29.

19 Unlike in Code chapter 322, which has a penalty of a
20 simple misdemeanor and a fine for violation of the chapter,
21 Code section 322C.11 provides that a person who violates
22 the provisions regarding prohibited acts of dealers and a
23 manufacturer or distributor engaging in business in the state
24 without a license is guilty of a serious misdemeanor.

25 The bill also adds provisions to Code chapter 322C regarding
26 copy of a contract to a buyer, dual-interest insurance, finance
27 charges, extension of time in a retail installment contract,
28 remaining balance on trade vehicles, complaints, hearings,
29 the construction and applicability to contracts, and the
30 applicability of the Iowa consumer credit code as related to
31 motor home sales, dealers, manufacturers, wholesalers, and
32 distributors. These provisions mirror those contained in Code
33 chapter 322.

34 Unlike in Code sections 322.10 and 322.11, the bill does
35 not explicitly provide for judicial review of the department's

1 actions and injunctions related to motor home dealers,
2 manufacturers, wholesalers, and distributors in Code chapter
3 322C. Code chapter 322C also does not explicitly contain
4 language allowing the department to adopt rules related
5 to motor home dealers, manufacturers, wholesalers, and
6 distributors.

7 The bill also makes conforming amendments regarding the
8 licensing for motor homes.

9 The bill requires the department of transportation to
10 establish rules to implement the bill. The bill provides
11 that the provisions of the bill enacting Code section 322.2,
12 subsection 14A, regarding the definition of recreational
13 vehicles, and the section amending Code section 322.36
14 regarding dealer business hours are effective upon enactment
15 and apply to all persons in the business of selling
16 recreational vehicles, as defined by the bill.

17 The bill applies to motor home dealers, manufacturers,
18 wholesalers, and distributors applying for initial or renewal
19 of licensure on or after July 1, 2012, and applies on July 1,
20 2014, to all motor home dealers, manufacturers, wholesalers,
21 and distributors.