

**House File 2332 - Introduced**

HOUSE FILE 2332

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 548)

**A BILL FOR**

1 An Act relating to the licensing of vehicle recyclers and  
2 defining the term "scrapping".

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

1 Section 1. Section 321.1, Code 2014, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 70A. "*Scrapping*" means to dispose of  
4 a vehicle subject to registration to an authorized vehicle  
5 recycler, as defined in section 321H.2, or to destroy a vehicle  
6 subject to registration. "*Scrapping*" includes reducing a  
7 vehicle subject to registration to its metal components or to  
8 shred a vehicle subject to registration for scrap metal.

9 Sec. 2. Section 321H.2, Code 2014, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 4A. "*Scrapping*" means to dispose of a  
12 vehicle subject to registration to an authorized vehicle  
13 recycler or to destroy a vehicle subject to registration.  
14 "*Scrapping*" includes reducing a vehicle subject to registration  
15 to its metal components or to shred a vehicle subject to  
16 registration for scrap metal.

17 Sec. 3. Section 321H.3, unnumbered paragraph 1, Code 2014,  
18 is amended to read as follows:

19 Except for educational institutions; persons licensed as new  
20 vehicle dealers under chapter 322; persons engaged in a hobby  
21 not for profit; persons engaged in the business of purchasing  
22 bodies, parts of bodies, frames, or component parts of vehicles  
23 only for sale as scrap metal; insurance companies governed by  
24 chapter 515; county mutual insurance associations governed by  
25 chapter 518; state mutual insurance associations governed by  
26 chapter 518A; or persons licensed under the provisions of this  
27 chapter as authorized vehicle recyclers, a person in this state  
28 shall not engage in the business of any of the following:

29

EXPLANATION

30 The inclusion of this explanation does not constitute agreement with  
31 the explanation's substance by the members of the general assembly.

32 Under current law, an authorized vehicle recycler license is  
33 required for a person to operate as a vehicle rebuilder, used  
34 vehicle parts dealer, or vehicle salvager. The definition of  
35 "vehicle salvager" includes persons engaged in the business of

1 scrapping wrecked or damaged vehicles. This bill defines the  
2 term "scrapping" to mean either to dispose of a vehicle subject  
3 to registration to an authorized vehicle recycler or to destroy  
4 a vehicle subject to registration. The term includes reducing  
5 a vehicle subject to registration to its metal components or  
6 shredding such a vehicle for scrap metal.

7 The bill also provides that insurance companies, county  
8 mutual insurance associations, and state mutual insurance  
9 associations are exempt from authorized vehicle recycler  
10 licensing requirements.