

House Study Bill 593 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON COWNIE)

A BILL FOR

1 An Act allowing certain final-stage motor vehicle manufacturers
2 to be licensed as motor vehicle dealers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.1, subsection 37, Code 2018, is
2 amended to read as follows:

3 37. *“Manufacturer”* means every person engaged in the
4 business of fabricating or assembling vehicles of a type
5 required to be registered. *“Manufacturer”* does not include
6 a person who converts, modifies, or alters a completed
7 motor vehicle manufactured by another person or a person who
8 assembles a glider kit vehicle. *“Manufacturer”* includes a
9 person who uses a completed motor vehicle manufactured by
10 another person to construct a class “B” motor home as defined
11 in [section 321.124](#). *“Manufacturer”* also includes a final-stage
12 manufacturer as defined in section 322.2.

13 Sec. 2. Section 322.2, Code 2018, is amended by adding the
14 following new subsections:

15 NEW SUBSECTION. 10A. *“Final-stage manufacturer”* means
16 a manufacturer engaged in the business of performing
17 manufacturing operations on incomplete motor vehicles in order
18 to produce completed motor vehicles.

19 NEW SUBSECTION. 11A. *“Incomplete motor vehicle”* means an
20 assemblage of parts including but not limited to a power train,
21 steering system, suspension system, braking system, and chassis
22 structure including a frame, that is assembled in order to
23 become part of a completed motor vehicle but that requires
24 further manufacturing operations to become a completed motor
25 vehicle.

26 NEW SUBSECTION. 14A. *“Multi-stage manufactured vehicle”*
27 means a motor vehicle built in two or more stages in which
28 an incomplete motor vehicle, built by one manufacturer, is
29 completed by another manufacturer who adds cargo carrying
30 components or other components to the vehicle.

31 Sec. 3. Section 322.2, subsection 12, Code 2018, is amended
32 to read as follows:

33 12. *“Manufacturer”* means any person engaged in the business
34 of fabricating or assembling motor vehicles. *“Manufacturer”*
35 does not include a person who converts, modifies, or alters a

1 completed motor vehicle manufactured by another person or a
2 person who assembles a glider kit vehicle as defined in section
3 321.1. *“Manufacturer”* includes a person who uses a completed
4 motor vehicle manufactured by another person to construct
5 a class “B” motor home as defined in [section 321.124](#) or a
6 motorsports recreational vehicle as defined in [section 321.1](#).
7 *“Manufacturer”* also includes a final-stage manufacturer.

8 Sec. 4. Section 322.3, subsection 14, Code 2018, is amended
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *f.* A final-stage manufacturer from being
11 licensed as a motor vehicle dealer only of incomplete motor
12 vehicles manufactured by that final-stage manufacturer.
13 This paragraph applies only if the final-stage manufacturer
14 manufactures multi-stage manufactured vehicles.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation’s substance by the members of the general assembly.

18 This bill provides that “manufacturer” under Code sections
19 321.1 and 322.2 includes a final-stage manufacturer. The
20 bill further provides that “final-stage manufacturer”
21 means a manufacturer engaged in the business of performing
22 manufacturing operations on incomplete motor vehicles in
23 order to produce completed motor vehicles. “Incomplete motor
24 vehicle” means an assemblage of parts including but not limited
25 to a power train, steering system, suspension system, braking
26 system, and chassis structure including a frame, that is
27 assembled in order to become part of a completed motor vehicle
28 but that requires further manufacturing operations to become a
29 completed motor vehicle.

30 Under current law, Code section 322.3(14) prohibits a motor
31 vehicle manufacturer or importer from directly or indirectly
32 being licensed as, owning an interest in, operating, or
33 controlling a motor vehicle dealer, with certain exceptions.
34 The bill adds to the list of exceptions a provision allowing
35 a final-stage manufacturer to be licensed as a motor vehicle

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1 dealer only of incomplete motor vehicles manufactured by that
2 final-stage manufacturer. The exception applies only if the
3 final-stage manufacturer manufactures multi-stage manufactured
4 vehicles. "Multi-stage manufactured vehicle" means a motor
5 vehicle built in two or more stages in which an incomplete
6 motor vehicle, built by one manufacturer, is completed by
7 another manufacturer who adds cargo carrying components or
8 other components to the vehicle.