

**House Study Bill 542 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
TRANSPORTATION BILL)

**A BILL FOR**

1 An Act providing for exemptions relating to odometer  
2 requirements, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.71, subsections 7, 9, and 11, Code  
2 2020, are amended to read as follows:

3 7. A certificate of title shall not be issued for a motor  
4 vehicle ~~less than ten model years old~~ which is equipped with  
5 an odometer by the manufacturer, unless an odometer statement  
6 which is in compliance with federal law and regulations has  
7 been made by the transferor of the vehicle and is furnished  
8 with the application for certificate of title, or unless an  
9 exemption applies under 49 C.F.R. §580.17. The new certificate  
10 of title shall record on its face the odometer reading and the  
11 word "actual" if the true mileage is known. If the odometer  
12 reading is not the true mileage or the true mileage is unknown,  
13 the words "not actual" shall be recorded. If the odometer  
14 reading is greater than the odometer can mechanically count,  
15 the words "exceeds the mechanical limits" shall be recorded.  
16 However, a certificate of title may be issued for a motor  
17 vehicle to a person who moves into this state if the person  
18 acquired ownership of the motor vehicle prior to moving to this  
19 state. ~~This subsection does not apply to motor vehicles having~~  
20 ~~a gross vehicle weight rating of more than sixteen thousand~~  
21 ~~pounds.~~

22 9. An Unless an exemption applies under 49 C.F.R. §580.17 or  
23 unless a certificate of title has been issued for the vehicle  
24 in the name of the dealer, an Iowa licensed motor vehicle  
25 dealer shall not have in possession as inventory for sale a  
26 used motor vehicle acquired by the dealer ~~after the tenth model~~  
27 ~~year prior to the current registration year,~~ for which the  
28 dealer does not possess an odometer statement by the transferor  
29 which is in compliance with federal law and regulations ~~unless~~  
30 ~~a certificate of title has been issued for the vehicle in the~~  
31 ~~name of the dealer.~~ Transfer of a new motor vehicle with  
32 an ownership document which is a manufacturer's statement of  
33 origin requires an odometer statement only when transferred at  
34 retail.

35 11. The department may adopt rules to administer this

1 section, which rules shall be in compliance with the federal  
2 Truth in Mileage Act of 1986, Pub. L. No. 99-579, and 49 C.F.R.  
3 pt. 580.

4 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,  
5 2021.

6 EXPLANATION

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

9 Under current law, a certificate of title must not be  
10 issued for a motor vehicle less than 10 model years old which  
11 is equipped with an odometer by the manufacturer, unless an  
12 odometer statement that is in compliance with federal law and  
13 regulations has been made by the transferor of the vehicle and  
14 is furnished with the application for certificate of title.  
15 This bill allows a certificate of title to be issued for a  
16 motor vehicle without an odometer statement if the vehicle  
17 falls within certain federally recognized exemptions. The bill  
18 also allows a licensed motor vehicle dealer to have in its  
19 possession as inventory for sale a used motor vehicle acquired  
20 by the dealer for which the dealer does not possess an odometer  
21 statement by the transferor if the federally recognized vehicle  
22 exemptions apply or if a certificate of title has been issued  
23 for the vehicle in the name of the dealer.

24 The federally recognized vehicle exemptions referenced by  
25 the bill include the following: a vehicle that has a gross  
26 vehicle weight rating of more than 16,000 pounds, a vehicle  
27 that is not self-propelled, a vehicle that was manufactured  
28 in a model year beginning at least 10 years before January 1  
29 of the calendar year in which the vehicle is transferred, a  
30 vehicle sold directly by the manufacturer to any agency of the  
31 United States in conformity with contractual specifications,  
32 and a new vehicle prior to its first transfer for purposes  
33 other than resale.

34 The bill requires that any rules adopted by the department  
35 to administer Code section 321.71 must be in compliance with

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 49 C.F.R. pt 580.

2 The bill takes effect January 1, 2021.