

Senate Study Bill 1180 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON KAPUCIAN)

A BILL FOR

1 An Act relating to towable recreational vehicles, making
2 penalties applicable, and including applicability
3 provisions.

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

1 Section 1. Section 321.1, subsection 36C, paragraphs b and
2 c, Code 2019, are amended by striking the paragraphs.

3 Sec. 2. Section 321.1, Code 2019, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 083A. *"Towable recreational vehicle"*
6 means the same as defined in section 322C.2, except that the
7 vehicle shall be customarily or ordinarily used for vacation
8 or recreational purposes and not used as a place of permanent
9 habitation, and if the vehicle is used in this state as a
10 place of human habitation for more than one hundred eighty
11 consecutive days in one location, it shall be classified as a
12 manufactured or mobile home. *"Towable recreational vehicle"*
13 does not include a truck camper, as defined in section 322C.2,
14 for purposes of registration or brake requirements under this
15 chapter.

16 Sec. 3. Section 321.34, subsection 5, paragraph a, Code
17 2019, is amended to read as follows:

18 a. Upon application and the payment of a fee of twenty-five
19 dollars, the director may issue to the owner of a motor vehicle
20 registered in this state or a trailer or ~~travel trailer~~ towable
21 recreational vehicle registered in this state, personalized
22 registration plates marked with up to seven initials, letters,
23 or combination of numerals and letters requested by the owner.
24 However, personalized registration plates for autocycles,
25 motorcycles, and motorized bicycles shall be marked with no
26 more than six initials, letters, or combinations of numerals
27 and letters. Upon receipt of the personalized registration
28 plates, the applicant shall surrender the regular registration
29 plates to the county treasurer. The fee for issuance of the
30 personalized registration plates shall be in addition to the
31 regular annual registration fee.

32 Sec. 4. Section 321.34, subsection 7, paragraph a, Code
33 2019, is amended to read as follows:

34 a. Upon application and payment of the proper fees, the
35 director may issue to the owner of a motor vehicle subject

1 to registration under [section 321.109, subsection 1](#), motor
2 truck, motor home, multipurpose vehicle, trailer over two
3 thousand pounds, or ~~travel-trailer~~ towable recreational vehicle
4 registered in this state, collegiate registration plates
5 created pursuant to [this subsection](#). Upon receipt of the
6 collegiate registration plates, the applicant shall surrender
7 the regular registration plates to the county treasurer.

8 Sec. 5. Section 321.34, subsection 7A, paragraph b, Code
9 2019, is amended to read as follows:

10 *b.* Upon application and payment of the proper fees, the
11 director may issue to the owner of a motor vehicle subject
12 to registration under [section 321.109, subsection 1](#), motor
13 truck, motor home, multipurpose vehicle, trailer over two
14 thousand pounds, or ~~travel-trailer~~ towable recreational vehicle
15 registered in this state, collegiate registration plates
16 created pursuant to [this subsection](#). The fee for the issuance
17 of collegiate registration plates is twenty-five dollars, which
18 fee is in addition to the regular annual registration fee for
19 the vehicle. An applicant may obtain a personalized collegiate
20 registration plate upon payment of the additional fee for a
21 personalized plate as provided in [subsection 5](#) in addition to
22 the collegiate plate fee and the regular registration fee. The
23 county treasurer shall validate collegiate registration plates
24 issued under [this subsection](#) in the same manner as regular
25 registration plates, upon payment of five dollars in addition
26 to the regular annual registration fee. Upon receipt of the
27 collegiate registration plates, the applicant shall surrender
28 the regular registration plates to the county treasurer.

29 Sec. 6. Section 321.34, subsection 11, paragraph a, Code
30 2019, is amended to read as follows:

31 *a.* Upon application and payment of the proper fees, the
32 director may issue natural resources plates to the owner of a
33 motor vehicle subject to registration under [section 321.109,](#)
34 [subsection 1](#), autocycle, motor truck, motor home, multipurpose
35 vehicle, motorcycle, trailer, or ~~travel-trailer~~ towable

1 recreational vehicle.

2 Sec. 7. Section 321.34, subsection 11A, paragraph a, Code
3 2019, is amended to read as follows:

4 a. Upon application and payment of the proper fees, the
5 director may issue "love our kids" plates to the owner of a
6 motor vehicle subject to registration under section 321.109,
7 subsection 1, autocycle, motor truck, motor home, multipurpose
8 vehicle, motorcycle, trailer, or ~~travel-trailer~~ towable
9 recreational vehicle.

10 Sec. 8. Section 321.34, subsection 11B, paragraph a, Code
11 2019, is amended to read as follows:

12 a. Upon application and payment of the proper fees, the
13 director may issue "motorcycle rider education" plates to the
14 owner of a motor vehicle subject to registration under section
15 321.109, subsection 1, autocycle, motor truck, motor home,
16 multipurpose vehicle, motorcycle, trailer, or ~~travel-trailer~~
17 towable recreational vehicle.

18 Sec. 9. Section 321.34, subsection 12, paragraph a, Code
19 2019, is amended to read as follows:

20 a. The owner of a motor vehicle subject to registration
21 pursuant to [section 321.109, subsection 1](#), autocycle,
22 motor truck, motor home, multipurpose vehicle, motorcycle,
23 trailer, or ~~travel-trailer~~ towable recreational vehicle may,
24 upon written application to the department, order special
25 registration plates with a distinguishing processed emblem as
26 authorized by [this section](#) or as approved by the department.
27 The fee for the issuance of special registration plates is
28 twenty-five dollars for each vehicle, unless otherwise provided
29 by [this section](#), which fee is in addition to the regular annual
30 registration fee. The county treasurer shall validate special
31 registration plates with a distinguishing processed emblem in
32 the same manner as regular registration plates, upon payment
33 of five dollars in addition to the regular annual registration
34 fee.

35 Sec. 10. Section 321.34, subsection 13, paragraph a,

1 subparagraph (1), Code 2019, is amended to read as follows:

2 (1) The owner of a motor vehicle subject to registration
3 pursuant to [section 321.109, subsection 1](#), autocycle, motor
4 truck, motor home, multipurpose vehicle, motorcycle, trailer,
5 or ~~travel-trailer~~ towable recreational vehicle may upon request
6 be issued special registration plates that contain a space
7 reserved for the placement of an organization decal. If the
8 special plates are requested at the time of initial application
9 for registration and certificate of title for the vehicle, no
10 special plate fee is required other than the regular annual
11 registration fee for the vehicle. If the special plates are
12 requested as replacement plates, the owner shall surrender the
13 current regular or special registration plates in exchange
14 for the special plates and shall pay a replacement plate fee
15 of five dollars. The county treasurer shall validate special
16 plates with an organization decal in the same manner as regular
17 plates, upon payment of the annual registration fee.

18 Sec. 11. Section 321.45, subsection 1, paragraph b, Code
19 2019, is amended to read as follows:

20 b. For each new mobile home, manufactured home, ~~travel~~
21 ~~trailer~~ towable recreational vehicle, and camping trailer said
22 manufacturer's or importer's certificate shall also contain
23 thereon the exterior length and exterior width of said vehicle
24 not including any area occupied by any hitching device, and the
25 manufacturer's shipping weight.

26 Sec. 12. Section 321.123, subsection 2, Code 2019, is
27 amended to read as follows:

28 2. a. ~~Travel trailers and fifth-wheel travel trailers~~
29 Towable recreational vehicles, except those in manufacturer's
30 or dealer's stock, shall be subject to an annual registration
31 fee of thirty cents per square foot of floor space computed on
32 the exterior overall measurements, but excluding three feet
33 occupied by any trailer hitch as provided by and certified
34 to by the owner, to the nearest whole dollar. When a ~~travel~~
35 ~~trailer or fifth-wheel travel trailer~~ towable recreational

1 vehicle is registered in Iowa for the first time or when title
2 is transferred, the annual registration fee shall be prorated
3 on a monthly basis. The annual registration fee shall be
4 reduced to seventy-five percent of the full fee after the
5 vehicle is more than six model years old.

6 *b.* A ~~travel trailer~~ towable recreational vehicle may be
7 stored under [section 321.134](#), provided the ~~travel trailer~~
8 towable recreational vehicle is not used for human habitation
9 for any period during storage and is not moved upon the
10 highways of the state. A ~~travel trailer~~ towable recreational
11 vehicle stored under [section 321.134](#) is not subject to a
12 manufactured or mobile home tax assessed under [chapter 435](#).

13 Sec. 13. Section 321.176A, subsection 5, Code 2019, is
14 amended to read as follows:

15 5. A person operating a motor vehicle with a gross vehicle
16 weight rating of less than twenty-six thousand one pounds
17 towing a ~~travel trailer or fifth-wheel travel trailer~~ towable
18 recreational vehicle solely for personal or family use.

19 Sec. 14. Section 321.284A, subsection 2, Code 2019, is
20 amended to read as follows:

21 2. [This section](#) does not apply to a passenger being
22 transported in a motor vehicle designed, maintained, or used
23 primarily for the transportation of persons for compensation,
24 or a passenger being transported in the living quarters of a
25 motor home, motorsports recreational vehicle, manufactured or
26 mobile home, ~~travel trailer, or fifth-wheel travel trailer~~ or
27 towable recreational vehicle.

28 Sec. 15. Section 321.430, subsection 3, Code 2019, is
29 amended to read as follows:

30 3. Every trailer, semitrailer, or ~~travel trailer~~ towable
31 recreational vehicle of a gross weight of three thousand
32 pounds or more shall be equipped with brakes adequate to
33 control the movement of and to stop and hold such vehicle
34 when operated on the highways of this state. Every trailer,
35 semitrailer, or ~~travel trailer~~ towable recreational vehicle

1 with a gross weight of three thousand pounds or more shall
2 be equipped with a separate, auxiliary means of applying the
3 brakes on the trailer, semitrailer, or ~~travel-trailer~~ towable
4 recreational vehicle from the cab of the towing vehicle, or
5 with self-actuating brakes, and shall also be equipped with
6 a weight equalizing hitch with a sway control. Trailers or
7 semitrailers with a truck or truck tractor need only comply
8 with the brake requirements.

9 Sec. 16. Section 321.454, Code 2019, is amended to read as
10 follows:

11 **321.454 Width of vehicles.**

12 The total outside width of a vehicle or the load on
13 the vehicle shall not exceed eight feet six inches. This
14 limitation on the total outside width of a vehicle or the load
15 on the vehicle does not include safety equipment on a vehicle
16 or incidental appurtenances or retracted awnings on motor
17 homes, motorsports recreational vehicles, ~~travel-trailers,~~ or
18 ~~fifth-wheel travel-trailers~~ or towable recreational vehicles
19 if the incidental appurtenance or retracted awning is less
20 than six inches in width. However, if hay, straw, or stover
21 is moved on an implement of husbandry and the total width
22 of load of the implement of husbandry exceeds eight feet six
23 inches, the implement of husbandry is not subject to the permit
24 requirements of [chapter 321E](#). If hay, straw, or stover is
25 moved on any other vehicle subject to registration, the moves
26 are subject to the permit requirements for transporting loads
27 exceeding eight feet six inches in width as required under
28 chapter 321E.

29 Sec. 17. Section 321.457, subsection 2, paragraph 1, Code
30 2019, is amended to read as follows:

31 1. A combination of two vehicles coupled together, one of
32 which is a ~~travel-trailer or fifth-wheel travel-trailer~~ towable
33 recreational vehicle, shall not have an overall length in
34 excess of sixty-five feet.

35 Sec. 18. Section 322C.2, Code 2019, is amended to read as

1 follows:

2 **322C.2 Definitions.**

3 As used in **this chapter** unless the context otherwise
4 requires:

5 1. To sell "*at retail*" means to sell a ~~travel trailer~~
6 towable recreational vehicle to a person who will devote it to
7 a consumer use.

8 2. "*Community*" means a towable recreational vehicle dealer's
9 area of responsibility as stipulated in the manufacturer-dealer
10 agreement.

11 ~~2.~~ 3. "*Department*" means the state department of
12 transportation.

13 ~~3.~~ 4. "*Distributor*" means a person who sells or distributes
14 ~~travel trailers~~ towable recreational vehicles to ~~travel trailer~~
15 towable recreational vehicle dealers either directly or through
16 a representative employed by a distributor.

17 5. "*Factory campaign*" means an effort by or on behalf of a
18 warrantor to contact towable recreational vehicle dealers or
19 owners to address an equipment or part issue.

20 6. "*Family member*" means a spouse, child, grandchild,
21 parent, sibling, niece, or nephew, or the spouse of a child,
22 grandchild, parent, sibling, niece, or nephew.

23 ~~4.~~ 7. "*Fifth-wheel travel trailer*" means a ~~type of travel~~
24 ~~trailer which is towed by a motor vehicle by a connecting~~
25 ~~device known as a fifth wheel. When used in **this chapter**,~~
26 ~~"travel trailer" includes a fifth-wheel travel trailer vehicle~~
27 mounted on wheels that has an overall length of forty-five feet
28 or less, is designed to provide temporary living quarters for
29 recreational, camping, or travel use, is of such a size and
30 weight as to not require a permit under chapter 321E when moved
31 on a highway, and is designed to be towed by a motor vehicle
32 equipped with a towing mechanism located above or forward of
33 the motor vehicle's rear axle. "*Fifth-wheel travel trailer*"
34 includes a toy-hauler fifth-wheel travel trailer.

35 8. "*Folding camping trailer*" means a vehicle mounted on

1 wheels and constructed with collapsible side walls designed to
2 be folded when towed by a motor vehicle and unfolded to provide
3 temporary living quarters for recreational, camping, or travel
4 use.

5 9. "Line-make" means a specific series of towable
6 recreational vehicles meeting all of the following criteria:

7 a. The vehicles are identified by a common series trade name
8 or trademark.

9 b. The vehicles are targeted at a particular market segment,
10 as determined by the vehicles' decoration, features, equipment,
11 size, weight, and price range.

12 c. The vehicles have lengths and interior floor plans
13 distinguishable from other towable recreational vehicles with
14 substantially similar decoration, features, equipment, weight,
15 and price.

16 d. The vehicles belong to a single, distinct classification
17 of a towable recreational vehicle product type having a
18 substantial degree of commonality in the construction of the
19 chassis, frame, and body.

20 e. A manufacturer-dealer agreement authorizes a dealer to
21 sell the vehicles.

22 ~~5.~~ 10. "Manufacturer" means a person engaged in the
23 ~~business of fabricating or assembling travel trailers of a type~~
24 ~~required to be registered~~ manufacture of towable recreational
25 vehicles.

26 11. "Manufacturer-dealer agreement" means a written
27 agreement or contract entered into between a manufacturer or
28 distributor and a towable recreational vehicle dealer that
29 specifies the rights and responsibilities of the parties
30 and authorizes the dealer to sell and service new towable
31 recreational vehicles.

32 ~~6.~~ 12. "New travel trailer" towable recreational vehicle"
33 means a travel trailer towable recreational vehicle that has
34 not been sold at retail.

35 13. "Park model recreational vehicle" means a vehicle

1 meeting all of the following criteria:

2 a. The vehicle is designed to provide, and marketed as
3 providing, temporary living quarters for recreational, camping,
4 travel, or seasonal use.

5 b. The vehicle is not permanently affixed to real property
6 for use as a permanent dwelling.

7 c. The vehicle is built on a single chassis mounted on
8 wheels with a gross trailer area not exceeding four hundred
9 square feet in the vehicle's set-up mode.

10 d. The vehicle is certified by the manufacturer as in
11 compliance with the American national standard for park model
12 recreational vehicles, commonly cited as "ANSI A 119.5".

13 ~~7.~~ 14. "Person" includes any individual, partnership,
14 corporation, association, fiduciary, or other legal entity
15 engaged in business, other than a unit or agency of government
16 or governmental subdivision.

17 ~~8.~~ 15. "Place of business" means a designated location
18 where facilities are maintained for displaying, reconditioning,
19 and repairing either new or used ~~travel trailers~~ towable
20 recreational vehicles.

21 16. "Proprietary part" means any part manufactured by or
22 for, and sold exclusively by, a manufacturer.

23 ~~9.~~ 17. "Sell" includes barter, exchange, and other methods
24 of dealing.

25 18. "Supplier" means a person engaged in the manufacture of
26 towable recreational vehicle parts, accessories, or components.

27 19. "Towable recreational vehicle" means a vehicle
28 designed to be towed by a motor vehicle owned by a consumer
29 and to provide temporary living quarters for recreational,
30 camping, or travel use, that complies with all applicable
31 federal regulations, and that is certified by the vehicle's
32 manufacturer as in compliance with the national fire protection
33 association standard on recreational vehicles, commonly cited
34 as "NFPA 1192", or the American national standard for park
35 model recreational vehicles, commonly cited as "ANSI A 119.5",

1 as applicable. "Towable recreational vehicle" includes a travel
2 trailer, toy-hauler travel trailer, fifth-wheel travel trailer,
3 toy-hauler fifth-wheel travel trailer, folding camping trailer,
4 truck camper, and park model recreational vehicle.

5 20. "Towable recreational vehicle dealer" or "dealer" means a
6 person required to be licensed under this chapter authorized to
7 sell and service towable recreational vehicles.

8 21. "Toy-hauler fifth-wheel travel trailer" means a
9 fifth-wheel travel trailer equipped with a back wall capable
10 of being lowered to form a ramp for loading and unloading a
11 specialized rear compartment that can then be resecured for
12 travel.

13 22. "Toy-hauler travel trailer" means a travel trailer
14 equipped with a back wall capable of being lowered to form a
15 ramp for loading and unloading a specialized rear compartment
16 that can then be resecured for travel.

17 23. "Transient consumer" means a consumer who is temporarily
18 traveling through a towable recreational vehicle dealer's
19 community.

20 ~~10.~~ 24. "Travel trailer" means a vehicle without motive
21 power used or so manufactured or constructed as to permit its
22 being used as a conveyance upon the public streets and highways
23 and designed to permit the vehicle to be used as a place of
24 human habitation by one or more persons. The vehicle may be up
25 to eight feet six inches in width and its overall length shall
26 not exceed forty-five feet mounted on wheels that has a width
27 of eight feet six inches or less and an overall length of forty
28 feet or less, is designed to provide temporary living quarters
29 for recreational, camping, or travel use, and is of such a
30 size and weight as to not require a permit under chapter 321E
31 when towed by a motor vehicle on a highway. "Travel trailer"
32 includes a toy-hauler travel trailer. "Travel trailer" does
33 not include a vehicle that is so designed as to permit it to be
34 towed exclusively by a motorcycle.

35 25. "Truck camper" means a vehicle designed to be placed in

1 the bed of a pickup truck to provide temporary living quarters
2 for recreational, camping, or travel use.

3 ~~11.~~ 26. "Used travel-trailer" towable recreational vehicle"
4 means a ~~travel-trailer~~ towable recreational vehicle which has
5 been sold at retail and previously registered in this or any
6 other state.

7 27. "Warrantor" means a person, including a manufacturer,
8 distributor, or supplier, that provides a written warranty
9 to a consumer in connection with a new towable recreational
10 vehicle or any part, accessory, or component of a new towable
11 recreational vehicle. "Warrantor" does not include a dealer,
12 distributor, supplier, or other person that is not owned or
13 controlled by a manufacturer that provides a service contract,
14 mechanical or other insurance, or an extended warranty sold for
15 separate consideration to a consumer.

16 Sec. 19. Section 322C.3, Code 2019, is amended to read as
17 follows:

18 **322C.3 Prohibited acts — exception.**

19 1. A person shall not engage in this state in the business
20 of selling at retail new ~~travel-trailers~~ towable recreational
21 vehicles of any ~~make~~ line-make, or represent or advertise that
22 the person is engaged in or intends to engage in such business
23 in this state, unless the person is authorized by a ~~contract~~
24 in-writing manufacturer-dealer agreement between that person
25 and the manufacturer or distributor of that ~~make~~ line-make
26 of new ~~travel-trailers~~ towable recreational vehicles to sell
27 the ~~trailers~~ vehicles in this state, and unless the department
28 has issued to the person a license as a ~~travel-trailer~~ towable
29 recreational vehicle dealer for the same ~~make~~ line-make of
30 ~~travel-trailer~~ towable recreational vehicle which the dealer is
31 authorized to sell under the manufacturer-dealer agreement.

32 2. A person, other than a licensed ~~travel-trailer~~ dealer
33 in new ~~travel-trailers~~ towable recreational vehicles, shall
34 not engage in the business of selling at retail used ~~travel~~
35 ~~trailers~~ towable recreational vehicles or represent or

1 advertise that the person is engaged in or intends to engage in
2 such business in this state unless the department has issued
3 to the person a license as a used ~~travel-trailer~~ towable
4 recreational vehicle dealer.

5 3. A person is not required to obtain a license as a ~~travel-~~
6 ~~trailer~~ dealer if the person is disposing of a ~~travel-trailer~~
7 towable recreational vehicle acquired or repossessed, so long
8 as the person is exercising a power or right granted by a lien,
9 title-retention instrument, or security agreement given as
10 security for a loan or a purchase money obligation.

11 4. A ~~travel-trailer~~ dealer shall not enter into a contract,
12 agreement, or understanding, expressed or implied, with a
13 manufacturer or distributor that the dealer will sell, assign,
14 or transfer an agreement or contract arising from the retail
15 installment sale of a ~~travel-trailer~~ towable recreational
16 vehicle only to a designated person or class of persons.
17 Any such condition, agreement, or understanding between a
18 manufacturer or distributor and a ~~travel-trailer~~ dealer is
19 against the public policy of this state and is unlawful and
20 void.

21 5. A manufacturer or distributor of ~~travel-trailers~~ towable
22 recreational vehicles or an agent or representative of the
23 manufacturer or distributor, shall not refuse to renew a
24 ~~contract~~ manufacturer-dealer agreement for a term of less than
25 ~~five years~~ twelve months, and shall not terminate or threaten
26 to terminate a contract, agreement, or understanding for the
27 sale of new ~~travel-trailers~~ towable recreational vehicles to a
28 ~~travel-trailer~~ dealer in this state without just, reasonable,
29 and lawful cause or because the ~~travel-trailer~~ dealer failed
30 to sell, assign, or transfer a contract or agreement arising
31 from the retail sale of a ~~travel-trailer~~ towable recreational
32 vehicle to only a person or a class of persons designated by
33 the manufacturer or distributor.

34 6. A ~~travel-trailer~~ dealer shall not make and enter into a
35 security agreement or other contract unless the agreement or

1 contract meets the following requirements:

2 a. The security agreement or contract is in writing, is
3 signed by both the buyer and the seller and is complete as to
4 all essential provisions prior to the signing of the agreement
5 or contract by the buyer except that, if delivery of the
6 ~~travel trailer~~ towable recreational vehicle is not made at
7 the time of the execution of the agreement or contract, the
8 identifying numbers of the ~~travel trailer~~ towable recreational
9 vehicle or similar information and the due date of the first
10 installment may be inserted in the agreement or contract after
11 its execution.

12 b. The agreement or contract complies with the Iowa consumer
13 credit code, [chapter 537](#), where applicable.

14 7. A manufacturer or distributor of ~~travel trailers~~ towable
15 recreational vehicles or an agent or representative of a
16 manufacturer or distributor shall not coerce or attempt to
17 coerce a ~~travel trailer~~ dealer to accept delivery of a ~~travel~~
18 ~~trailer~~ towable recreational vehicle, or ~~travel trailer~~ parts
19 or accessories thereof, or any other commodity which has not
20 been ordered by the dealer.

21 8. Except as provided under [subsection 9](#) ~~of this section~~, a
22 person licensed under [section 322C.4](#) shall not, either directly
23 or through an agent, salesperson, or employee, engage or
24 represent or advertise that the person is engaged in or intends
25 to engage in this state, in the business of buying or selling
26 new or used ~~travel trailers~~ towable recreational vehicles on
27 Sunday.

28 9. A ~~travel trailer~~ dealer may display new ~~travel trailers~~
29 towable recreational vehicles at fairs, shows, and exhibitions
30 on any day of the week as provided in [this subsection](#). ~~Travel~~
31 ~~trailer dealers~~ Dealers, in addition to selling ~~travel trailers~~
32 towable recreational vehicles at their principal place of
33 business and lots, may, upon receipt of a temporary permit
34 approved by the department, display and offer new ~~travel~~
35 ~~trailers~~ towable recreational vehicles for sale and negotiate

1 sales of new ~~travel-trailers~~ towable recreational vehicles
2 at fairs, shows, and exhibitions. Application for temporary
3 permits shall be made upon forms provided by the department and
4 shall be accompanied by a ten dollar permit fee. Temporary
5 permits shall be issued for a period not to exceed fourteen
6 days. The department may issue multiple consecutive temporary
7 permits.

8 10. A person who has been convicted of a fraudulent
9 practice, has been convicted of three or more violations of
10 section 321.92, subsection 2, or [section 321.99](#), or has been
11 convicted of any other indictable offense in connection with
12 selling or other activity relating to vehicles, in this state
13 or any other state, shall not for a period of five years from
14 the date of conviction be an owner, salesperson, employee,
15 officer of a corporation, or representative of a licensed
16 ~~travel-trailer~~ towable recreational vehicle dealer or represent
17 themselves as an owner, salesperson, employee, officer of a
18 corporation, or representative of a licensed ~~travel-trailer~~
19 towable recreational vehicle dealer.

20 Sec. 20. Section 322C.4, Code 2019, is amended to read as
21 follows:

22 **322C.4 Dealer's license application and fees.**

23 1. Upon application and payment of a fee, a person may
24 be licensed as a ~~travel-trailer~~ towable recreational vehicle
25 dealer. The license fee is seventy dollars for a two-year
26 period or part thereof. The person shall pay an additional
27 fee of twenty dollars for a two-year period or part thereof
28 for each ~~travel-trailer~~ towable recreational vehicle lot in
29 addition to the principal place of business unless the lot is
30 adjacent to the principal place of business. For purposes
31 of [this subsection](#), "*adjacent*" means that the principal place
32 of business and each additional lot are adjoining parcels
33 of property. The applicant shall file in the office of the
34 department a verified application for license as a ~~travel~~
35 ~~trailer~~ dealer in the form the department prescribes, which

1 shall include the following:

2 *a.* The name of the applicant and the applicant's principal
3 place of business.

4 *b.* The name of the applicant's business and whether the
5 applicant is an individual, partnership, corporation, or other
6 legal entity.

7 (1) If the applicant is a partnership, the name under which
8 the partnership intends to engage in business and the name and
9 post office address of each partner.

10 (2) If the applicant is a corporation, the state of
11 incorporation and the name and post office address of each
12 officer and director.

13 *c.* The ~~make line-make~~ or ~~makes line-makes~~ of new ~~travel~~
14 ~~trailers~~ towable recreational vehicles, if any, which the
15 applicant will offer for sale at retail in this state.

16 *d.* The location of each place of business within this state
17 to be used by the applicant for the conduct of the business.

18 *e.* If the applicant is a party to a contract, agreement
19 including a manufacturer-dealer agreement, or understanding
20 with a manufacturer or distributor of ~~travel trailers~~ towable
21 recreational vehicles or is about to become a party to a
22 contract, agreement, or understanding, the applicant shall
23 state the name of each manufacturer and distributor and the
24 ~~make line-make~~ or ~~makes line-makes~~ of new ~~travel trailers~~
25 towable recreational vehicles, if any, which are the subject
26 matter of the contract, agreement, or understanding.

27 *f.* Other information concerning the business of the
28 applicant the department reasonably requires for administration
29 of **this chapter**.

30 2. The license shall be granted or refused within thirty
31 days after application. A license is valid for a two-year
32 period and expires, unless revoked or suspended by the
33 department, on December 31 of even-numbered years. A licensee
34 shall have the month of expiration and the month after the
35 month of expiration to renew the license. A person who fails

1 to renew a license by the end of this time period and desires to
2 hold a license shall file a new license application and pay the
3 required fee. A separate license shall be obtained for each
4 county in which an applicant does business as a ~~travel-trailer~~
5 dealer.

6 3. A licensee shall file with the department a supplemental
7 statement when there is a change in an item of information
8 required under ~~paragraphs "a" to "e"~~ of [subsection 1](#),
9 paragraphs "a" through "e", within fifteen days after the
10 change. Upon filing a supplemental statement, the licensee
11 shall surrender its license to the department together with
12 a thirty-five-dollar fee. The department shall issue a new
13 license modified to reflect the changes on the supplemental
14 statement.

15 4. Before the issuance of a ~~travel-trailer~~ dealer's license,
16 the applicant shall furnish a surety bond executed by the
17 applicant as principal and executed by a corporate surety
18 company, licensed and qualified to do business within this
19 state, which bond shall run to the state of Iowa, be in the
20 amount of twenty-five thousand dollars, and be conditioned upon
21 the faithful compliance by the applicant as a dealer with all
22 statutes of this state regulating or applicable to a ~~travel~~
23 ~~trailer~~ dealer, and shall indemnify any person dealing or
24 transacting business with the dealer from loss or damage caused
25 by the failure of the dealer to comply with the provisions
26 of [chapter 321](#) and [this chapter](#), including the furnishing of
27 a proper and valid certificate of title to a ~~travel-trailer~~,
28 ~~and that the~~ towable recreational vehicle. The bond shall be
29 filed with the department prior to the issuance of the license.
30 ~~A person licensed under [chapter 322](#), with the same name and~~
31 ~~location or locations, is not subject to the provisions of this~~
32 ~~subsection.~~

33 Sec. 21. Section 322C.6, subsections 2 and 7, Code 2019, are
34 amended to read as follows:

35 2. Made a material misrepresentation to the department in

1 connection with an application for a license, certificate of
2 title, or registration of a ~~travel-trailer~~ towable recreational
3 vehicle or other vehicle.

4 7. Knowingly made misleading, deceptive, untrue, or
5 fraudulent representations in the business as a distributor of
6 ~~travel-trailers~~ towable recreational vehicles or engaged in
7 unethical conduct or practice harmful or detrimental to the
8 public.

9 Sec. 22. Section 322C.7, Code 2019, is amended to read as
10 follows:

11 **322C.7 Manufacturer's or distributor's license.**

12 A manufacturer or distributor of ~~travel-trailers~~ towable
13 recreational vehicles shall not engage in business in this
14 state without a license pursuant to [this chapter](#).

15 Sec. 23. NEW SECTION. **322C.8 Applicability to agreements.**

16 If a towable recreational vehicle dealer also sells
17 and services motorized recreational vehicles or other
18 motor vehicles, the provisions of this chapter relating to
19 manufacturer-dealer agreements apply only to such agreements,
20 or those provisions of such agreements, applicable to towable
21 recreational vehicles.

22 Sec. 24. Section 322C.9, Code 2019, is amended to read as
23 follows:

24 **322C.9 License application and fees.**

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

1 period and desires to hold a license shall file a new license
2 application and pay the required fee.

3 Sec. 25. Section 322C.12, Code 2019, is amended to read as
4 follows:

5 **322C.12 Semitrailer or ~~travel-trailer~~ towable recreational**
6 **vehicle retail installment contract — finance charges.**

7 1. A retail installment contract or agreement for the sale
8 of a semitrailer or ~~travel-trailer~~ towable recreational vehicle
9 may include a finance charge not in excess of the following
10 rates:

11 a. Class 1. Any new semitrailer or ~~travel-trailer~~ towable
12 recreational vehicle designated by the manufacturer by a year
13 model not earlier than the year in which the sale is made,
14 an amount equivalent to one and three-fourths percent per
15 month simple interest on the declining balance of the amount
16 financed.

17 b. Class 2. Any new semitrailer or ~~travel-trailer~~ towable
18 recreational vehicle not in class 1 and any used semitrailer
19 designated by the manufacturer by a year model of the same or
20 not more than two years prior to the year in which the sale
21 is made, an amount equivalent to two percent per month simple
22 interest on the declining balance of the amount financed.

23 c. Class 3. Any used semitrailer or ~~travel-trailer~~ towable
24 recreational vehicle not in class 2 and designated by the
25 manufacturer by a year model more than two years prior to the
26 year in which the sale is made, an amount equivalent to two and
27 one-fourth percent per month simple interest on the declining
28 balance of the amount financed.

29 2. ~~Amount financed shall be~~ "Amount financed" means the same
30 as defined in [section 537.1301](#).

31 3. The limitations contained in [this section](#) do not apply
32 in a transaction referred to in [section 535.2, subsection 2](#).
33 With respect to a consumer credit sale, as defined in [section](#)
34 [537.1301](#), the limitations contained in [this section](#) supersede
35 conflicting provisions of [chapter 537, article 2, part 2](#).

1 **Sec. 26. NEW SECTION. 322C.13 Manufacturer-dealer agreement**
2 **required — community.**

3 1. A manufacturer or distributor shall not sell a new
4 towable recreational vehicle in this state to or through a
5 towable recreational vehicle dealer without first entering into
6 a manufacturer-dealer agreement with the dealer that has been
7 signed by both parties. A dealer shall not sell a new towable
8 recreational vehicle in this state without first entering
9 into a manufacturer-dealer agreement with a manufacturer or
10 distributor that has been signed by both parties.

11 2. Except as provided in subsection 3, a
12 manufacturer-dealer agreement shall designate the community
13 exclusively assigned to a dealer by the manufacturer or
14 distributor, and the manufacturer or distributor shall not
15 change the community or contract with another dealer for the
16 sale of the same line-make of towable recreational vehicle in
17 the community for the duration of the agreement.

18 3. The community designated in a manufacturer-dealer
19 agreement may be reviewed or changed with the consent of both
20 parties not less than twelve months after execution of the
21 agreement.

22 **Sec. 27. NEW SECTION. 322C.14 Manufacturer-dealer agreement**
23 **— termination, cancellation, nonrenewal, or alteration by**
24 **manufacturer or distributor.**

25 1. Notwithstanding section 322C.3, subsection 5, a
26 manufacturer or distributor may, either directly or through any
27 authorized officer, agent, or employee, terminate, cancel, or
28 fail to renew a manufacturer-dealer agreement with or without
29 good cause. If the manufacturer or distributor terminates,
30 cancels, or fails to renew a manufacturer-dealer agreement
31 without good cause, the manufacturer or distributor shall
32 comply with the repurchase requirements set forth in section
33 322C.16.

34 2. A manufacturer or distributor shall have the burden of
35 proof to demonstrate good cause for terminating, canceling, or

1 failing to renew a manufacturer-dealer agreement. For purposes
2 of determining whether good cause exists for the manufacturer's
3 or distributor's termination, cancellation, or failure to renew
4 a manufacturer-dealer agreement, any of the following factors
5 may be considered:

6 a. The extent of the dealer's presence in the community.

7 b. The nature and extent of the dealer's investment in the
8 dealer's business.

9 c. The adequacy of the dealer's service facilities,
10 equipment, parts, supplies, and personnel.

11 d. The effect that the proposed termination, cancellation,
12 or nonrenewal of the manufacturer-dealer agreement would have
13 on the community.

14 e. The extent and quality of the dealer's service under the
15 warranties of the towable recreational vehicles sold by the
16 dealer.

17 f. The dealer's failure to follow procedures or standards
18 related to the overall operation of the dealership that were
19 agreed to by the dealer.

20 g. The dealer's performance under the terms of the
21 manufacturer-dealer agreement.

22 3. a. Except as otherwise provided in this subsection
23 or subsection 4, a manufacturer or distributor shall provide
24 to a dealer written notice of termination, cancellation, or
25 nonrenewal of a manufacturer-dealer agreement for good cause at
26 least ninety days prior to terminating, canceling, or failing
27 to renew the manufacturer-dealer agreement.

28 b. (1) The notice shall state all of the reasons for the
29 termination, cancellation, or nonrenewal and shall further
30 state that if, within thirty days following receipt of the
31 notice, the dealer provides to the manufacturer or distributor
32 a written notice of intent to cure all claimed deficiencies,
33 the dealer shall then have ninety days following receipt of the
34 notice to cure the deficiencies.

35 (2) If the deficiencies are cured within ninety days,

1 the manufacturer's or distributor's notice is voided. If
2 the dealer fails to provide the notice of intent to cure
3 the deficiencies within thirty days, or fails to cure the
4 deficiencies within ninety days, the termination, cancellation,
5 or nonrenewal takes effect as provided in the original notice.
6 If the dealer has possession of new and untitled inventory, the
7 inventory may be sold pursuant to section 322C.16.

8 c. The notice period for termination, cancellation, or
9 nonrenewal of a manufacturer-dealer agreement for good cause
10 may be reduced to thirty days if the grounds for termination,
11 cancellation, or nonrenewal are due to any of the following
12 factors:

13 (1) The dealer or one of the dealer's owners has been
14 convicted of, or has entered a plea of guilty or nolo
15 contendere to, a felony.

16 (2) The dealer has abandoned or closed the dealer's
17 business operations for ten consecutive business days. This
18 subparagraph does not apply if the closing is due to a normal
19 seasonal closing and the dealer notifies the manufacturer or
20 distributor of the planned closing, an act of God, a strike, a
21 labor difficulty, or any other cause over which the dealer has
22 no control.

23 (3) The dealer has made a significant misrepresentation
24 that materially affects the business relationship of the
25 manufacturer or distributor and the dealer.

26 (4) The dealer's license has been suspended, revoked,
27 denied, or has not been renewed by the department.

28 (5) The dealer has committed a material violation of this
29 chapter which is not cured within thirty days after receipt of
30 written notice of the violation.

31 4. Subsection 3 does not apply if the manufacturer or
32 distributor terminates, cancels, or fails to renew the
33 manufacturer-dealer agreement because the dealer is insolvent,
34 or has filed for bankruptcy, receivership, or assignment for
35 the benefit of creditors.

1 Sec. 28. NEW SECTION. **322C.15 Manufacturer-dealer agreement**
2 **— termination, cancellation, nonrenewal, or alteration by**
3 **dealer.**

4 1. A dealer may terminate, cancel, or fail to renew a
5 manufacturer-dealer agreement with or without good cause.
6 If the dealer terminates, cancels, or fails to renew a
7 manufacturer-dealer agreement with good cause, the manufacturer
8 or distributor shall comply with the repurchase requirements
9 set forth in section 322C.16.

10 2. The dealer shall have the burden of proof to demonstrate
11 good cause for terminating, canceling, or failing to renew a
12 manufacturer-dealer agreement. For purposes of determining
13 whether good cause exists for the dealer's termination,
14 cancellation, or failure to renew a manufacturer-dealer
15 agreement, any of the following factors shall be deemed to be
16 good cause:

17 *a.* The manufacturer or distributor has been convicted of, or
18 has entered a plea of guilty or nolo contendere to, a felony.

19 *b.* The manufacturer's or distributor's business operations
20 have been abandoned or caused the dealer's business operations
21 to close for ten consecutive business days. This subparagraph
22 does not apply if the closing is due to a normal seasonal
23 closing and the manufacturer or distributor notifies the dealer
24 of the planned closing, an act of God, a strike, a labor
25 difficulty, or any other cause over which the manufacturer or
26 distributor has no control.

27 *c.* The manufacturer or distributor has made a significant
28 misrepresentation that materially affects the business
29 relationship of the manufacturer or distributor and the dealer.

30 *d.* The manufacturer or distributor has committed a material
31 violation of this chapter which is not cured within thirty days
32 after receipt of written notice of the violation.

33 *e.* The manufacturer or distributor is insolvent, or has
34 filed for bankruptcy, receivership, or assignment for the
35 benefit of creditors.

1 3. a. A dealer shall provide to a manufacturer or
2 distributor written notice of termination, cancellation, or
3 nonrenewal of a manufacturer-dealer agreement at least thirty
4 days prior to terminating, canceling, or failing to renew the
5 manufacturer-dealer agreement.

6 b. (1) If a termination or cancellation is for good cause,
7 the notice shall state all of the reasons for the termination
8 or cancellation and shall further state that if, within
9 thirty days following receipt of the notice, the manufacturer
10 or distributor provides to the dealer a written notice of
11 intent to cure all claimed deficiencies, the manufacturer or
12 distributor shall then have ninety days following receipt of
13 the notice to cure the deficiencies.

14 (2) If the deficiencies are cured within ninety days, the
15 dealer's notice is voided. If the manufacturer or distributor
16 fails to provide the notice of intent to cure the deficiencies
17 within thirty days, or fails to cure the deficiencies within
18 ninety days, the termination or cancellation takes effect as
19 provided in the original notice.

20 Sec. 29. NEW SECTION. 322C.16 Repurchase or sale of
21 inventory.

22 1. If a manufacturer-dealer agreement is terminated,
23 canceled, or not renewed by the manufacturer or distributor
24 without good cause, or by a dealer with good cause and, in
25 the case of termination or cancellation, the manufacturer or
26 distributor fails to provide notice or cure the deficiencies
27 claimed by the dealer, the manufacturer or distributor shall,
28 at the dealer's option and within forty-five days after
29 termination, cancellation, or nonrenewal, repurchase all of the
30 following:

31 a. All new, untitled towable recreational vehicles that
32 the dealer acquired from the manufacturer or distributor
33 within twelve months prior to the effective date of the
34 notice of termination, cancellation, or nonrenewal of the
35 manufacturer-dealer agreement that have not been used other

1 than for demonstration purposes, and that have not been altered
2 or damaged, at one hundred percent of the net invoice cost,
3 including transportation, less applicable rebates and discounts
4 to the dealer. If any of the towable recreational vehicles
5 repurchased pursuant to this paragraph are damaged, but do not
6 require a disclosure under section 321.69A, the amount due to
7 the dealer shall be reduced by the cost to repair the vehicle.
8 Damage incurred by a vehicle prior to delivery to the dealer
9 that was disclosed at the time of delivery shall not disqualify
10 repurchase pursuant to this paragraph.

11 *b.* All undamaged proprietary parts for any line-make subject
12 to the termination, cancellation, or nonrenewal that was sold
13 to the dealer for resale within twelve months prior to the
14 effective date of the termination, cancellation, or nonrenewal
15 of the manufacturer-dealer agreement, if accompanied by the
16 original invoice, at one hundred five percent of the original
17 net price paid to the manufacturer or distributor.

18 *c.* All properly functioning diagnostic equipment, special
19 tools, current signage, or other equipment and machinery
20 that was purchased by the dealer upon the request of the
21 manufacturer or distributor for any line-make subject to the
22 termination, cancellation, or nonrenewal within five years
23 prior to the effective date of the termination, cancellation,
24 or nonrenewal of the manufacturer-dealer agreement that can no
25 longer be used in the normal course of the dealer's ongoing
26 business.

27 2. If towable recreational vehicles of a particular
28 line-make subject to a terminated, canceled, or nonrenewed
29 manufacturer-dealer agreement are not repurchased or required
30 to be repurchased pursuant to the agreement, the dealer
31 may continue to sell such vehicles existing in the dealer's
32 inventory until the vehicles are no longer in the dealer's
33 inventory.

34 **Sec. 30. NEW SECTION. 322C.17 Transfer of ownership —**
35 **family succession — objection.**

1 1. *a.* If a towable recreational vehicle dealer makes or
2 intends to make a change in ownership of a dealership by sale
3 of the business assets, a stock transfer, or in another manner,
4 the dealer shall provide to a manufacturer or distributor that
5 is a party to a manufacturer-dealer agreement with the dealer
6 written notice of the proposed change at least fifteen business
7 days before the change becomes effective. The notice shall
8 include all supporting documentation that may be reasonably
9 required by the manufacturer or distributor to determine
10 whether to make an objection to the change.

11 *b.* In the absence of a breach by the dealer of the
12 manufacturer-dealer agreement or a violation of this chapter,
13 the manufacturer or distributor shall not object to the
14 proposed change in ownership unless the objection is to the
15 prospective transferee for any of the following reasons:

16 (1) The transferee has previously been a party to a
17 manufacturer-dealer agreement with the manufacturer or
18 distributor and the agreement was terminated, canceled, or not
19 renewed by the manufacturer or distributor for good cause.

20 (2) The transferee has been convicted of a felony or any
21 crime of fraud, deceit, or moral turpitude.

22 (3) The transferee lacks any license required by law.

23 (4) The transferee does not have an active line of credit
24 sufficient to purchase the manufacturer's or distributor's
25 products.

26 (5) The transferee is insolvent or has been within the
27 previous ten years, or has filed for bankruptcy, receivership,
28 or assignment for the benefit of creditors within the previous
29 ten years.

30 *c.* If a manufacturer or distributor objects to a proposed
31 change in ownership of a dealership, the manufacturer or
32 distributor shall provide written notice of the reasons for
33 the objection to the dealer within fifteen business days
34 after receipt of the dealer's notification and supporting
35 documentation about the proposed change. The manufacturer

1 or distributor shall have the burden of proof to demonstrate
2 that the objection complies with the requirements of this
3 subsection. If the manufacturer or distributor does not
4 provide the dealer with timely notice of the objection, the
5 dealer's proposed change in ownership of the dealership shall
6 be deemed approved.

7 2. *a.* A manufacturer or distributor shall provide
8 to a dealer the opportunity to designate, in writing, a
9 family member as a successor to ownership of a dealership
10 in the event of the death, incapacity, or retirement of the
11 dealer. If a dealer desires to designate a family member as
12 a successor to ownership of a dealership, the dealer shall
13 provide to the manufacturer or distributor that is a party
14 to the manufacturer-dealer agreement with the dealer written
15 notice of the proposed designation, or modification of a
16 previous designation, at least fifteen business days before
17 the designation or proposed modification of a designation
18 becomes effective. The notice shall include all supporting
19 documentation as may be reasonably required by the manufacturer
20 or distributor to determine whether to make an objection to the
21 succession plan.

22 *b.* In the absence of a breach by the dealer of the
23 manufacturer-dealer agreement or a violation of this chapter,
24 the manufacturer or distributor shall not object to the
25 designation or proposed modification of a designation unless
26 the objection is to the designated successor for any of the
27 following reasons:

28 (1) The designated successor has previously been a party
29 to a manufacturer-dealer agreement with the manufacturer or
30 distributor and the agreement was terminated, canceled, or not
31 renewed by the manufacturer or distributor for good cause.

32 (2) The designated successor has been convicted of a felony
33 or any crime of fraud, deceit, or moral turpitude.

34 (3) The designated successor lacks any license required by
35 law at the time of succession.

1 (4) The designated successor does not have an active
2 line of credit sufficient to purchase the manufacturer's or
3 distributor's products at the time of succession.

4 (5) The designated successor is insolvent or has been
5 within the previous ten years, or has filed for bankruptcy,
6 receivership, or assignment for the benefit of creditors within
7 the previous ten years.

8 c. If a manufacturer or distributor objects to a succession
9 plan, the manufacturer or distributor shall provide written
10 notice of the reasons for the objection to the dealer
11 within fifteen business days after receipt of the dealer's
12 notification and supporting documentation about the proposed
13 designation or proposed modification of a designation. The
14 manufacturer or distributor shall have the burden of proof to
15 demonstrate that the objection complies with the requirements
16 of this subsection. If the manufacturer or distributor does
17 not provide the dealer with timely notice of the objection, the
18 dealer's proposed succession plan shall be deemed approved.
19 A manufacturer or distributor shall allow the succession of
20 ownership of a dealership to a designated family member when a
21 dealer is deceased, incapacitated, or has retired, unless the
22 manufacturer or distributor has provided to the dealer written
23 notice of the manufacturer's or distributor's objections to
24 the succession within fifteen days after receipt of notice of
25 the succession. However, a family member of a dealer shall
26 not succeed to ownership of a dealership if the succession
27 involves, without the manufacturer's or distributor's consent,
28 a relocation of the dealership or alteration of the terms and
29 conditions of the manufacturer-dealer agreement.

30 Sec. 31. NEW SECTION. 322C.18 Warranty obligations.

31 1. A warrantor shall do all of the following:

32 a. Specify in writing to each dealer what obligations the
33 dealer has, if any, for the preparation and delivery of, and
34 warranty services on, the warrantor's products.

35 b. Compensate the dealer for warranty services the warrantor

1 requires the dealer to perform.

2 *c.* Provide the dealer with a schedule of compensation and
3 time allowances for the performance of warranty services. The
4 schedule of compensation shall include reasonable compensation
5 for warranty services performed by the dealer, including
6 diagnostic services.

7 2. *a.* Time allowances for the performance of warranty
8 services, including diagnostic services, shall be reasonable
9 for the service to be performed.

10 *b.* In determining what constitutes reasonable compensation
11 under this section, the principle factors to be given
12 consideration shall be the actual wage rates being paid by the
13 dealer and the actual retail wage rates being charged by other
14 dealers in the community in which the dealer is doing business.
15 The compensation of a dealer for warranty services shall not be
16 less than the lowest actual retail wage rates charged by the
17 dealer for similar nonwarranty services, as long as the actual
18 retail wage rates are reasonable.

19 3. A warrantor shall reimburse a dealer for any warranty
20 part, accessory, or complete component at actual wholesale
21 cost to the dealer plus a minimum of a thirty percent handling
22 charge, not to exceed one hundred fifty dollars, and plus the
23 cost, if any, to the dealer to return such part, component, or
24 accessory to the warrantor.

25 4. A warrantor may conduct a warranty audit of a dealer's
26 records within twelve months after the payment of a warranty
27 claim. A warrantor shall not deny a dealer's claim for
28 warranty compensation except for good cause, including
29 performance of nonwarranty repairs, material noncompliance with
30 the warrantor's published policies and procedures, lack of
31 material documentation, fraud, or misrepresentation.

32 5. A dealer shall submit claims for compensation for the
33 performance of warranty services to the warrantor within
34 forty-five days after completion of the warranty services.

35 6. A dealer shall immediately notify a warrantor in writing

1 if the dealer is unable to perform warranty services, including
2 diagnostic services, within ten days of receipt of a written
3 complaint from a consumer.

4 7. A warrantor shall deny a claim submitted by a dealer
5 for compensation for the performance of warranty services,
6 in writing, within thirty days after submission of the claim
7 in the manner and form prescribed by the warrantor. A claim
8 not specifically denied as required by this subsection shall
9 be deemed approved and shall be paid within sixty days of
10 submission of the claim.

11 8. A warrantor shall not do any of the following:

12 a. Fail to perform any of the warrantor's obligations with
13 respect to its warranted products.

14 b. Fail to include, in written notices of a factory
15 campaign to towable recreational vehicle owners and dealers,
16 the expected date by which necessary parts and equipment,
17 including tires and chassis or chassis parts, will be available
18 to dealers to perform the factory campaign work. The warrantor
19 may ship parts to a dealer for purposes of factory campaign
20 work, and, if such parts are in excess of the dealer's
21 requirements, the dealer may return unused, undamaged parts
22 to the warrantor for credit after completion of the factory
23 campaign.

24 c. Fail to compensate the warrantor's dealers for authorized
25 repairs performed by the dealer on merchandise damaged in
26 manufacture or in transit to the dealer by a carrier designated
27 by the warrantor, factory branch, distributor, or distributor
28 branch.

29 d. Fail to compensate the warrantor's dealers in accordance
30 with the schedule of compensation provided to the dealer
31 pursuant to this section, if the warranty services for which
32 compensation is claimed are performed by the dealer in a timely
33 and competent manner as required in this section.

34 e. Intentionally misrepresent in any way to consumers that
35 warranties with respect to the manufacture, performance, or

1 design of towable recreational vehicles are made by the dealer
2 as warrantor or co-warrantor.

3 *f.* Require the warrantor's dealers to make warranties to a
4 consumer that are in any manner related to the manufacture of a
5 towable recreational vehicle.

6 9. A dealer shall not do any of the following:

7 *a.* Fail to perform predelivery inspection functions, as
8 specified by the warrantor, in a competent and timely manner.

9 *b.* Fail to perform warranty services, as authorized by the
10 warrantor, in a competent and timely manner on any transient
11 consumer's towable recreational vehicle of a line-make sold or
12 serviced by the dealer.

13 *c.* Fail to accurately document the time spent completing
14 each repair, the total number of repair attempts conducted on a
15 single towable recreational vehicle, and the number of repair
16 attempts for the same repair conducted on a single towable
17 recreational vehicle.

18 *d.* Fail to notify the warrantor within ten days of a second
19 repair attempt on a towable recreational vehicle which impairs
20 the use, value, or safety of the vehicle.

21 *e.* Fail to maintain written records, including a consumer's
22 written or electronic verification or signature, regarding the
23 amount of time a towable recreational vehicle is stored for the
24 consumer's convenience during a repair.

25 *f.* Make fraudulent warranty claims or misrepresent the terms
26 of any warranty.

27 **Sec. 32. NEW SECTION. 322C.19 Indemnification — warrantor**
28 **and dealer.**

29 1. *a.* Notwithstanding the terms of a manufacturer-dealer
30 agreement, a warrantor shall indemnify and hold harmless the
31 warrantor's dealer against any loss or damage, to the extent
32 the loss or damage is caused by willful misconduct of the
33 warrantor.

34 *b.* A warrantor shall not deny a dealer indemnification
35 for failure to discover, disclose, or remedy a defect in the

1 design or manufacture of a new towable recreational vehicle. A
2 warrantor may deny a dealer indemnification if the dealer fails
3 to remedy a known and announced defect in accordance with the
4 written instructions of the warrantor for whom the dealer is
5 obligated to perform warranty services.

6 c. A warrantor shall provide to the dealer a copy of any
7 pending lawsuit in which allegations are made against the
8 warrantor of willful misconduct. The warrantor shall provide
9 the copy to the dealer within ten days after receiving notice
10 of the lawsuit.

11 2. a. Notwithstanding the terms of a manufacturer-dealer
12 agreement, a dealer shall indemnify and hold harmless the
13 dealer's warrantor against any loss or damage, to the extent
14 that the loss or damage is caused by willful misconduct of the
15 dealer.

16 b. A dealer shall provide to the warrantor a copy of any
17 pending lawsuit in which allegations are made against the
18 dealer of willful misconduct. The dealer shall provide the
19 copy to the warrantor within ten days after receiving notice
20 of the lawsuit.

21 3. Notwithstanding any provision of law to the contrary,
22 this section continues to apply after a new towable
23 recreational vehicle is titled.

24 Sec. 33. NEW SECTION. 322C.20 Inspection and rejection by
25 dealer.

26 1. Whenever a new towable recreational vehicle is damaged
27 prior to transit or is damaged in transit to a dealer and
28 the carrier or means of transportation has been selected by
29 the manufacturer or distributor, the dealer shall notify the
30 manufacturer or distributor of the damage within the time frame
31 specified in the manufacturer-dealer agreement and shall do
32 either of the following:

33 a. Request from the manufacturer or distributor
34 authorization to replace the components, parts, or accessories
35 damaged, or otherwise repair the vehicle to make it ready for

1 sale at retail.

2 *b.* Reject the vehicle within the time frame set forth in the
3 manufacturer-dealer agreement pursuant to subsection 4.

4 2. If the manufacturer or distributor refuses to authorize
5 repair of the new towable recreational vehicle within ten days
6 after receipt of a dealer's notification, or if the dealer
7 rejects the new towable recreational vehicle because of damage
8 to the vehicle, ownership of the vehicle shall revert to the
9 manufacturer or distributor.

10 3. The dealer shall exercise due care when in custody of a
11 damaged new towable recreational vehicle, but the dealer shall
12 have no other obligations, financial or otherwise, with respect
13 to the vehicle following rejection in accordance with the
14 manufacturer-dealer agreement pursuant to subsection 4.

15 4. The time frame for inspection and rejection of a damaged
16 new towable recreational vehicle by a dealer shall be specified
17 in the manufacturer-dealer agreement, but shall not be less
18 than two business days after the physical delivery of the
19 vehicle to the dealer.

20 Sec. 34. NEW SECTION. 322C.21 Civil action — mediation.

21 1. A dealer, manufacturer, distributor, or warrantor
22 injured by another party's violation of this chapter may bring
23 a civil action in district court to recover actual damages
24 resulting from the violation. The court shall award reasonable
25 attorney fees and costs to the prevailing party in such an
26 action. Venue for a civil action authorized by this section
27 shall be exclusively in the county in which the dealer's
28 business is located. In an action involving more than one
29 dealer, venue may be in any county in which any dealer that is a
30 party to the action is located.

31 2. *a.* Prior to bringing a civil action under this section,
32 the party alleging a violation of this chapter shall serve a
33 written demand for mediation upon the alleged offending party.

34 *b.* The demand for mediation shall be served upon the alleged
35 offending party via certified mail at the address stated in

1 the manufacturer-dealer agreement between the parties, if
2 applicable.

3 *c.* The demand for mediation shall contain a statement of the
4 dispute or violation alleged and the relief sought by the party
5 serving the demand.

6 *d.* Within twenty days after service of a demand for
7 mediation, the parties shall mutually select an independent
8 certified mediator and shall meet with the mediator for
9 the purpose of attempting to resolve the dispute or alleged
10 violation. The meeting place for the mediation shall be
11 in this state at a location selected by the mediator. The
12 mediator may extend the date before which the parties are
13 required to have the meeting for good cause shown by either
14 party or upon a stipulation by both parties.

15 *e.* The service of a demand for mediation under this section
16 shall toll the period during which a party is required to
17 file any complaint, petition, protest, or other action under
18 this chapter until representatives of both parties have met
19 with the mutually agreed-upon mediator for the purpose of
20 attempting to resolve the dispute or alleged violation. If a
21 complaint, petition, protest, or other action has been filed
22 before the mediation meeting, the court shall enter an order
23 suspending any proceeding or action relating to such complaint,
24 petition, protest, or other action until the mediation meeting
25 has occurred and may, upon written stipulation by all parties
26 to the proceeding or action that the parties wish to continue
27 mediation under this section, enter an order suspending
28 the proceeding or action for any period the court considers
29 appropriate.

30 *f.* Each party to the mediation shall pay its own costs for
31 attorney fees. The costs of the mediation services shall be
32 equally allocated among each party.

33 3. In addition to the remedies provided in this section, and
34 notwithstanding the existence of any additional remedy at law,
35 a manufacturer, distributor, warrantor, or dealer may petition

1 the district court, upon a hearing and for cause shown, for a
2 temporary or permanent injunction, or both, restraining any
3 person from acting as a dealer without being properly licensed,
4 from violating or continuing to violate any of the provisions
5 of this chapter, or from failing or refusing to comply with the
6 requirements of this chapter. Such injunction shall be issued
7 without bond. A single act in violation of this chapter shall
8 be considered sufficient cause to authorize the issuance of an
9 injunction pursuant to this subsection.

10 Sec. 35. Section 435.23, subsection 1, Code 2019, is amended
11 to read as follows:

12 1. The manufacturer's and retailer's inventory of mobile
13 homes, manufactured homes, or modular homes not in use as a
14 place of human habitation shall be exempt from the annual tax.
15 All ~~travel trailers~~ towable recreational vehicles shall be
16 exempt from this tax. The homes and ~~travel trailers~~ towable
17 recreational vehicles in the inventory of manufacturers and
18 retailers shall be exempt from personal property tax.

19 Sec. 36. APPLICABILITY. This Act applies to
20 manufacturer-dealer agreements pertaining to the sale
21 of new towable recreational vehicles entered into or renewed on
22 or after January 1, 2020.

23 EXPLANATION

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

26 This bill relates to towable recreational vehicles (TRVs).
27 The bill defines "towable recreational vehicle" to mean a
28 vehicle designed to be towed by a motor vehicle owned by
29 a consumer and to provide temporary living quarters for
30 recreational, camping, or travel use, that complies with all
31 applicable federal regulations, and that is certified by the
32 vehicle's manufacturer as in compliance with the national fire
33 protection association standard on recreational vehicles or
34 the American national standard for park model recreational
35 vehicles, as applicable. The term includes a travel trailer,

1 toy-hauler travel trailer, fifth-wheel travel trailer,
2 toy-hauler fifth-wheel travel trailer, folding camping trailer,
3 truck camper, and park model recreational vehicle.

4 CODE CHAPTER 321. The bill strikes the terms "travel
5 trailer" and "fifth-wheel travel trailer" from Code chapter
6 321 (motor vehicles and law of the road) and inserts "towable
7 recreational vehicle" in place of those terms. For purposes
8 of Code chapter 321, the bill requires a TRV to be customarily
9 or ordinarily used for vacation or recreational purposes and
10 not used as a place of permanent habitation. If a TRV is used
11 as a place of human habitation for more than 180 consecutive
12 days in one location, it must be classified as a manufactured
13 or mobile home. A 90-day limitation exists under current law
14 in the definition of "travel trailer" struck by the bill. For
15 purposes of registration or brake requirements under Code
16 chapter 321, "towable recreational vehicle" does not include a
17 truck camper.

18 The bill makes corresponding changes to Code sections
19 321.34 (registration plates), 321.45 (title transfer), 321.123
20 (trailer registration fee), 321.176A (persons exempt from
21 commercial driver's license requirements), 321.284A (open
22 containers in motor vehicles), 321.430 (brake requirements),
23 321.454 (vehicle width), and 321.457 (vehicle length).

24 CODE CHAPTER 322C. The bill defines or redefines various
25 terms for purposes of Code chapter 322C (travel trailer
26 dealers, manufacturers, and distributors), including
27 "community", "factory campaign", "family member", "fifth-wheel
28 travel trailer", "folding camping trailer", "line-make",
29 "manufacturer", "manufacturer-dealer agreement", "park model
30 recreational vehicle", "proprietary part", "supplier", "towable
31 recreational vehicle", "towable recreational vehicle dealer",
32 "toy-hauler fifth-wheel travel trailer", "toy-hauler travel
33 trailer", "transient consumer", "travel trailer", "truck
34 camper", and "warrantor".

35 The bill defines "fifth-wheel travel trailer" as a vehicle

1 with an overall length of 45 feet or less, which is the same
2 limitation present under current law in the definition of the
3 term under Code chapter 321 stricken by the bill. The bill
4 defines "travel trailer" as a vehicle with an overall length
5 of 40 feet or less, which is less than the 45-foot limitation
6 present under current law in the definition of the term under
7 Code chapter 321 stricken by the bill. Travel trailers were
8 limited to 40 feet in length prior to 2015, when the general
9 assembly increased the limitation to 45 feet.

10 The bill makes corresponding changes from the use of the term
11 "travel trailer" in Code chapter 322C to the use of the term
12 "towable recreational vehicle".

13 Under current law, a manufacturer or distributor is
14 prohibited from refusing to renew a contract for a term of less
15 than five years. The bill changes the term to 12 months.

16 The bill strikes a provision in Code section 322C.4 that
17 exempts persons licensed under Code chapter 322 (motor vehicle
18 manufacturers, distributors, wholesalers, and dealers) from the
19 requirement to obtain a \$25,000 surety bond as a prerequisite
20 to the issuance of a TRV dealer's license.

21 APPLICABILITY TO AGREEMENTS. The bill provides that if a TRV
22 dealer also sells and services motorized recreational vehicles
23 or other motor vehicles, the provisions of Code chapter 322C
24 relating to manufacturer-dealer agreements apply only to such
25 agreements, or those provisions of such agreements, applicable
26 to TRVs.

27 AGREEMENT REQUIRED — COMMUNITY. The bill prohibits a
28 manufacturer or distributor from selling a new TRV in this
29 state to or through a TRV dealer without first entering into
30 a manufacturer-dealer agreement with the dealer that has been
31 signed by both parties. The bill also prohibits a dealer
32 from selling a new TRV in this state without first entering
33 into a manufacturer-dealer agreement with a manufacturer or
34 distributor that has been signed by both parties.

35 The bill requires a manufacturer-dealer agreement to

1 designate a community exclusively assigned to a dealer by the
2 manufacturer or distributor, and prohibits the manufacturer or
3 distributor from changing the community or from contracting
4 with another dealer for the sale of the same line-make of
5 TRV in the community for the duration of the agreement. The
6 community designated in a manufacturer-dealer agreement may be
7 reviewed or changed with the consent of both parties not less
8 than 12 months after execution of the agreement.

9 TERMINATION, CANCELLATION, OR NONRENEWAL BY MANUFACTURER OR
10 DISTRIBUTOR. The bill authorizes a manufacturer or distributor
11 to terminate, cancel, or fail to renew a manufacturer-dealer
12 agreement with or without good cause. If the manufacturer or
13 distributor terminates, cancels, or fails to renew an agreement
14 without good cause, the manufacturer or distributor is required
15 to comply with the repurchase requirements set forth in the
16 bill.

17 The manufacturer or distributor has the burden of proof to
18 demonstrate good cause. The bill sets forth certain factors to
19 consider in determining whether good cause exists.

20 The bill requires a manufacturer or distributor to provide
21 to a dealer written notice of termination, cancellation, or
22 nonrenewal of a manufacturer-dealer agreement for good cause
23 at least 90 days prior to terminating, canceling, or failing
24 to renew the manufacturer-dealer agreement. The notice must
25 state all of the reasons for the termination, cancellation, or
26 nonrenewal and that if, within 30 days following receipt of the
27 notice, the dealer provides to the manufacturer or distributor
28 a written notice of intent to cure all claimed deficiencies,
29 the dealer will then have 90 days following receipt of the
30 notice to cure the deficiencies. If the deficiencies are cured
31 within 90 days, the manufacturer's or distributor's notice is
32 voided. If the dealer fails to provide the notice of intent
33 to cure the deficiencies within 30 days, or fails to cure the
34 deficiencies within 90 days, the termination, cancellation, or
35 nonrenewal takes effect as provided in the original notice.

1 The bill specifies that the notice period for termination,
2 cancellation, or nonrenewal of a manufacturer-dealer agreement
3 for good cause may be reduced to 30 days if certain grounds
4 exist as set forth in the bill.

5 The manufacturer or distributor is not required to provide
6 the notice if the dealer is insolvent, or has filed for
7 bankruptcy, receivership, or assignment for the benefit of
8 creditors.

9 TERMINATION, CANCELLATION, OR NONRENEWAL BY DEALER. The
10 bill allows a dealer to terminate, cancel, or fail to renew
11 a manufacturer-dealer agreement with or without good cause.
12 If the dealer terminates, cancels, or fails to renew a
13 manufacturer-dealer agreement with good cause, the manufacturer
14 or distributor must comply with the repurchase requirements set
15 forth in the bill.

16 The dealer has the burden of proof to demonstrate good
17 cause for terminating, canceling, or failing to renew a
18 manufacturer-dealer agreement. The bill sets forth certain
19 factors to consider in determining whether good cause exists.

20 The bill requires a dealer to provide to a manufacturer
21 or distributor written notice of termination, cancellation,
22 or nonrenewal of a manufacturer-dealer agreement at least
23 30 days prior to terminating, canceling, or failing to
24 renew the manufacturer-dealer agreement. If a termination
25 or cancellation is for good cause, the notice must state
26 all of the reasons for the termination or cancellation and
27 that if, within 30 days following receipt of the notice,
28 the manufacturer or distributor provides to the dealer a
29 written notice of intent to cure all claimed deficiencies,
30 the manufacturer or distributor shall then have 90 days
31 following receipt of the notice to cure the deficiencies.
32 If the deficiencies are cured within 90 days, the dealer's
33 notice is voided. If the manufacturer or distributor fails to
34 provide the notice of intent to cure the deficiencies within
35 30 days, or fails to cure the deficiencies within 90 days, the

1 termination or cancellation takes effect as provided in the
2 original notice.

3 REPURCHASE OR SALE OF INVENTORY. If a manufacturer-dealer
4 agreement is terminated, canceled, or not renewed by the
5 manufacturer or distributor without good cause, or by a
6 dealer with good cause and, in the case of termination or
7 cancellation, the manufacturer or distributor fails to provide
8 notice or cure the deficiencies claimed by the dealer, the bill
9 requires the manufacturer or distributor to, at the dealer's
10 option and within 45 days after termination, cancellation, or
11 nonrenewal, repurchase certain items.

12 The repurchase includes all new, untitled TRVs that the
13 dealer acquired from the manufacturer or distributor within 12
14 months prior to the effective date of the notice that have not
15 been used other than for demonstration purposes, and that have
16 not been altered or damaged, at 100 percent of the net invoice
17 cost, including transportation, less applicable rebates and
18 discounts to the dealer.

19 The repurchase also includes all undamaged proprietary parts
20 for any line-make subject to the termination, cancellation,
21 or nonrenewal that was sold to the dealer for resale within
22 12 months prior to the effective date of the termination,
23 cancellation, or nonrenewal of the manufacturer-dealer
24 agreement, if accompanied by the original invoice, at 105
25 percent of the original net price paid to the manufacturer or
26 distributor.

27 The repurchase further includes all properly functioning
28 diagnostic equipment, special tools, current signage, or
29 other equipment and machinery that was purchased by the
30 dealer upon the request of the manufacturer or distributor for
31 any line-make subject to the termination, cancellation, or
32 nonrenewal within five years prior to the effective date of the
33 termination, cancellation, or nonrenewal that can no longer be
34 used in the normal course of the dealer's ongoing business.
35 The bill does not specify an amount at which such equipment,

1 tools, or machinery must be repurchased.

2 The bill provides that TRVs not repurchased or required to
3 be repurchased that are in the dealer's inventory may continue
4 to be sold by the dealer until the TRVs are no longer in the
5 dealer's inventory.

6 TRANSFER OF OWNERSHIP. If a TRV dealer makes or intends to
7 make a change in ownership of a dealership, the dealer must
8 provide to a manufacturer or distributor that is a party to a
9 manufacturer-dealer agreement with the dealer written notice of
10 the proposed change at least 15 business days before the change
11 becomes effective.

12 In the absence of a breach by the dealer of the
13 manufacturer-dealer agreement or a violation of Code chapter
14 322C, the bill prohibits the manufacturer or distributor from
15 objecting to the proposed change in ownership unless the
16 objection is to the prospective transferee for previously
17 being a party to a manufacturer-dealer agreement with the
18 manufacturer or distributor and the agreement was terminated,
19 canceled, or not renewed by the manufacturer or distributor
20 for good cause; being convicted of a felony or any crime of
21 fraud, deceit, or moral turpitude; lacking any license required
22 by law; failing to have an active line of credit sufficient
23 to purchase the manufacturer's or distributor's products; or
24 being insolvent within the previous 10 years, or filing for
25 bankruptcy, receivership, or assignment for the benefit of
26 creditors within the previous 10 years.

27 If a manufacturer or distributor objects to a proposed
28 change in ownership of a dealership, the manufacturer or
29 distributor must provide written notice of the reasons for the
30 objection to the dealer within 15 business days after receipt
31 of the dealer's notification and supporting documentation about
32 the proposed change. The manufacturer or distributor has the
33 burden of proof to demonstrate that the objection complies
34 with the requirements of the bill. If the manufacturer or
35 distributor does not provide the dealer with timely notice of

1 the objection, the dealer's proposed change in ownership of the
2 dealership is deemed approved.

3 The bill requires a manufacturer or distributor to provide
4 to a dealer the opportunity to designate, in writing, a
5 family member as a successor to ownership of a dealership
6 in the event of the death, incapacity, or retirement of the
7 dealer. If a dealer desires to designate a family member as a
8 successor to ownership of a dealership, the dealer must provide
9 to the manufacturer or distributor that is a party to the
10 manufacturer-dealer agreement with the dealer written notice
11 of the proposed designation, or modification of a previous
12 designation, at least 15 business days before the designation
13 or proposed modification of a designation becomes effective.

14 In the absence of a breach by the dealer of the
15 manufacturer-dealer agreement or a violation of Code chapter
16 322C, the bill prohibits the manufacturer or distributor from
17 objecting to the designation or proposed modification of a
18 designation unless the objection is to the designated successor
19 for any of the reasons stated above for objecting to a proposed
20 change in ownership.

21 If a manufacturer or distributor objects to a succession
22 plan, the manufacturer or distributor must provide written
23 notice of the reasons for the objection to the dealer within
24 15 business days after receipt of the dealer's notification
25 about the proposed designation or proposed modification
26 of a designation. The manufacturer or distributor has the
27 burden of proof to demonstrate that the objection complies
28 with the requirements of the bill. If the manufacturer or
29 distributor does not provide the dealer with timely notice of
30 the objection, the dealer's proposed succession plan is deemed
31 approved.

32 The bill requires a manufacturer or distributor to allow
33 the succession of ownership of a dealership to a designated
34 family member when a dealer is deceased, incapacitated,
35 or has retired, unless the manufacturer or distributor has

1 provided to the dealer written notice of the manufacturer's
2 or distributor's objections to the succession within 15 days
3 after receipt of notice of the succession. However, the bill
4 prohibits a family member of a dealer from succeeding to
5 ownership of a dealership if the succession involves, without
6 the manufacturer's or distributor's consent, a relocation of
7 the dealership or alteration of the terms and conditions of the
8 manufacturer-dealer agreement.

9 WARRANTY OBLIGATIONS. The bill requires a warrantor to
10 specify in writing to each dealer what obligations the dealer
11 has, if any, for preparation and delivery of, and warranty
12 services on, the warrantor's products; compensate the dealer
13 for warranty services the warrantor requires the dealer to
14 perform; and provide the dealer with a schedule of compensation
15 and time allowances for the performance of warranty services.
16 Time allowances for the performance of warranty services,
17 including diagnostic services, must be reasonable for the
18 service to be performed. In determining what constitutes
19 reasonable compensation, the bill specifies that the principle
20 factors to be given consideration must be the actual wage rates
21 being paid by the dealer and the actual retail wage rates being
22 charged by other dealers in the community in which the dealer
23 is doing business. The bill prohibits the compensation of a
24 dealer for warranty services from being less than the lowest
25 actual retail wage rates charged by the dealer for similar
26 nonwarranty services, as long as the actual retail wage rates
27 are reasonable.

28 The bill requires a warrantor to reimburse a dealer for
29 any warranty part, accessory, or complete component at actual
30 wholesale cost to the dealer plus a minimum of a 30 percent
31 handling charge, not to exceed \$150, and plus the cost, if any,
32 to the dealer to return such part, component, or accessory to
33 the warrantor.

34 The bill authorizes a warrantor to conduct a warranty audit
35 of a dealer's records within 12 months after the payment

1 of a warranty claim. The bill prohibits a warrantor from
2 denying a dealer's claim for warranty compensation except for
3 good cause, including performance of nonwarranty repairs,
4 material noncompliance with the warrantor's published policies
5 and procedures, lack of material documentation, fraud, or
6 misrepresentation.

7 The bill requires a dealer to submit claims for compensation
8 for the performance of warranty services to the warrantor
9 within 45 days after completion of the warranty services.
10 A dealer must immediately notify a warrantor in writing if
11 the dealer is unable to perform warranty services, including
12 diagnostic services, within 10 days of receipt of a written
13 complaint from a consumer.

14 A warrantor must deny a claim submitted by a dealer for
15 compensation for the performance of warranty services, in
16 writing, within 30 days after submission of the claim in the
17 manner and form prescribed by the warrantor. A claim not
18 specifically denied is deemed approved and must be paid within
19 60 days of submission of the claim.

20 The bill prohibits a warrantor from failing to perform any
21 of the warrantor's obligations with respect to its warranted
22 products; failing to include, in written notices of a factory
23 campaign to TRV owners and dealers, the expected date by which
24 necessary parts and equipment will be available to dealers to
25 perform the factory campaign work; failing to compensate the
26 warrantor's dealers for authorized repairs performed by the
27 dealer on merchandise damaged in manufacture or in transit to
28 the dealer; failing to compensate the warrantor's dealers in
29 accordance with the schedule of compensation provided to the
30 dealer, if the warranty services for which compensation is
31 claimed are performed by the dealer in a timely and competent
32 manner; intentionally misrepresenting to consumers that
33 warranties with respect to the manufacture, performance,
34 or design of TRVs are made by the dealer as warrantor or
35 co-warrantor; or requiring the warrantor's dealers to make

1 warranties to a consumer that are in any manner related to the
2 manufacture of a TRV.

3 The bill prohibits a dealer from failing to perform
4 predelivery inspection functions, as specified by the
5 warrantor, in a competent and timely manner; failing to
6 perform warranty services, as authorized by the warrantor,
7 in a competent and timely manner on any transient consumer's
8 TRV of a line-make sold or serviced by the dealer; failing to
9 accurately document the time spent completing each repair, the
10 total number of repair attempts conducted on a single TRV, and
11 the number of repair attempts for the same repair conducted on
12 a single TRV; failing to notify the warrantor within 10 days of
13 a second repair attempt on a TRV which impairs the use, value,
14 or safety of the TRV; failing to maintain written records,
15 including a consumer's written or electronic verification or
16 signature, regarding the amount of time a TRV is stored for the
17 consumer's convenience during a repair; or making fraudulent
18 warranty claims or misrepresenting the terms of any warranty.

19 INDEMNIFICATION. The bill requires a warrantor to indemnify
20 and hold harmless the warrantor's dealer against any loss or
21 damage, to the extent the loss or damage is caused by willful
22 misconduct of the warrantor. A warrantor is prohibited from
23 denying a dealer indemnification for failure to discover,
24 disclose, or remedy a defect in the design or manufacture
25 of a new TRV. However, a warrantor may deny a dealer
26 indemnification if the dealer fails to remedy a known and
27 announced defect in accordance with the written instructions
28 of the warrantor for whom the dealer is obligated to perform
29 warranty services. The bill requires a warrantor to provide to
30 the dealer a copy of any pending lawsuit in which allegations
31 are made against the warrantor of willful misconduct. The
32 warrantor must provide the copy to the dealer within 10 days
33 after receiving notice of the lawsuit.

34 The bill requires a dealer to indemnify and hold harmless the
35 dealer's warrantor against any loss or damage, to the extent

1 that the loss or damage is caused by willful misconduct of
2 the dealer. A dealer must provide to the warrantor a copy of
3 any pending lawsuit in which allegations are made against the
4 dealer of willful misconduct. The dealer must provide the copy
5 to the warrantor within 10 days after receiving notice of the
6 lawsuit.

7 INSPECTION AND REJECTION BY DEALER. Whenever a new TRV is
8 damaged prior to transit or is damaged in transit to a dealer
9 and the carrier or means of transportation has been selected
10 by the manufacturer or distributor, the dealer is required to
11 notify the manufacturer or distributor of the damage within the
12 time frame specified in the manufacturer-dealer agreement and
13 shall do either request from the manufacturer or distributor
14 authorization to replace the components, parts, or accessories
15 damaged, or otherwise repair the vehicle, or reject the vehicle
16 within the time frame set forth in the manufacturer-dealer
17 agreement.

18 If the manufacturer or distributor refuses to authorize
19 repair of the new TRV within 10 days after receipt of a
20 dealer's notification, or if the dealer rejects the new TRV
21 because of damage, ownership of the TRV will revert to the
22 manufacturer or distributor.

23 The bill requires the dealer to exercise due care when in
24 custody of a new, damaged TRV, but the bill specifies that the
25 dealer has no other obligations, financial or otherwise, with
26 respect to the TRV following rejection in accordance with the
27 manufacturer-dealer agreement.

28 The bill requires the time frame for inspection and
29 rejection of a damaged new TRV by a dealer to be specified in
30 the manufacturer-dealer agreement, but provides that it shall
31 not be less than two business days after the physical delivery
32 of the TRV to the dealer.

33 CIVIL ACTION AND MEDIATION. The bill authorizes a dealer,
34 manufacturer, distributor, or warrantor injured by another
35 party's violation of Code chapter 322C to bring a civil action

1 in district court to recover actual damages resulting from the
2 violation. The court must award reasonable attorney fees and
3 costs to the prevailing party in such an action. Venue for
4 such a civil action must be exclusively in the county in which
5 the dealer's business is located. In an action involving more
6 than one dealer, venue may be in any county in which any dealer
7 that is a party to the action is located.

8 Prior to bringing such a civil action, the party alleging a
9 violation must serve a written demand for mediation upon the
10 alleged offending party. The demand for mediation must be
11 served upon the alleged offending party via certified mail at
12 the address stated in the manufacturer-dealer agreement between
13 the parties, if applicable. The demand for mediation must
14 contain a statement of the dispute or violation alleged and the
15 relief sought by the party serving the demand.

16 Within 20 days after service of a demand for mediation, the
17 bill requires the parties to mutually select an independent
18 certified mediator and meet with the mediator for the purpose
19 of attempting to resolve the dispute or alleged violation. The
20 meeting place for the mediation must be in Iowa at a location
21 selected by the mediator. The mediator may extend the date
22 before which the parties are required to have the meeting for
23 good cause shown by either party or upon a stipulation by both
24 parties.

25 The service of a demand for mediation tolls the period
26 during which a party is required to file any complaint,
27 petition, protest, or other action under Code chapter 322C
28 until representatives of both parties have met with the
29 mutually agreed-upon mediator for the purpose of attempting
30 to resolve the dispute or alleged violation. If a complaint,
31 petition, protest, or other action has been filed before the
32 mediation meeting, the court must enter an order suspending
33 any proceeding or action relating to such complaint, petition,
34 protest, or other action until the mediation meeting has
35 occurred and may, upon written stipulation by all parties to

1 the proceeding or action that the parties wish to continue
2 mediation, enter an order suspending the proceeding or action
3 for any period the court considers appropriate.

4 Each party to the mediation shall pay its own costs for
5 attorney fees and the costs of the mediation services shall be
6 equally allocated among each party.

7 The bill authorizes a manufacturer, distributor, warrantor,
8 or dealer to petition the district court, upon a hearing and
9 for cause shown, for a temporary or permanent injunction, or
10 both, restraining any person from acting as a dealer without
11 being properly licensed, from violating or continuing to
12 violate any of the provisions of Code chapter 322C, or from
13 failing or refusing to comply with the requirements of Code
14 chapter 322C. Such injunction must be issued without bond.
15 The bill specifies that a single act must be considered
16 sufficient cause to authorize the issuance of an injunction.

17 TAX EXEMPTION. The bill makes a corresponding change to
18 Code section 435.23 exempting TRVs from the property tax on
19 manufactured or mobile homes.

20 APPLICABILITY. The bill applies to manufacturer-dealer
21 agreements pertaining to the sale of new TRVs entered into or
22 renewed on or after January 1, 2020.