

Senate File 2070 - Introduced

SENATE FILE 2070

BY ROWLEY

A BILL FOR

1 An Act relating to the transfer of ownership of certain foreign
2 vehicles.

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

1 Section 1. Section 321.23, subsection 3, Code 2022, is
2 amended to read as follows:

3 3. In the event an applicant for registration of a foreign
4 vehicle for which a certificate of title has been issued is
5 able to furnish evidence of being the registered owner of the
6 vehicle to the county treasurer of the owner's residence,
7 although unable to surrender such certificate of title, the
8 county treasurer may issue a registration receipt and plates
9 upon receipt of the required annual registration fee and the
10 fee for new registration but shall not issue a certificate of
11 title thereto. Upon surrender of the certificate of title
12 from the foreign state, the county treasurer shall issue a
13 certificate of title to the owner, or person entitled thereto,
14 of such vehicle as provided in [this chapter](#). The owner of a
15 vehicle registered under [this subsection](#) shall not be required
16 to obtain a certificate of title in this state and may transfer
17 ownership of the vehicle to a motor vehicle dealer licensed
18 under [chapter 322](#) or an insurance carrier authorized to do
19 business in this state if, at the time of the transfer, the
20 certificate of title is held by a secured party and the dealer
21 or insurance carrier, as applicable, has forwarded to the
22 secured party the sum necessary to discharge the security
23 interest pursuant to [section 321.48, subsection 1](#).

24 EXPLANATION

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

27 Under current law, a person who owns but does not physically
28 possess the certificate of title to a foreign (out-of-state)
29 vehicle may apply to register the foreign vehicle and the
30 county treasurer may issue a registration receipt and
31 registration plates if the required registration fees are paid,
32 but cannot issue a certificate of title. A county treasurer
33 must issue a certificate of title when the certificate of title
34 from the foreign state is surrendered. Generally, an Iowa
35 certificate of title is required to transfer ownership of a

1 vehicle. However, in accordance with a listed exception, an
2 owner of a foreign vehicle is not required to obtain an Iowa
3 certificate of title to transfer ownership of the vehicle to a
4 licensed motor vehicle dealer if, at the time of the transfer,
5 the certificate of title is held by a secured party and the
6 dealer has forwarded to the secured party the sum necessary
7 to discharge the security interest pursuant to Code section
8 321.48.

9 This bill extends the exception to also include foreign
10 vehicles transferred to an insurance carrier authorized to do
11 business in Iowa.