

House File 493 - Introduced

HOUSE FILE 493

BY ANDREWS

A BILL FOR

1 An Act relating to optional equipment and subscription service
2 fees included with the sale of motor vehicles by licensed
3 motor vehicle dealers, and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 322.3, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6A. A person who is engaged in the
4 business of selling motor vehicles at retail shall not make
5 or enter into a contract containing an optional equipment or
6 subscription service fee unless the cost of the additional fee
7 is included with the advertised sales price of the vehicle.
8 A contract containing an optional equipment or subscription
9 service fee must include all of the following:

- 10 a. A detailed description of the optional equipment
11 installed in the vehicle.
- 12 b. The cost of the optional equipment and any associated
13 subscription fee, including but not limited to the monthly cost
14 necessary to use the optional equipment.
- 15 c. Contact information of the manufacturer of the optional
16 equipment, including a telephone number and email address, that
17 directs the buyer to a customer service representative who can
18 assist with the termination of the subscription service.

19 EXPLANATION

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

22 This bill prohibits a person who is engaged in the business
23 of selling motor vehicles at retail from making or entering
24 into a contract that has an optional equipment or subscription
25 service fee unless the cost of the additional fee is included
26 with the advertised sales price of the vehicle. A contract
27 that has an optional equipment or subscription service fee
28 must include a detailed description of the optional equipment
29 installed in the vehicle, a breakdown of the cost of the
30 optional equipment and any associated subscription fee,
31 including but not limited to the monthly cost necessary to
32 use the optional equipment, and contact information of the
33 manufacturer of the optional equipment, including a telephone
34 number and email address, that directs the buyer to a customer
35 service representative who can assist with the termination of

1 the subscription service.

2 By operation of law, the department of transportation (DOT)
3 may revoke or suspend the motor vehicle dealer license granted
4 to a person if, after notice and hearing by the department of
5 inspections and appeals, the DOT finds that the person has,
6 among other things, not complied with Code chapter 322 or
7 any rules or regulations adopted by the DOT, including the
8 provisions of the bill. In addition, a person who violates
9 any provisions of Code chapter 322 for which a penalty is
10 not specifically provided is guilty of a simple misdemeanor
11 punishable by a fine of not less than \$250 nor more than \$1,500
12 or by imprisonment not to exceed 30 days. If the violation
13 involves a retail installment contract, the person is subject
14 to the applicable penalties under Code chapter 537 (consumer
15 credit code).