

House Study Bill 85 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON BEST)

A BILL FOR

1 An Act relating to wrecked or salvage vehicles with cosmetic
2 damage.

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

1 Section 1. Section 321.52, subsection 4, paragraphs c and e,
2 Code 2023, are amended to read as follows:

3 c. When a wrecked or salvage vehicle has been repaired,
4 the owner may apply for a regular certificate of title by
5 paying the appropriate fees and surrendering the salvage
6 certificate of title and a properly executed salvage theft
7 examination certificate. However, any cosmetic damage on
8 the wrecked or salvage vehicle need not be repaired for the
9 owner to apply for and be issued a regular certificate of
10 title under this paragraph. A motor vehicle with a gross
11 vehicle weight rating of thirty thousand pounds or more, or a
12 motor vehicle that is considered a wrecked or salvage vehicle
13 solely due to cosmetic damage, is not subject to the salvage
14 theft examination otherwise required under paragraph "d",
15 and the owner of such vehicle is not required to submit a
16 salvage theft examination certificate. The county treasurer
17 shall issue a regular certificate of title which shall bear a
18 designation printed on the face of the title and printed on the
19 registration receipt indicating that the vehicle was previously
20 titled on a salvage certificate of title in a form approved by
21 the department. This designation shall be included on every
22 Iowa certificate of title and registration receipt issued
23 thereafter for the vehicle. However, if ownership of a stolen
24 vehicle has been transferred to an insurer organized under the
25 laws of this state or admitted to do business in this state,
26 or if the transfer was the result of a settlement with the
27 owner of the vehicle arising from damage to or the unrecovered
28 theft of the vehicle, and if the insurer certifies to the
29 county treasurer on a form approved by the department that the
30 insurance company has received one or more written estimates
31 which state that the retail cost of repairs including labor,
32 parts, and other materials of all damage to the vehicle is less
33 than three thousand dollars, the county treasurer shall issue
34 to the insurance company the regular certificate of title and
35 registration receipt without this designation.

1 e. For purposes of this subsection, ~~"wrecked or salvage~~
2 ~~vehicle"~~:

3 (1) "Cosmetic damage" means dents, paint chips or scratches,
4 hail or wind damage, or other minor damage that does not alter
5 the mechanical operation of the motor vehicle. "Cosmetic
6 damage" does not include any damage caused in a vehicle crash
7 or collision, or a broken or missing window, headlamp, tail
8 lamp, directional signal device, electronic sensor, or other
9 component part necessary for the safe operation of the vehicle.

10 (2) "Wrecked or salvage vehicle" means a damaged motor
11 vehicle subject to registration for which the cost of repair
12 exceeds seventy percent of the fair market value of the
13 vehicle, as determined in accordance with rules adopted by the
14 department, before the vehicle became damaged.

15 EXPLANATION

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

18 Under current law, a "wrecked or salvage vehicle" is a
19 damaged motor vehicle subject to registration for which the
20 cost of repair exceeds 70 percent of the fair market value of
21 the vehicle. When a vehicle rebuilder or a person engaged
22 in the business of buying, selling, or exchanging vehicles
23 acquires a wrecked or salvage vehicle with a fair market
24 value of \$500 or more, the person is required to apply for a
25 salvage certificate of title. This includes an educational
26 institution; a licensed new motor vehicle dealer; a person
27 engaged in the business of purchasing bodies, parts of bodies,
28 frames, or component parts of vehicles for sale as scrap metal;
29 a salvage pool; a licensed authorized vehicle recycler; or an
30 insurer. When a wrecked or salvage vehicle has been repaired,
31 the owner may apply for a regular certificate of title by
32 paying the appropriate fees and surrendering the salvage
33 certificate of title and a properly executed salvage theft
34 examination certificate.

35 This bill authorizes an owner of a wrecked or salvage vehicle

1 to apply for and be issued a regular certificate of title
2 without repairing cosmetic damage. The bill exempts a motor
3 vehicle that is considered wrecked or salvage solely due to
4 cosmetic damage from the salvage theft examination otherwise
5 required, and the owner of such vehicle is not required to
6 submit a salvage theft examination certificate when applying
7 for a regular certificate of title. The bill defines "cosmetic
8 damage" as the term is used in the bill.