

Senate Study Bill 1181 - Introduced

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

A BILL FOR

1 An Act relating to certain place-of-business requirements for
2 licensed motor vehicle dealers who conduct sales via the
3 internet and deliver vehicles to buyers.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 322.3, subsection 11, Code 2023, is
2 amended to read as follows:

3 11. A person who is engaged in the business of selling
4 motor vehicles at retail shall not sell, offer for sale,
5 display, represent, or advertise that the person intends to
6 sell motor vehicles from a location other than the person's
7 place of business, except as provided in this subsection or
8 as authorized under a temporary permit as provided in section
9 322.5. A motor vehicle dealer licensed under this chapter may
10 sell, offer for sale, negotiate sales of, display, represent,
11 or advertise that the dealer intends to sell motor vehicles
12 via the internet, and deliver vehicles sold by the dealer to a
13 buyer at the buyer's residence or other suitable location if
14 the delivery is requested by the buyer.

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 person who is engaged in the business
19 of selling motor vehicles at retail must have a dealer license
20 issued by the department of transportation (DOT). To obtain
21 a license, a dealer must have a designated location wherein
22 proper and adequate facilities are required to be maintained
23 for displaying, reconditioning, and repairing either new or
24 used cars (place of business), unless the person sells motor
25 vehicles at retail solely for the purpose of disposing of
26 vehicles acquired or repossessed through the exercise of
27 powers or rights given as security for loans or purchase money
28 obligations. A person is prohibited from selling, offering
29 for sale, displaying, representing, or advertising that the
30 person intends to sell motor vehicles from a location other
31 than the person's place of business, unless the person receives
32 a temporary permit that authorizes limited business at fairs,
33 vehicle shows, and vehicle exhibitions as provided in Code
34 section 322.5. However, all such sales must be consummated at
35 the dealer's principal place of business.

1 This bill authorizes licensed motor vehicle dealers to sell,
2 offer for sale, negotiate sales of, display, represent, or
3 advertise that the dealer intends to sell motor vehicles via
4 the internet, and deliver vehicles sold by the dealer to a
5 buyer at the buyer's residence or other suitable location if
6 the delivery is requested by the buyer.

7 The bill does not amend the requirements under current law
8 that a dealer have a place of business for purposes of the
9 license application, license issuance and fees, and information
10 contained on the license.