

**House File 2485 - Introduced**

HOUSE FILE 2485  
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 656)

**A BILL FOR**

- 1 An Act relating to remote sales of motor vehicles.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 321.45, subsection 2, Code 2026, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. c. For purposes of this subsection, a motor  
4 vehicle dealer licensed under chapter 322 shall be deemed to have  
5 acquired and to possess the right, title, claim, and interest  
6 in a vehicle if the vehicle's certificate of title is issued or  
7 properly assigned to an entity with direct ownership or control  
8 over the dealer.

9 Sec. 2. Section 321.63, Code 2026, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 3. A dealer shall do all of the following:

12 a. Store all records at a place of business of the dealer or  
13 at a place of business within the United States of an entity that  
14 has direct ownership or control over the dealer.

15 b. Provide electronic records to the department within  
16 twenty-four hours after receiving a request.

17 c. Provide physical records to the department within a  
18 reasonable time considering postal delivery.

19 Sec. 3. Section 322.3, subsection 12, paragraphs a and c,  
20 Code 2026, are amended to read as follows:

21 a. The dealer or an entity with direct ownership or control  
22 over the dealer shall possess, at the time of the sale, the  
23 certificate of title to any motor vehicle offered for remote sale  
24 by the dealer. The certificate of title may be in an electronic  
25 format that is created, stored, or transferred only through a  
26 secure electronic system approved by the department and shall not  
27 be in a portable document format, a scanned copy, evidenced by  
28 an electronic mail message, or in another format created by the  
29 dealer.

30 ~~c. The dealer shall not sign a proposed purchase agreement~~  
31 ~~until the dealer receives an executed purchase agreement from~~  
32 ~~the buyer. A signed purchase agreement must be delivered to the~~  
33 ~~dealer's place of business, as listed on the dealer's license.~~

34 Sec. 4. Section 322.3, subsection 12, Code 2026, is amended  
35 by adding the following new paragraphs:

1 NEW PARAGRAPH. f. The dealer shall disclose to a prospective  
2 buyer all of the following regarding the vehicle offered for  
3 sale:

4 (1) That the vehicle is not located in this state, if  
5 applicable.

6 (2) That the certificate of title is in an electronic format,  
7 if applicable.

8 NEW PARAGRAPH. g. If requested, the dealer shall produce  
9 proof, including in an electronic format, to the department  
10 that the dealer has the certificate of title for a vehicle  
11 offered for sale. The dealer shall also retain records showing  
12 where a vehicle is stored, the status of the vehicle's title,  
13 and documents relating to the remote sale of a vehicle. The  
14 dealer shall store and provide records in accordance with section  
15 321.63, subsection 3.

16 NEW PARAGRAPH. h. Pursuant to section 554D.108 and  
17 consistent with 49 C.F.R. pt. 580 and the federal Electronic  
18 Signatures in Global and National Commerce Act, 15 U.S.C. §7001  
19 et seq., an electronic signature captured and applied to an image  
20 of a physical certificate of title that was originally printed  
21 by a secure printing process as defined in 49 C.F.R. §580.3,  
22 which complies with all applicable requirements under 49  
23 C.F.R. pt. 580, shall be accepted for purposes of odometer  
24 disclosure. A dealer using an electronic signature on a digital  
25 image of a physical title shall mark the original title as "void"  
26 or "surrendered" and submit an application for certificate of  
27 title and registration electronically via an authorized service  
28 provider pursuant to section 321.20, subsection 2.

29 NEW PARAGRAPH. i. A remote sale of a motor vehicle is not  
30 a door-to-door sale as defined in section 555A.1, and is not  
31 subject to chapter 555A.

32 EXPLANATION

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

35 Under current law, a retail seller licensed under Code chapter

1 322 (motor vehicle manufacturers, distributors, wholesalers,  
2 and dealers) is authorized to sell, offer, barter, negotiate,  
3 exchange, and communicate regarding the sale of a motor vehicle  
4 via mail, either electronically or by courier, and to deliver  
5 a vehicle to the residence of the buyer or another agreed-to  
6 location (remote sale). This bill relates to remote sales.

7 Under current law, a person does not acquire any right, title,  
8 claim, or interest in or to any vehicle subject to registration  
9 except by virtue of a certificate of title or manufacturer's or  
10 importer's certificate for such vehicle, with certain exceptions.  
11 The bill provides that a licensed motor vehicle dealer is deemed  
12 to have acquired and to possess the right, title, claim, and  
13 interest in a vehicle if the vehicle's certificate of title is  
14 issued or properly assigned to an entity with direct ownership or  
15 control over the dealer.

16 Under current law, if a dealer has more than one established  
17 place of business, the dealer may designate one such location  
18 in this state for purposes of keeping all the dealer's books  
19 and records, regardless of the line-make of motor vehicles to  
20 which such books and records pertain, by submitting a written  
21 certification to the department of transportation (DOT) in a  
22 manner approved by the DOT. The bill requires a dealer to store  
23 all records at a place of business of the dealer or at a place  
24 of business within the United States of an entity that has direct  
25 ownership or control over the dealer, provide electronic records  
26 to the DOT within 24 hours after receiving a request, and provide  
27 physical records to the DOT within a reasonable time considering  
28 postal delivery.

29 The bill expands the requirement for a dealer to possess the  
30 certificate of title to any motor vehicle offered for remote sale  
31 by authorizing an entity with direct ownership or control over a  
32 dealer to possess the title at the time of the sale. Under the  
33 bill, the certificate of title may be in an electronic format as  
34 described in the bill.

35 The bill strikes a provision prohibiting a dealer, during a

1 remote sale, from signing a proposed purchase agreement until the  
2 dealer receives an executed purchase agreement from a buyer.

3 The bill requires a dealer engaging in a remote sale to  
4 disclose to a prospective buyer certain facts about the location  
5 and title status of a vehicle. A dealer is required to produce  
6 proof that the dealer has the certificate of title for a vehicle  
7 offered for sale if requested by the DOT. The dealer is required  
8 to retain records showing where a vehicle is stored, the status  
9 of the vehicle's title, and documents relating to the remote sale  
10 of the vehicle, in accordance with the bill.

11 For purposes of remote sales, the bill requires an electronic  
12 signature captured and applied to an image of a physical  
13 certificate of title that was originally printed by a secure  
14 printing process in compliance with all applicable requirements  
15 under federal regulations to be accepted for purposes of odometer  
16 disclosure. A dealer using an electronic signature on a digital  
17 image of a physical title is required to mark the original  
18 title as "void" or "surrendered" and submit an application  
19 for certificate of title and registration electronically in  
20 accordance with current law.

21 The bill specifies that a remote sale of a motor vehicle is  
22 not a "door-to-door sale" and is not subject to Code chapter 555A  
23 (door-to-door sales).

24 Under current law and the bill, remote sales are subject  
25 to Code chapter 554D (electronic transactions — computer  
26 agreements).