

House Study Bill 118 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY CHAIRPERSON
HOLT)

A BILL FOR

1 An Act authorizing manufacturers of battery electric motor
2 vehicles to be licensed as motor vehicle dealers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 322.3, subsection 15, Code 2025, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. g. A manufacturer of battery electric motor
4 vehicles, as defined in section 321.116, from being licensed as a
5 motor vehicle dealer of only the battery electric motor vehicles
6 manufactured by that manufacturer.

7 EXPLANATION

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

10 Under current law, a motor vehicle manufacturer or importer is
11 prohibited from directly or indirectly being licensed as, owning
12 an interest in, operating, or controlling a motor vehicle dealer.
13 There are limited exceptions provided, including temporarily to
14 facilitate transfer of the motor vehicle dealership to a new
15 owner; for the purpose of enhancing opportunities for persons who
16 lack the financial resources to purchase the dealership without
17 such assistance; where the dealer's primary business is renting
18 motor vehicles; for dealers of motor homes manufactured by that
19 manufacturer; for dealers of the line-make manufactured by that
20 manufacturer under certain circumstances; and for final-stage
21 manufacturers of multi-stage manufactured vehicles under certain
22 circumstances.

23 This bill provides an additional exception that authorizes a
24 manufacturer of battery electric motor vehicles to be licensed
25 as a motor vehicle dealer of only the battery electric motor
26 vehicles manufactured by that manufacturer. For purposes of
27 the bill, "battery electric motor vehicle" means a motor vehicle
28 equipped with electrical drivetrain components and not equipped
29 with an internal combustion engine, that is propelled exclusively
30 by one or more electrical motors using electrical energy stored
31 in a battery or other energy storage device that can be recharged
32 by plugging into an electrical outlet or electric vehicle
33 charging station.

34 A person who engages in the business of selling motor vehicles
35 and who was not issued a dealer license by the department of

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1 transportation (DOT) commits a simple misdemeanor punishable
2 by a fine of not less than \$250 nor more than \$1,500 or by
3 imprisonment not to exceed 30 days. Pursuant to administrative
4 rules adopted by the DOT (761 IAC 425.3), a person who sells at
5 retail more than six motor vehicles during a 12-month period is
6 presumed to be engaged in the business of selling motor vehicles.

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