

House Study Bill 656 - Introduced

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

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:

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

3 NEW SUBPARAGRAPH. (7) A person who purchases a vehicle via a
4 remote sale in accordance with section 322.3, subsection 12.

5 Sec. 2. Section 321.67, subsection 1, Code 2026, is amended
6 to read as follows:

7 1. ~~No person, except~~ Except as provided in sections 321.23
8 and 321.45, section 321.52, subsection 2, paragraph "b", and
9 section 321.52, subsection 4, paragraph "a", and section 322.3,
10 subsection 12, a person shall not sell or otherwise dispose of a
11 registered vehicle or a vehicle subject to registration without
12 delivering to the purchaser or transferee thereof a certificate
13 of title with such assignment thereon as may be necessary to show
14 title in the purchaser.

15 Sec. 3. Section 322.3, subsection 12, unnumbered paragraph 1,
16 Code 2026, is amended to read as follows:

17 A retail seller licensed under this chapter may engage in
18 remote sales of motor vehicles located at a place of business
19 of the retail seller, ~~as listed on the license,~~ under all of the
20 following conditions:

21 Sec. 4. Section 322.3, subsection 12, paragraphs a and c,
22 Code 2026, are amended to read as follows:

23 a. The dealer shall possess, at the time of the sale, the
24 certificate of title, or an electronic copy thereof, to any motor
25 vehicle offered for remote sale.

26 c. ~~The dealer shall not sign a proposed purchase agreement~~
27 ~~until the dealer receives an executed purchase agreement from~~
28 ~~the buyer.~~ A signed purchase agreement must be delivered to the
29 dealer's place of business.

30 Sec. 5. Section 322.3, subsection 12, Code 2026, is amended
31 by adding the following new paragraph:

32 NEW PARAGRAPH. f. A person who purchases a motor vehicle via
33 a remote sale shall acquire right to, claim to, and interest
34 in the motor vehicle at the time of delivery. The seller must
35 otherwise deliver the certificate of title pursuant to section

1 321.45, but may do so within thirty days after delivery of the
2 motor vehicle.

3 EXPLANATION

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

6 Under current law, a retail seller licensed under Code chapter
7 322 (motor vehicle manufacturers, distributors, wholesalers,
8 and dealers) is authorized to sell, offer, barter, negotiate,
9 exchange, and communicate regarding the sale of a motor vehicle
10 via mail, either electronically or by courier, and to deliver
11 a vehicle to the residence of the buyer or another agreed-to
12 location (remote sale). Motor vehicles sold in a remote sale
13 must be located at the place of business as listed on the
14 seller's license. This bill strikes the phrase "as listed
15 on the license". The bill does not amend the requirement to
16 list on a license application the location of each place of
17 business within Iowa to be used by the applicant for the conduct
18 of the applicant's business (Code section 322.4(1)(c)) or the
19 requirement to list on the license the seller's principal place
20 of business and location therein of each place wherein the
21 licensee is licensed to carry on such business (Code section
22 322.7(1)(b)).

23 The bill authorizes a dealer to possess an electronic copy of
24 a vehicle's certificate of title when a motor vehicle is offered
25 for remote sale.

26 The bill strikes a provision prohibiting a dealer, during a
27 remote sale, from signing a proposed purchase agreement until the
28 dealer receives an executed purchase agreement from a buyer.

29 Under current law, upon the transfer of any registered
30 vehicle, the seller must, unless otherwise provided, endorse an
31 assignment and warranty of title upon the certificate of title
32 for such vehicle with a statement of all liens and encumbrances
33 thereon. A person is prohibited from selling or otherwise
34 disposing of a vehicle subject to registration without delivering
35 to the purchaser or transferee thereof a certificate of title,

1 with certain exceptions. In addition, a person does not acquire
2 any right, title, claim, or interest in or to any vehicle subject
3 to registration from the owner thereof except by virtue of a
4 certificate of title or manufacturer's or importer's certificate
5 for such vehicle, with certain exceptions. The bill provides an
6 exception for remote sales, and specifies that a person acquires
7 right to, claim to, and interest in the motor vehicle at the time
8 of delivery. The seller must otherwise deliver the certificate
9 of title pursuant to current law not more than 30 days after
10 delivery of the motor vehicle. Pursuant to current law, a person
11 has 30 days after purchasing a vehicle to apply for and obtain a
12 new certificate of title.

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