

Senate File 2475 - Introduced

SENATE FILE 2475
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 2457)
(SUCCESSOR TO SSB 3061)

(COMPANION TO HF 2617 BY
COMMITTEE ON TRANSPORTATION)

A BILL FOR

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

1 Section 1. Section 321.88, Code 2026, is amended to read as
2 follows:

3 **321.88 Failure of owner to claim.**

4 If the owner does not appear within forty days, the motor
5 vehicle shall be deemed abandoned and the officer having
6 possession of the motor vehicle shall proceed as provided in
7 section 321.89, ~~subsections 3 and 5.~~

8 Sec. 2. Section 321.89, Code 2026, is amended by striking the
9 section and inserting in lieu thereof the following:

10 **321.89 Abandoned vehicles.**

11 1. *Authority to tow and impound.* An abandoned vehicle may be
12 towed and impounded as follows:

13 a. If an abandoned vehicle is located on public property:

14 (1) Except as provided in subparagraph (2), a police
15 authority shall tow and impound the vehicle.

16 (2) Alternatively, a police authority may hire a garagekeeper
17 to tow and impound the vehicle, and the police authority shall
18 provide the garagekeeper with the name and address of the
19 registered owner and, if applicable, any lienholder and known
20 claimants of the vehicle.

21 b. If an abandoned vehicle is located on private property:

22 (1) A police authority may tow and impound the vehicle.

23 (2) A person who owns the private property or is otherwise in
24 control of the private property may hire a garagekeeper to tow
25 and impound the abandoned vehicle without a police authority's
26 initiative. In addition to the required notices under subsection
27 2, a garagekeeper that tows an abandoned vehicle pursuant to this
28 subparagraph shall notify the police authority with jurisdiction
29 over the location where the vehicle was towed within two hours
30 after towing the vehicle. The garagekeeper shall describe the
31 vehicle and provide the location where the tow occurred and where
32 the vehicle can be reclaimed.

33 2. *Required notice.*

34 a. Within ten days after towing an abandoned vehicle,
35 the person who impounded the vehicle shall give notice to

1 the registered owner of the vehicle and, if applicable, any
2 lienholder and known claimants of the vehicle.

3 b. Notice must include all of the following:

4 (1) A description of the year, make, model, and vehicle
5 identification number of the vehicle.

6 (2) The location of the vehicle.

7 (3) A statement that the person has twenty days to reclaim
8 the vehicle or personal property from inside the vehicle, and
9 that the twenty-day reclamation period began on the date the
10 notice was given.

11 (4) A statement that the vehicle cannot be reclaimed until
12 the person pays all towing and impound fees and the costs of
13 giving notice.

14 (5) A statement that the registered owner may retrieve
15 personal property from inside the vehicle without reclaiming the
16 vehicle or paying a fee, and that the registered owner will have
17 only one opportunity to retrieve the personal property.

18 (6) A statement that failure to reclaim the vehicle or
19 personal property within twenty days after notice was given
20 constitutes a waiver of any interest in the vehicle or personal
21 property.

22 (7) A statement that failure to reclaim the vehicle or
23 personal property is deemed consent for the person who impounded
24 the vehicle to sell or dispose of the vehicle and personal
25 property inside the vehicle, as applicable.

26 (8) If the abandoned vehicle was taken into custody by a
27 garagekeeper without a police authority's initiative, a statement
28 that the garagekeeper may claim a lien as described in section
29 321.90, subsection 1.

30 (9) If the abandoned vehicle was taken into custody by
31 a police authority or by a garagekeeper hired by a police
32 authority, a statement that a person who disputes the assessment
33 of fees or the planned disposition of the vehicle or personal
34 property may request an evidentiary hearing before the police
35 authority to contest those matters.

1 c. Notice shall be given in at least two ways, including by
2 sending notice by regular mail and by giving notice in any of the
3 following ways:

4 (1) By sending via certified mail or parcel delivery service
5 with a tracking number. Notice under this subparagraph shall be
6 deemed given when mailed.

7 (2) By personal delivery by a peace officer to the proper
8 person who must sign an affidavit of service. Notice under this
9 subparagraph shall be deemed given when delivered.

10 d. Notwithstanding paragraph "a", if it is impossible to
11 determine with reasonable certainty the identity and address
12 of the last registered owner or any lienholder, notice by one
13 publication in one newspaper of general circulation in the area
14 where the vehicle was abandoned is sufficient. The published
15 notice shall be published within the same time requirements
16 and provide the same information required under paragraph "b".
17 Notice published in a newspaper may contain multiple listings of
18 abandoned vehicles.

19 e. A garagekeeper that impounds an abandoned vehicle shall
20 display at the garagekeeper's place of business in a manner that
21 is readily visible to visitors and on the garagekeeper's internet
22 site, if applicable, the garagekeeper's hours of operation,
23 telephone number, and corporate or business name, if applicable.

24 f. A garagekeeper that tows an abandoned vehicle shall
25 display on both sides of the towing vehicle, in a manner that is
26 readily visible, the garagekeeper's corporate or business name,
27 if applicable, address, and telephone number.

28 3. *Reclamation.*

29 a. The registered owner of an abandoned vehicle may reclaim
30 the vehicle upon payment of all towing, notice, and impoundment
31 fees. For purposes of calculating impoundment fees, a
32 garagekeeper shall not charge a fee based on calendar days.

33 b. A garagekeeper shall provide an itemized invoice that
34 includes the vehicle identification number and describes all
35 fees assessed when a vehicle is reclaimed. A garagekeeper

1 shall accept payment by credit card, subject to a card-use
2 surcharge, if applicable, in addition to other forms of payment.
3 A garagekeeper that has custody of an abandoned vehicle shall not
4 charge a storage fee for a day that the garagekeeper is not open.

5 4. *Personal property retrieval.* The registered owner of an
6 abandoned vehicle may retrieve personal property only once while
7 a garagekeeper has custody of the owner's vehicle and only during
8 the normal business hours of the garagekeeper. The registered
9 owner must provide the garagekeeper a written list of the
10 personal property that is inside the vehicle and the garagekeeper
11 shall gather the listed personal property from inside the
12 vehicle and hand the personal property to the registered owner.
13 Alternatively, a garagekeeper may, at its discretion, allow the
14 registered owner to directly retrieve personal property from
15 the vehicle. Retrieving personal property does not constitute
16 reclaiming the vehicle.

17 5. *Inspection.* A lienholder who receives notice under
18 subsection 2 may inspect the condition of an impounded vehicle.
19 A garagekeeper may charge a lienholder a fee not to exceed one
20 hundred dollars to inspect the vehicle. If such a request is
21 made and when the fee is paid, the garagekeeper shall allow a
22 representative of the lienholder onto the garagekeeper's premises
23 to inspect the vehicle, subject to safety and security procedures
24 established by the garagekeeper for the area where vehicles are
25 stored.

26 6. *Recordkeeping.* A garagekeeper shall keep a record of the
27 relevant details of each abandoned vehicle the garagekeeper towed
28 or impounded for at least three years after the vehicle was
29 reclaimed or sold.

30 7. *Limited liability.* An owner, lienholder, or other
31 claimant of an abandoned vehicle shall not have a cause of action
32 against a garagekeeper for action taken pursuant to this section
33 if the garagekeeper provided notice in accordance with subsection
34 2, paragraphs "a" through "c".

35 8. *Failure to act.* If a person who received notice did not

1 ask for a hearing, reclaim an abandoned vehicle, or retrieve
2 personal property within the twenty-day reclaiming period, the
3 person forfeits ownership of the vehicle and a court shall not
4 recognize the person's title, right, claim, or interest in the
5 abandoned vehicle, or personal property inside the vehicle.

6 9. *Vehicles sold for highway use.*

7 a. If an abandoned vehicle has not been reclaimed, the person
8 who impounded the vehicle shall make a determination as to
9 whether the vehicle will be sold for use upon the highways. If
10 the vehicle is sold for use upon the highways, the vehicle shall
11 be sold at a public auction.

12 b. The purchaser of an abandoned vehicle sold at a public
13 auction takes title free and clear of all liens and claims of
14 ownership and is entitled to register the vehicle and receive a
15 certificate of title. The person who impounded the vehicle shall
16 provide a sales receipt to the purchaser.

17 10. *Vehicles sold for junk or scrap.*

18 a. If an abandoned vehicle has not been reclaimed and is not
19 sold at public auction for use upon the highways, it shall be
20 sold for junk, or demolished and sold as scrap.

21 b. The purchaser of an abandoned vehicle sold for junk or
22 scrap takes title free and clear of all liens and claims of
23 ownership. The person who impounded the vehicle shall provide
24 a sales receipt to the purchaser.

25 c. If the vehicle is sold to a demolisher for junk, the
26 demolisher shall make application for a junking certificate to
27 the county treasurer within thirty days of purchase and shall
28 surrender the sales receipt in lieu of the certificate of title.

29 11. *Sale proceeds.*

30 a. If a police authority did not hire a garagekeeper, the
31 police authority shall reimburse itself from the proceeds of the
32 sale of an abandoned vehicle. Except for costs of bookkeeping
33 and other administrative costs, the police authority may retain
34 proceeds from the sale for expenses incurred, including but not
35 limited to expenses for any of the following:

1 (1) The public auction.

2 (2) Towing the vehicle.

3 (3) Impounding the vehicle.

4 (4) Giving notice pursuant to subsection 2.

5 (5) Inspecting the vehicle.

6 b. Any remainder from the proceeds of a sale shall be
7 deposited in the road use tax fund.

8 c. If the proceeds from a sale of an abandoned vehicle are
9 insufficient to cover the incurred expenses, the police authority
10 shall be paid from the road use tax fund. The last owner of
11 the vehicle is liable for reimbursing the road use tax fund,
12 including jointly and severally if there was more than one owner.

13 d. If a garagekeeper sells an abandoned vehicle at a public
14 auction, the garagekeeper may retain all proceeds from the sale.

15 e. The department shall adopt rules pursuant to chapter
16 17A providing a claims process for a police authority to
17 obtain moneys from the road use tax fund to cover expenses
18 incurred, including expenses owed to a garagekeeper hired by
19 a police authority to tow and impound an abandoned vehicle.
20 If a garagekeeper was hired by a police authority, the
21 police authority shall file a claim with the department for
22 reimbursement of towing fees which shall be paid from the road
23 use tax fund.

24 12. *Definitions.* As used in this section, and sections
25 321.90 and 321.91:

26 a. "*Abandoned vehicle*" means any of the following:

27 (1) A vehicle that has been left unattended on public
28 property for more than twenty-four hours and lacks current
29 registration plates or two or more wheels or other parts which
30 render the vehicle totally inoperable.

31 (2) A vehicle that has remained illegally on public property
32 for more than twenty-four hours.

33 (3) A vehicle that has been illegally parked on private
34 property or has been placed on private property without the
35 consent of the owner or person in control of the property for

1 more than twenty-four hours.

2 (4) A vehicle that has been legally impounded by order of
3 a police authority and has not been reclaimed for a period
4 of ten days. However, a police authority may declare the
5 vehicle abandoned within the ten-day period by commencing the
6 notification process in subsection 2.

7 (5) A vehicle parked on a highway determined by a police
8 authority to create a hazard to other vehicle traffic.

9 (6) A vehicle that has been impounded pursuant to section
10 321J.4B by order of a court and the vehicle owner has not paid
11 the impoundment fees after notification by the person or agency
12 responsible for impounding the vehicle.

13 b. "Demolisher" means a person licensed under chapter 321H
14 whose business it is to convert a vehicle to junk, processed
15 scrap, or scrap metal, or otherwise to wreck or dismantle
16 vehicles.

17 c. "Garagekeeper" means any operator of a parking place or
18 establishment, motor vehicle storage facility, or establishment
19 for the servicing, repair, or maintenance of motor vehicles.

20 d. "Personal property" means property that is located inside
21 an abandoned vehicle and not attached to the vehicle.

22 e. "Police authority" means the state patrol, any law
23 enforcement agency of a county or city, or any special security
24 officer employed by the state board of regents under section
25 262.13.

26 Sec. 3. Section 321.90, subsection 1, Code 2026, is amended
27 to read as follows:

28 1. *Garagekeepers and abandoned motor vehicles.* Any motor
29 vehicle left in a garage operated for commercial purposes
30 after the period for which the vehicle was to remain on the
31 premises shall, after notice by certified mail to the last
32 known registered owner of the vehicle addressed to the owner's
33 last known address of record to reclaim the vehicle within ten
34 days of the date of the notice, be deemed an abandoned motor
35 vehicle unless reclaimed by the owner within such ten-day period

1 or the owner notifies the garagekeeper in writing within such
2 period of time that such vehicle is not an abandoned motor
3 vehicle and shall be reported by the garagekeeper to the police
4 authority. If the identity or address of the last registered
5 owner of the motor vehicle cannot be determined, the vehicle
6 shall be deemed an abandoned motor vehicle on the eleventh day
7 after the period for which the vehicle was to remain on the
8 premises unless reclaimed by the owner within the ten-day period
9 or the owner notifies the garagekeeper in writing within such
10 period of time that such vehicle is not an abandoned motor
11 vehicle and shall be reported by the garagekeeper to the police
12 authority. All abandoned motor vehicles left in garages may
13 be taken into custody by a police authority upon the request
14 of the garagekeeper and sold in accordance with the procedures
15 set forth in section 321.89, ~~subsection 5~~, unless the motor
16 vehicle is reclaimed. The proceeds of the sale shall be first
17 applied to the garagekeeper's charges for towing and storage,
18 and any surplus proceeds shall be distributed in accordance with
19 section 321.89, ~~subsection 5~~. Nothing in this section shall
20 be construed to impair any lien of a garagekeeper under the
21 laws of this state, or the right of a garagekeeper to foreclose
22 the garagekeeper's lien, provided that a garagekeeper shall be
23 deemed to have abandoned the garagekeeper's artisan lien when
24 such vehicle is taken into custody by the police authority. ~~For~~
25 ~~the purposes of this section "garagekeeper" means any operator of~~
26 ~~a parking place or establishment, motor vehicle storage facility,~~
27 ~~or establishment for the servicing, repair, or maintenance of~~
28 ~~motor vehicles.~~

29 Sec. 4. Section 321.90, subsection 2, paragraphs c, d, e, and
30 g, Code 2026, are amended to read as follows:

31 c. If the police authority finds that the application is
32 executed in proper form, and shows that the motor vehicle has
33 been abandoned upon the property of the applicant, or if it
34 shows that the motor vehicle is not abandoned but that the
35 applicant appears to be the rightful owner, the police authority

1 shall follow appropriate notification procedures as set forth in
2 section 321.89, ~~subsection 3~~, except that in the case of an order
3 for disposal obtained pursuant to section 555B.8, subsection 3,
4 no notification is required.

5 d. If the abandoned motor vehicle is not reclaimed in
6 accordance with section 321.89, ~~subsection 3~~, or no lienholder
7 objects to the disposal in the case of an owner-applicant,
8 the police authority shall give the applicant a certificate of
9 authority allowing the applicant to obtain a junking certificate
10 for the motor vehicle. The applicant shall make application for
11 a junking certificate to the county treasurer within thirty days
12 of receipt of the certificate of authority and surrender the
13 certificate of authority in lieu of the certificate of title.
14 The demolisher shall accept the junking certificate in lieu of
15 the certificate of title to the motor vehicle.

16 e. Notwithstanding any other provisions of this section and
17 sections 321.89 and 321.91, any person, firm, corporation, or
18 unit of government upon whose property or in whose possession
19 is found any abandoned motor vehicle, or any person being the
20 owner of a motor vehicle whose title certificate is faulty, lost,
21 or destroyed, may dispose of such motor vehicle to a demolisher
22 for junk without a title and without the notification procedures
23 of section 321.89, ~~subsection 3~~, if the motor vehicle lacks an
24 engine or two or more wheels or other structural part which
25 renders the vehicle totally inoperable. The police authority
26 shall give the applicant a certificate of authority. The owner
27 shall apply to the county treasurer for a junking certificate
28 within thirty days of receipt of the certificate of authority
29 and shall surrender the certificate of authority in lieu of the
30 certificate of title.

31 g. Any proceeds from the sale of an abandoned motor vehicle
32 to a demolisher under this section, by one other than the owner
33 of the vehicle, except the sale of a vehicle pursuant to an order
34 for disposal obtained pursuant to section 555B.8, subsection 3,
35 shall first be applied to that person's expenses in effecting the

1 sale, including storage, towing, and disposal charges, and any
2 surplus shall be distributed in accordance with section 321.89,
3 ~~subsection 5~~. The proceeds from the sale of a vehicle disposed
4 of pursuant to section 555B.8, subsection 3, shall be distributed
5 in accordance with section 555B.9.

6 EXPLANATION

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

9 Under current law, Code section 321.89 regulates the towing,
10 impounding, reclaiming, and selling of abandoned vehicles and
11 providing required notice. This bill rewrites, reorganizes, and
12 amends Code section 321.89.

13 The bill decreases the time by which a person who impounds an
14 abandoned vehicle is required to provide notice from 20 days to
15 10 days and increases the time a person may reclaim an abandoned
16 vehicle from 10 days to 20 days. The bill requires notice
17 of a tow and impoundment to be given twice; once by regular
18 mail and once by certified mail, parcel delivery with tracking,
19 or personal delivery by a peace officer. Additionally, the
20 bill requires a garagekeeper to provide notice to the police
21 authority with jurisdiction over the location where the vehicle
22 was towed within two hours after the tow. The bill defines
23 "garagekeeper" in Code section 321.89 using the definition in
24 current Code section 321.90 and strikes the definition from Code
25 section 321.90.

26 The bill requires a garagekeeper to display information about
27 the garagekeeper on vehicles the garagekeeper uses to tow an
28 abandoned vehicle and at the garagekeeper's place of business.

29 Under current law, a person is required to pay all fees prior
30 to reclaiming a vehicle. The bill prohibits a garagekeeper
31 from calculating fees on a calendar-day basis and from charging
32 a storage fee on a day that the garagekeeper is not open to
33 the public. A garagekeeper must provide an itemized invoice
34 that includes the vehicle's vehicle identification number. In
35 addition, the bill requires a garagekeeper to accept payment by

1 credit card, in addition to other forms of payment. The bill
2 strikes the requirement under current law that a person must
3 present a valid driver's license and proof of financial liability
4 coverage prior to driving a vehicle away from the premises where
5 it was impounded.

6 The bill authorizes the registered owner of a vehicle that
7 is impounded by a garagekeeper to retrieve personal property, as
8 defined in the bill, from the vehicle one time, and retrieving
9 personal property does not constitute reclaiming the vehicle. A
10 person that impounds an abandoned vehicle must give notice of the
11 opportunity to retrieve personal property.

12 The bill requires a garagekeeper to allow a lienholder to
13 inspect an impounded vehicle so long as the lienholder pays a
14 \$100 fee. In addition, a garagekeeper must keep records of the
15 relevant details of each abandoned vehicle the garagekeeper towed
16 or impounded for at least three years.

17 Under current law, proceeds from the sale of an abandoned
18 vehicle that are not retained by a police authority to cover
19 incurred nonadministrative expenses associated with the vehicle
20 must be held for 90 days for the vehicle owner or lienholder.
21 Unclaimed proceeds from the sale are deposited in the road use
22 tax fund after 90 days. The bill strikes the 90-day holding
23 requirement.

24 The bill amends Code sections 321.88 and 321.90 to update
25 references to Code section 321.89 by striking subsection
26 references that are amended by the bill.