

Senate Study Bill 1059 - Introduced

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

A BILL FOR

1 An Act relating to administrative fees charged by motor vehicle
2 dealers, and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 322.19A, subsections 1, 2, and 3, Code
2 2025, are amended to read as follows:

3 1. For purposes of this section, ~~"documentary fee"~~
4 "administrative fee" means a fee that may be charged to
5 a customer by a motor vehicle dealer for ~~the preparation~~
6 ~~of documents related to an application for motor vehicle~~
7 ~~registration and an application for issuance of a certificate of~~
8 ~~title, and the performance of other related performing services~~
9 ~~for,~~ related to the sale of a motor vehicle, on behalf of
10 the customer. ~~"Documentary fee"~~ "Administrative fee" does not
11 include any costs or fees charged to a motor vehicle dealer or a
12 dealer's customer by a third party.

13 2. A motor vehicle dealer may charge a ~~documentary an~~
14 administrative fee ~~not to exceed one hundred eighty dollars~~ for
15 each motor vehicle sold in a transaction.

16 3. A motor vehicle dealer who charges a ~~documentary an~~
17 administrative fee to a customer shall include the fee in the
18 price of the motor vehicle. The dealer shall disclose the full
19 amount of the fee in any price of a motor vehicle advertised
20 by the dealer and when making or accepting an offer to sell a
21 motor vehicle. The dealer shall provide the following notice
22 to the customer, which notice shall be clearly and conspicuously
23 disclosed in any motor vehicle purchase agreement with the
24 customer:

25 ~~DOCUMENTARY ADMINISTRATIVE FEE. A DOCUMENTARY AN~~
26 ~~ADMINISTRATIVE FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY AN~~
27 ~~ADMINISTRATIVE FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED~~
28 ~~TO A BUYER CUSTOMER FOR THE PREPARATION OF DOCUMENTS AND THE~~
29 ~~PERFORMANCE OF RELATED PERFORMING SERVICES, RELATED TO THE SALE~~
30 ~~OF A MOTOR VEHICLE, ON BEHALF OF THE CUSTOMER. THE MAXIMUM~~
31 ~~AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE IS DETERMINED~~
32 ~~BY IOWA CODE SECTION 322.19A. THIS NOTICE IS REQUIRED BY LAW.~~

33 EXPLANATION

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

1 Under current law, a motor vehicle dealer (dealer) is
2 authorized to charge a documentary fee not to exceed \$180 for
3 each motor vehicle sold in a transaction. A "documentary fee"
4 is a fee charged to a customer by a dealer for the preparation
5 of documents related to an application for motor vehicle
6 registration and an application for issuance of a certificate
7 of title, and the performance of other related services for the
8 customer, but does not include any costs or fees charged to a
9 dealer or a dealer's customer by a third party. A dealer who
10 charges a documentary fee is required to include the fee in the
11 price of the motor vehicle, in advertisements for the vehicle,
12 and when making or accepting an offer for the vehicle. A dealer
13 is required to clearly and conspicuously disclose a specific
14 notice of the fee in any motor vehicle purchase agreement with
15 a customer.

16 This bill authorizes a dealer to charge an administrative
17 fee, rather than a documentary fee, to a customer for performing
18 services, related to the sale of a motor vehicle, on behalf of
19 the customer. The bill strikes the maximum amount a dealer is
20 authorized to charge for such a fee. The bill makes conforming
21 changes to the required notice.

22 A person who violates Code section 322.19A commits unlawful
23 practice under Code section 714.16. Several types of remedies
24 are available if a court finds that a person has committed an
25 unlawful practice, including injunctive relief, disgorgement of
26 moneys or property, and a civil penalty not to exceed \$40,000 per
27 violation.