

**Senate Study Bill 3126 - Introduced**

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

**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 to any motor vehicle offered for remote  
25 sale. The certificate of title may be in an electronic format  
26 that is created, stored, and transferred only through a secure  
27 electronic system approved by the department.

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

33 Sec. 5. Section 322.3, subsection 12, Code 2026, is amended  
34 by adding the following new paragraphs:

35 NEW PARAGRAPH. f. A person who purchases a motor vehicle via

1 a remote sale shall acquire right to, claim to, and interest  
2 in the motor vehicle at the time of delivery. The seller must  
3 otherwise deliver the certificate of title pursuant to section  
4 321.45, but may do so within thirty days after delivery of the  
5 motor vehicle.

6 NEW PARAGRAPH. g. The dealer shall disclose to a prospective  
7 buyer all of the following regarding the vehicle offered for  
8 sale:

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

11 (2) Whether the dealer has a certificate of title to the  
12 vehicle, including whether the certificate of title is in an  
13 electronic format, if applicable, or whether the dealer does not  
14 have the certificate of title to the vehicle, if applicable.

15 (3) The estimated delivery date of the vehicle.

16 NEW PARAGRAPH. h. The dealer shall produce proof the dealer  
17 has the certificate of title for a vehicle offered for sale  
18 within twenty-four hours if requested by the department. The  
19 dealer shall also retain records showing where a vehicle is  
20 stored, the status of the vehicle's title, and documents relating  
21 to the remote sale of the vehicle.

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

25 EXPLANATION

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

28 Under current law, a retail seller licensed under Code chapter  
29 322 (motor vehicle manufacturers, distributors, wholesalers,  
30 and dealers) is authorized to sell, offer, barter, negotiate,  
31 exchange, and communicate regarding the sale of a motor vehicle  
32 via mail, either electronically or by courier, and to deliver  
33 a vehicle to the residence of the buyer or another agreed-to  
34 location (remote sale). Motor vehicles sold in a remote sale  
35 must be located at the place of business as listed on the

1 seller's license. This bill strikes the phrase "as listed  
2 on the license". The bill does not amend the requirement to  
3 list on a license application the location of each place of  
4 business within Iowa to be used by the applicant for the conduct  
5 of the applicant's business (Code section 322.4(1)(c)) or the  
6 requirement to list on the license the seller's principal place  
7 of business and location therein of each place wherein the  
8 licensee is licensed to carry on such business (Code section  
9 322.7(1)(b)).

10 The bill authorizes a dealer to possess a vehicle's  
11 certificate of title in an electronic format, as described in the  
12 bill, when a motor vehicle is offered for remote sale.

13 The bill strikes a provision prohibiting a dealer, during a  
14 remote sale, from signing a proposed purchase agreement until the  
15 dealer receives an executed purchase agreement from a buyer. The  
16 bill specifies that a signed purchase agreement must be delivered  
17 to the dealer's place of business that is listed on the dealer's  
18 license.

19 Under current law, upon the transfer of any registered  
20 vehicle, the seller must, unless otherwise provided, endorse an  
21 assignment and warranty of title upon the certificate of title  
22 for such vehicle with a statement of all liens and encumbrances  
23 thereon. A person is prohibited from selling or otherwise  
24 disposing of a vehicle subject to registration without delivering  
25 to the purchaser or transferee thereof a certificate of title,  
26 with certain exceptions. In addition, a person does not acquire  
27 any right, title, claim, or interest in or to any vehicle subject  
28 to registration from the owner thereof except by virtue of a  
29 certificate of title or manufacturer's or importer's certificate  
30 for such vehicle, with certain exceptions. The bill provides an  
31 exception for remote sales, and specifies that a person acquires  
32 right to, claim to, and interest in the motor vehicle at the time  
33 of delivery. The seller must otherwise deliver the certificate  
34 of title pursuant to current law not more than 30 days after  
35 delivery of the motor vehicle. Pursuant to current law, a person

1 has 30 days after purchasing a vehicle to apply for and obtain a  
2 new certificate of title.

3 The bill requires a dealer engaging in a remote sale to  
4 disclose certain facts about the location and title status of a  
5 vehicle and the expected delivery date to a prospective buyer.  
6 A dealer is required to produce proof that the dealer has the  
7 certificate of title for a vehicle offered for sale within 24  
8 hours if requested by the department of transportation. The  
9 dealer is required to retain records showing where a vehicle is  
10 stored, the status of the vehicle's title, and documents relating  
11 to the remote sale of the vehicle.

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

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

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