

Senate Study Bill 3061 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON BOUSSELOT)

A BILL FOR

1 An Act relating to abandoned vehicles, and making
2 appropriations.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.89, subsection 2, Code 2026, is
2 amended to read as follows:

3 2. *Authority to take possession of abandoned vehicles.* A
4 police authority, upon the authority's own initiative or
5 upon the request of any other authority having the duties of
6 control of highways or traffic, shall take into custody an
7 abandoned vehicle on public property and may take into custody
8 an abandoned vehicle on private property. The police authority
9 may employ its own personnel, equipment, and facilities or
10 hire a private entity, equipment, and facilities for the
11 purpose of removing, preserving, storing, or disposing of
12 abandoned vehicles. A property owner or other person in
13 control of private property may employ a private entity who is
14 a garagekeeper, as defined in [section 321.90](#), to dispose of an
15 abandoned vehicle, and the private entity may take into custody
16 the abandoned vehicle without a police authority's initiative.
17 If a police authority employs a private entity to dispose of
18 abandoned vehicles, the police authority shall provide the
19 private entity with the names and addresses of the registered
20 owners, all lienholders of record, and any other known claimant
21 to the vehicle or the personal property found in the vehicle.
22 ~~The owners, lienholders, or other claimants of the abandoned~~
23 ~~vehicle shall not have a cause of action against a private~~
24 ~~entity for action taken under [this section](#) if the private~~
25 ~~entity provides notice as required by [subsection 3](#), paragraphs~~
26 ~~"a" through "f".~~

27 Sec. 2. Section 321.89, subsection 3, paragraph a, Code
28 2026, is amended to read as follows:

29 a. A police authority or private entity that takes into
30 custody an abandoned vehicle shall send notice by certified
31 mail that the vehicle has been taken into custody no more than
32 ~~twenty~~ ten days after taking custody of the vehicle. Notice
33 shall be sent to the last known address of record of the last
34 known registered owner of the vehicle, all lienholders of
35 record, and any other known claimant to the vehicle.

1 Sec. 3. Section 321.89, subsection 3, paragraph b,
2 subparagraph (3), Code 2026, is amended to read as follows:

3 (3) Information for the persons receiving the notice of
4 their right to reclaim the vehicle and personal property
5 contained therein within ~~ten~~ twenty days after the effective
6 date of the notice. Persons may reclaim the vehicle ~~or~~
7 ~~personal property~~ upon payment of all towing, preservation, and
8 storage charges resulting from placing the vehicle in custody
9 and upon payment of the costs of notice required pursuant to
10 this subsection.

11 Sec. 4. Section 321.89, subsection 3, paragraphs e and f,
12 Code 2026, are amended by striking the paragraphs.

13 Sec. 5. Section 321.89, Code 2026, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 3A. *Abandoned vehicles in custody.*

16 *a.* A private entity that takes an abandoned vehicle into
17 custody may charge towing, preservation, storage, or other
18 fees during the first twenty-four hours after taking custody
19 of the vehicle. After twenty-four hours, additional towing,
20 preservation, and storage fees shall not accrue until the
21 vehicle owner, lienholders, and any known claimants are
22 notified in accordance with subsection 3. Failure to send
23 notice as required by subsection 3 invalidates any claim by a
24 private entity for payment of all such fees.

25 *b.* A lienholder or insurance company who receives notice
26 under subsection 3 may request information regarding the
27 condition of the vehicle. The private entity having custody of
28 the vehicle may charge a fee not to exceed one hundred dollars
29 to the lienholder or insurance company for inspection of the
30 vehicle. If such a request is made and when the fee is paid,
31 the private entity with custody of the vehicle may satisfy
32 the request by allowing a representative of the lienholder or
33 insurance company onto the premises to inspect the vehicle, or
34 by providing the lienholder or insurance company with photos of
35 the vehicle sufficient to reasonably ascertain the condition of

1 the vehicle. If requested, the private entity shall provide
2 photos or access to the vehicle prior to the expiration of the
3 twenty-day reclamation period.

4 c. A person may reclaim personal property from within
5 the vehicle, so long as the property is not attached to the
6 vehicle, only once while the vehicle is in custody of a private
7 entity. A person may provide the private entity a list of the
8 personal property to be reclaimed that is inside the vehicle,
9 or the private entity may allow the vehicle owner to reclaim
10 personal property from inside the vehicle during the normal
11 business hours of the private entity. Reclaiming personal
12 property from inside the vehicle does not constitute reclaiming
13 the vehicle.

14 d. If notice is provided as required in subsection 3,
15 and the persons receiving notice do not ask for a hearing
16 before the police authority or reclaim the vehicle or personal
17 property within the twenty-day reclaiming period, the owner,
18 lienholders, or claimants shall not have a right to, title in,
19 claim for, or interest in the vehicle or personal property in
20 the vehicle.

21 e. If notice is not provided as required in subsection 3,
22 and a police authority or private entity takes custody of the
23 vehicle and sells the vehicle at auction, the police authority
24 or private entity, as applicable, shall pay the lienholder
25 from the auction proceeds the remaining amount owed on the
26 vehicle loan, up to the total amount of the proceeds. The
27 police authority or private entity shall then pay the remaining
28 proceeds to the vehicle owner.

29 Sec. 6. Section 321.89, subsection 4, Code 2026, is amended
30 to read as follows:

31 4. *Reclamation of abandoned vehicles.* A private entity
32 with custody of an abandoned vehicle shall provide an itemized
33 account of all fees assessed when the vehicle is reclaimed.
34 Prior to driving an abandoned vehicle away from the premises,
35 a person who received, or who is reclaiming the vehicle on

1 behalf of a person who received, notice under subsection 3
2 shall present to the police authority or private entity, as
3 applicable, the person's valid driver's license and proof of
4 financial liability coverage as provided in section 321.20B.

5 Sec. 7. Section 321.89, subsection 5, paragraphs b and c,
6 Code 2026, are amended to read as follows:

7 b. (1) From the proceeds of the sale of an abandoned
8 vehicle after proper notice was provided, the police authority,
9 if the police authority did not hire a private entity, shall
10 reimburse itself for the expenses of the auction, the costs of
11 towing, preserving, and storing which resulted from placing the
12 abandoned vehicle in custody, all notice and publication costs
13 incurred pursuant to subsection 3, the cost of inspection, and
14 any other costs incurred except costs of bookkeeping and other
15 administrative costs.

16 (2) Any remainder from the proceeds of a sale shall be
17 held first for any lienholder of record, if applicable, for
18 thirty days after notice is provided under paragraph "d", and
19 second for the any owner of the vehicle or entitled lienholder
20 for ninety for an additional sixty days, and shall then be
21 deposited in the road use tax fund. The

22 (3) Any remaining proceeds shall be submitted to the
23 department and deposited in the statutory allocations fund
24 created in section 321.145. Whenever the proceeds from the
25 sale of an abandoned vehicle are insufficient to meet the costs
26 to police authorities of auction, towing, preserving, storage,
27 and all notice and publication costs, and all other costs which
28 result from placing abandoned vehicles in custody, whenever the
29 proceeds from a sale of the abandoned vehicles are insufficient
30 to meet these expenses and costs, shall be paid authorized for
31 reimbursement under subparagraph (1) for a police authority,
32 the department shall pay the remaining reimbursement amount
33 to the police authority from the road use tax statutory
34 allocations fund and are the obligation of the last owner or
35 owners. The person or persons who owned the vehicle when it

1 was taken into custody are jointly and severally liable for
2 reimbursing the department, to the credit of the statutory
3 allocations fund, the costs paid to a police authority under
4 this subparagraph.

5 ~~c. The director of transportation department shall establish~~
6 ~~by rule adopt rules pursuant to chapter 17A providing a claims~~
7 procedure to be followed by police authorities in obtaining
8 expenses and costs from the statutory allocations fund, and
9 procedures for reimbursement of expenses and costs from the
10 statutory allocations fund to a private entity hired by a
11 police authority to take custody of an abandoned vehicle.
12 If a private entity has been hired by a police authority,
13 the police authority shall file a claim with the department
14 for reimbursement of ~~towing fees~~ the private entity's costs
15 authorized for reimbursement under paragraph "0c", which shall
16 be paid from the ~~road use tax~~ statutory allocations fund.

17 Sec. 8. Section 321.89, subsection 5, Code 2026, is amended
18 by adding the following new paragraphs:

19 NEW PARAGRAPH. 0c. (1) From the proceeds of the sale
20 of an abandoned vehicle after proper notice was provided, a
21 private entity may reimburse itself only for the expenses of
22 the auction, the costs of towing, preserving, and storing which
23 resulted from placing the abandoned vehicle in custody, all
24 notice and publication costs incurred pursuant to subsection 3,
25 the cost of inspection, and any other costs incurred, except
26 costs of bookkeeping and other administrative costs.

27 (2) Any remainder from the proceeds of a sale shall be held
28 first for any lienholder of record, if applicable, for thirty
29 days after notice is provided under paragraph "d", and second
30 for any owner of record for an additional sixty days.

31 (3) Any remaining proceeds shall be submitted to the
32 department and deposited in the statutory allocations fund
33 created under section 321.145. Whenever the proceeds from
34 the sale of an abandoned vehicle are insufficient to meet
35 the expenses and costs authorized for reimbursement under

1 subparagraph (1) for a private entity hired by a police
2 authority, the department shall pay the remaining reimbursement
3 amount to the private entity from the statutory allocations
4 fund. The person or persons who owned the vehicle when it
5 was taken into custody are jointly and severally liable for
6 reimbursing the department, to the credit of the statutory
7 allocations fund, the costs paid to a private entity under this
8 subparagraph.

9 NEW PARAGRAPH. *d.* After the sale of an abandoned vehicle,
10 the private entity or police authority who sold the vehicle at
11 auction shall, within ten days after the sale, send notice by
12 certified mail to the person who owned the vehicle when it was
13 taken into custody and to any lienholders of record detailing
14 the amount of proceeds remaining and the timeline for claiming
15 the proceeds. Notice shall be deemed given when mailed.

16 Sec. 9. Section 321.89, Code 2026, is amended by adding the
17 following new subsections:

18 NEW SUBSECTION. *6. Display of charges.* A private entity
19 that takes custody of an abandoned vehicle shall display at the
20 entity's place of business in a manner that is readily visible
21 to visitors and on the entity's internet site, if applicable,
22 the maximum towing, preservation, and storage fees the entity
23 will charge.

24 NEW SUBSECTION. *7. Violations committed by private*
25 *entities.* A violation of this section committed by a private
26 entity is a prohibited practice or act under section 714H.3.

27 Sec. 10. Section 321.90, subsection 2, paragraph f, Code
28 2026, is amended to read as follows:

29 *f.* The owner of an abandoned ~~motor~~ vehicle and all
30 lienholders shall no longer have any right, title, claim, or
31 interest in or to the ~~motor~~ vehicle; and no court in any case
32 in law or equity shall recognize any right, title, claim, or
33 interest of any owner or lienholders after the disposal of the
34 ~~motor~~ vehicle to a demolisher; so long as notice in accordance
35 with section 321.89, subsection 3, was provided.

1 sent no more than 10 days after taking custody of the vehicle.
2 Under current law and the bill, notice is deemed given when
3 mailed.

4 Current law requires a person to ask for a hearing regarding
5 an abandoned vehicle, or reclaim an abandoned vehicle and
6 personal property left inside such vehicle, within 10 days
7 after notice is mailed. The bill extends the reclamation
8 period to 20 days. If notice is not provided and a private
9 entity or police authority takes custody of the vehicle and
10 sells the vehicle at auction, the bill requires payment to the
11 lienholder from the auction proceeds as much as those proceeds
12 can cover of the remainder owed on the vehicle loan before
13 paying the vehicle owner.

14 The bill authorizes a private entity that takes a vehicle
15 into custody to charge towing, preservation, storage, or
16 other fees during the first 24 hours after taking custody of
17 a vehicle. After 24 hours, towing, preservation, and storage
18 fees do not accrue until the vehicle owner, lienholders, and
19 any known claimants are notified. A claim by a private entity
20 for payment of all such fees is invalid when a private entity
21 fails to send notice.

22 Under the bill, a lienholder or insurance company who
23 receives notice may request information regarding the condition
24 of the vehicle. The private entity having custody of the
25 vehicle may charge an inspection fee not to exceed \$100. An
26 inspection may be in person or the private entity is authorized
27 to provide photos of the vehicle sufficient to reasonably
28 ascertain the condition of the vehicle. A private entity must
29 comply with an inspection request prior to the expiration of
30 the 20-day reclamation period.

31 The bill authorizes a person to reclaim personal property
32 from within the vehicle without paying reclamation fees, so
33 long as the property is not attached to the vehicle, only once
34 while the vehicle is in custody of a private entity.

35 The bill requires a private entity with custody of an

1 abandoned vehicle to provide an itemized account of all fees
2 assessed when the vehicle is reclaimed.

3 Under current law, if an abandoned vehicle is not reclaimed,
4 it can be sold at public auction or for junk or scrap if it
5 is determined to not be appropriate for highway use. The
6 bill directs how proceeds of a sold abandoned vehicle are
7 distributed. If proper notice was provided, a private entity
8 or police authority may reimburse itself only for costs
9 incurred, except costs of bookkeeping and other administrative
10 costs. Any remainder from the proceeds of a sale must be held
11 first for any lienholder of record, if applicable, for 30 days
12 after notice of the sale is provided, and second for any owner
13 of record for an additional 60 days. Current law only requires
14 a police authority to hold proceeds from a sale for both the
15 lienholder and owner for 90 days. The bill requires any
16 remaining proceeds to be deposited in the statutory allocations
17 fund (SAF) rather than the road use tax fund. A private entity
18 that was hired by a police authority must be paid from the
19 SAF the amount incurred by the entity that was not otherwise
20 recouped by the entity from the sale. The person or persons
21 who owned the vehicle when it was taken into custody are
22 jointly and severally liable for reimbursing the SAF for those
23 costs. Pursuant to current law, revenues remaining in the SAF
24 at the end of a fiscal year are credited to the road use tax
25 fund.

26 After the sale of an abandoned vehicle, the bill requires
27 a private entity or police authority who sold the vehicle at
28 auction, within 10 days after the sale, to send notice by
29 certified mail to the person who owned the vehicle when it was
30 taken into custody and to any lienholders of record detailing
31 the amount of proceeds remaining and the timeline for claiming
32 the proceeds.

33 The department of transportation (DOT) is required to adopt
34 administrative rules providing a claims procedure for police
35 authorities to obtain expenses and costs from the SAF, for

1 private entities to remit excess proceeds to the SAF, and for
2 payment from the SAF for expenses and costs incurred by a
3 police authority or private entity hired by a police authority.
4 If a private entity was hired by a police authority, the police
5 authority must file a claim with the DOT for reimbursement of
6 the private entity's costs.

7 A violation of Code section 321.89, as amended by the bill,
8 committed by a private entity is a prohibited practice or
9 act under Code section 714H.3. Pursuant to current law, a
10 consumer who suffers an ascertainable loss of money or property
11 as the result of a prohibited practice or act in violation
12 of Code chapter 714H may bring an action at law to recover
13 actual damages. The court may order such equitable relief,
14 including reasonable attorney fees, as it deems necessary to
15 protect the public from further violations, including temporary
16 and permanent injunctive relief. If the finder of fact finds
17 by a preponderance of clear, convincing, and satisfactory
18 evidence that a prohibited practice or act constitutes willful
19 and wanton disregard for the rights or safety of another, in
20 addition to an award of actual damages, statutory damages up
21 to three times the amount of actual damages may be awarded
22 to a prevailing consumer. A consumer must bring a consumer
23 fraud action within two years of the occurrence of the event
24 giving rise to the cause of action or within two years of the
25 discovery of the violation, whichever is later.

26 Because the bill places additional requirements on police
27 authorities and private entities beyond the notice requirements
28 under current law, the bill strikes certain provisions limiting
29 claims or rights when proper notice is provided or after the
30 reclamation period. The bill instead provides that if proper
31 notice is provided and the persons receiving notice do not
32 ask for a hearing before the police authority or reclaim the
33 vehicle or personal property within the 20-day reclaiming
34 period, the owner, lienholders, or claimants shall not have a
35 right to, title in, claim for, or interest in the vehicle or

S.F. _____

1 personal property in the vehicle. For disposal to a demolisher
2 under Code section 321.90, such rights and claims are limited
3 only if proper notice is provided.