

House File 2485 - Reprinted

HOUSE FILE 2485

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 656)

(As Amended and Passed by the House March 5, 2026)

A BILL FOR

1 An Act relating to motor vehicle dealers, including rights to
2 certain vehicles, records storage requirements, and remote
3 sales of motor vehicles.

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

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

3 NEW PARAGRAPH. c. For purposes of this subsection, a motor
4 vehicle dealer licensed under chapter 322 shall be deemed to
5 have acquired and to possess the right, title, claim, and
6 interest in a vehicle if the vehicle's certificate of title is
7 issued or properly assigned to an entity with direct ownership
8 or control over the dealer.

9 Sec. 2. Section 321.63, Code 2026, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 3. A dealer shall do all of the following:

12 a. Store all records at a place of business of the dealer
13 or at a place of business within the United States of an entity
14 that has direct ownership or control over the dealer.

15 b. Provide electronic records to the department within
16 twenty-four hours after receiving a request.

17 c. Provide physical records to the department within a
18 reasonable time considering postal delivery.

19 Sec. 3. Section 322.3, subsection 12, paragraphs a and c,
20 Code 2026, are amended to read as follows:

21 a. The dealer or an entity with direct ownership or control
22 over the dealer shall possess, at the time of the sale, the
23 certificate of title to any motor vehicle offered for remote
24 sale by the dealer. The certificate of title may be in an
25 electronic format that is created, stored, or transferred only
26 through a secure electronic system approved by the department
27 and shall not be in a portable document format, a scanned copy,
28 evidenced by an electronic mail message, or in another format
29 created by the dealer.

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

35 Sec. 4. Section 322.3, subsection 12, Code 2026, is amended

1 by adding the following new paragraphs:

2 NEW PARAGRAPH. *f.* The dealer shall disclose to a buyer all
3 of the following regarding the vehicle offered for sale:

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

6 (2) That the certificate of title is in an electronic
7 format, if applicable.

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

9 NEW PARAGRAPH. *g.* If requested, the dealer shall produce
10 proof, including in an electronic format, to the department
11 that the dealer has the certificate of title for a vehicle
12 offered for sale. The dealer shall also retain records showing
13 where a vehicle is stored, the status of the vehicle's title,
14 and documents relating to the remote sale of a vehicle. The
15 dealer shall store and provide records in accordance with
16 section 321.63, subsection 3.

17 NEW PARAGRAPH. *h.* Pursuant to section 554D.108 and
18 consistent with 49 C.F.R. pt. 580 and the federal Electronic
19 Signatures in Global and National Commerce Act, 15 U.S.C. §7001
20 et seq., an electronic signature captured and applied to an
21 image of a physical certificate of title that was originally
22 printed by a secure printing process as defined in 49 C.F.R.
23 §580.3, which complies with all applicable requirements under
24 49 C.F.R. pt. 580, shall be accepted for purposes of odometer
25 disclosure. A dealer using an electronic signature on a
26 digital image of a physical title shall mark the original
27 title as "void" or "surrendered" and submit an application
28 for certificate of title and registration electronically via
29 an authorized service provider pursuant to section 321.20,
30 subsection 2.

31 NEW PARAGRAPH. *i.* A remote sale of a motor vehicle is not
32 a door-to-door sale as defined in section 555A.1, and is not
33 subject to chapter 555A.