

CHAPTER 1007**MOTOR VEHICLE OWNERSHIP TRANSFERS —
DAMAGE DISCLOSURE REQUIREMENTS***S.F. 2253*

AN ACT relating to disclosure requirements for the transfer of ownership of a motor vehicle and providing penalties.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 321.69, subsections 1, 2, 3, 4, 7, 8, and 9, Code Supplement 2003, are amended to read as follows:

1. A certificate of title shall not be issued for a motor vehicle unless a damage disclosure statement has been made by the transferor of the vehicle and is furnished with the application for certificate of title. A damage disclosure statement ~~must~~ shall be provided by the transferor to the transferee in a transfer of ownership of a motor vehicle. The new certificate of title and registration receipt shall state on the face of the title ~~the total cumulative dollar amount of damage reported by owners prior to the owner listed on the front of the title~~ whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d".

2. The damage disclosure statement required by this section shall, at a minimum, state the ~~total retail dollar amount of all damage to the vehicle during the period of the transferor's ownership of the vehicle and whether the transferor knows if the vehicle was titled as a salvage, rebuilt, or flood vehicle in this or any other state prior to the transferor's ownership of the vehicle and, if not, whether the transferor knows if the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d", during or prior to the transferor's ownership of the vehicle.~~ For the purposes of this section, "damage" refers to damage to the vehicle caused by fire, vandalism, collision, weather, falling objects, submersion in water, or flood, ~~where the cost of repair is six thousand dollars or more per incident, but does not include normal wear and tear, glass damage, mechanical repairs or electrical repairs that have not been caused by fire, vandalism, collision, weather, falling objects, submersion in water, or flood. "Damage" does not include the cost of repairing, replacing, or reinstalling tires, lights, batteries, windshields, windows, a sound system, or an inflatable restraint system. A determination of the amount of damage to a vehicle shall be based on estimates of the retail cost of repairing the vehicle, including labor, parts, and other materials, if the vehicle has not been repaired or on the actual retail cost of repair, including labor, parts, and other materials, if the vehicle has been repaired. Only individual incidents in which the retail cost of repairs is six thousand dollars or more are required to be disclosed by this section. If the vehicle has incurred damage of six thousand dollars or more per incident in more than one incident, the damage amounts must be combined and disclosed as the total of all separate incidents.~~

3. The damage disclosure statement shall be provided by the transferor to the transferee at or before the time of sale. ~~However, if the transferor has a salvage certificate of title for the vehicle, the transferor is not required to disclose under this section the total retail cost of repairs to the vehicle during the period of the transferor's ownership of the vehicle.~~ If the transferor is not a resident of this state or if the transferee acquired the vehicle by operation of law as provided in section 321.47, the transferee shall not be required to submit a damage disclosure statement from the transferor with the transferee's application for title unless the state of the transferor's residence requires a damage disclosure statement. However, the transferee shall submit a damage disclosure statement with the transferee's application for title indicating whether a salvage, or rebuilt, or flood title had ever existed for the vehicle ~~and, if not, whether the vehicle had incurred prior damage of six thousand dollars or more per incident, was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52,~~

~~subsection 4, paragraph "d", during or prior to the transferor's ownership of the vehicle and the year, make, and vehicle identification number of the motor vehicle. The transferee shall not be required to indicate whether the vehicle had incurred prior damage of six thousand dollars or more per incident was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d", under this subsection if the transferor's certificate of title is from another state and if it indicates that the vehicle is salvaged and not rebuilt or is another state's salvage certificate of title.~~

4. A lessee who has executed a lease as defined in section 321F.1 shall provide a damage disclosure statement to the lessor at the termination of the lease. The damage disclosure statement shall be made on a separate disclosure document and shall state ~~the total dollar amount of all damage to the vehicle which occurred during the term of the lease~~ whether the vehicle was damaged during the term of the lease to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d". The lessee's damage disclosure statement shall not be submitted with the application for title, but the lessor shall retain the lessee's damage disclosure statement for five years following the date of the statement.

7. The damage disclosure statements shall be made on the back of the certificate of title if the title is available to the transferor at the time of sale. If the title is not available at the time of sale or if the face of the transferor's Iowa title contains no indication that the vehicle was previously salvaged or titled as ~~salvaged or a salvage, rebuilt, or flood vehicle~~ and the transferor knows or reasonably should know that the vehicle was previously salvaged or titled as ~~salvaged or a salvage, rebuilt, or flood vehicle~~ in another state, the transferor shall make the disclosure on a separate disclosure document. The damage disclosure statement forms shall be as approved by the department. The treasurer shall not accept a damage disclosure statement and issue a title unless the back of the title or separate disclosure document has been fully completed and signed and dated by the transferee and the transferor, if applicable. If a separate damage disclosure document from a prior owner is required to be furnished with the application for title, the transferor ~~must~~ shall provide a copy of the separate damage disclosure document to the transferee at or before the time of sale.

In addition to the information required in subsection 2, a separate disclosure document shall state whether the vehicle's certificate of title indicates the existence of damage prior to the period of the transferor's ownership of the vehicle, ~~and the amount of that damage if the transferor knows or reasonably should know of the prior damage,~~ and whether the vehicle was titled as a ~~salvage, rebuilt, or flood~~ vehicle during the period of the transferor's ownership of the vehicle.

8. A person, authorized vehicle recycler licensed under chapter 321H, or motor vehicle dealer licensed under chapter 322 shall not be liable to a subsequent owner, driver, or passenger of a vehicle because a prior owner or lessee gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had previously been damaged and repaired or had been titled on a ~~salvage, or rebuilt, or flood~~ certificate of title unless the person, recycler, or dealer knew or reasonably should have known that the prior owner or lessee gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had been damaged and repaired or had been titled on a ~~salvage, or rebuilt, or flood~~ certificate of title.

9. ~~Except for subsection 10~~ subsections 10 and 11, this section does not apply to motor trucks and truck tractors with a gross vehicle weight rating of sixteen thousand pounds or more, vehicles more than ~~nine~~ seven model years old, motorcycles, motorized bicycles, and special mobile equipment. This section does apply to motor homes. The requirement in subsection 1 that the new certificate of title and registration receipt shall state on the face of the title ~~the total cumulative dollar amount of damage~~ whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph "d", does not apply to a vehicle with a certificate of title bearing a designation that the vehicle was previously titled on a salvage certificate of title pursuant to section 321.52, subsection 4, paragraph "b", or to a vehicle with a certificate of title bearing a "REBUILT" or "SALVAGE" designation pursuant to section 321.24, subsection 4 or 5. ~~Except for subsection 10~~ subsections 10 and 11, this section does not apply to new motor

vehicles with a true mileage, as defined in section 321.71, of one thousand miles or less, unless such vehicle has incurred damage as defined in subsection 2.

Approved March 18, 2004

CHAPTER 1008

LIQUOR CONTROL VIOLATIONS — ADMINISTRATIVE SANCTIONS AGAINST LICENSEES OR PERMITTEES

S.F. 2261

AN ACT providing penalties for specified liquor control violations involving a retail liquor control license, wine permit, or beer permit.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 123.50, subsection 3, Code 2003, is amended by striking the subsection and inserting in lieu thereof the following:

3. If any licensee, wine permittee, beer permittee, or employee of a licensee or permittee is convicted or found in violation of section 123.49, subsection 2, paragraph "h", the administrator or local authority shall, in addition to criminal penalties fixed for violations by this section, assess a civil penalty as follows:

a. A first violation shall subject the licensee or permittee to a civil penalty in the amount of five hundred dollars. Failure to pay the civil penalty as ordered under section 123.39 shall result in automatic suspension of the license or permit for a period of fourteen days.

b. A second violation within two years shall subject the licensee or permittee to a thirty-day suspension and a civil penalty in the amount of one thousand five hundred dollars.

c. A third violation within three years shall subject the licensee or permittee to a sixty-day suspension and a civil penalty in the amount of one thousand five hundred dollars.

d. A fourth violation within three years shall result in revocation of the license or permit.

e. For purposes of this subsection:

(1) The date of any violation shall be used in determining the period between violations.

(2) Suspension shall be limited to the specific license or permit for the premises found in violation.

(3) Notwithstanding section 123.40, revocation shall be limited to the specific license or permit found in violation and shall not disqualify a licensee or permittee from holding a license or permit at a separate location.

Approved March 18, 2004