

CHAPTER 1048

REGULATION OF MOTOR VEHICLE DEALERS, SALES OF MOTORCYCLES, AND TRAVEL TRAILERS

S.F. 2249

AN ACT relating to motor vehicle dealer activities at fair events, vehicle shows, vehicle exhibitions, and motorcycle rallies and to the definition of travel trailer for purposes of travel trailer dealer requirements, and including effective date provisions.

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

Section 1. Section 322.2, Code 2011, is amended by adding the following new subsection:
NEW SUBSECTION. 11A. “Motorcycle” means as defined in section 321.1. “Motorcycle” does not include an all-terrain vehicle as defined in section 321.1.

Sec. 2. Section 322.4, subsection 1, paragraph g, Code 2011, is amended to read as follows:

g. Before the issuance of a motor vehicle dealer’s license to a dealer engaged in the sale of vehicles for which a certificate of title is required under chapter 321, or the issuance of a temporary permit under section 322.5, subsection 6, paragraph “b”, the applicant shall furnish a surety bond executed by the applicant as principal and executed by a corporate surety company, licensed and qualified to do business within this state, which bond shall run to the state of Iowa, be in the amount of fifty thousand dollars and be conditioned upon the faithful compliance by the applicant as a dealer with all of the statutes of this state regulating or applicable to the business of a dealer in motor vehicles, and indemnifying any person who buys a motor vehicle from the dealer from any loss or damage occasioned by the failure of the dealer to comply with any of the provisions of chapter 321 and this chapter, including but not limited to the furnishing of a proper and valid certificate of title to the motor vehicle involved in a transaction. The bond shall also indemnify any motor vehicle purchaser from any loss or damage caused by the failure of the dealer to comply with the odometer requirements in section 321.71, regardless of whether the motor vehicle was purchased directly from the dealer. The bond shall be filed with the department prior to the issuance of a license or permit. The aggregate liability of the surety, however, shall not exceed the amount of the bond.

Sec. 3. Section 322.5, subsection 2, paragraph a, subparagraph (2), Code 2011, is amended to read as follows:

(2) Display, offer for sale, and negotiate sales of new motor vehicles at fair events, as defined in chapter 174, vehicle shows, and vehicle exhibitions, upon application for and receipt of a temporary permit issued by the department. Such activities may only be conducted at fair events, vehicle shows, and vehicle exhibitions that are held in the ~~county of the motor vehicle dealer’s principal place of business~~ community, as defined in section 322A.1, for the vehicles that are displayed and offered for sale. A sale of a motor vehicle by a motor vehicle dealer shall not be completed and an agreement for the sale of a motor vehicle shall not be signed at a fair event, vehicle show, or vehicle exhibition. All such sales shall be consummated at the motor vehicle dealer’s principal place of business.

Sec. 4. Section 322.5, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 6. a. Upon application for and receipt of a temporary permit issued by the department under this subsection, a motor vehicle dealer authorized to sell used motorcycles may display, offer for sale, and negotiate sales of used motorcycles at a motorcycle rally located in this state that meets all of the following conditions:

- (1) The sponsor of the rally conducts not more than one rally annually in this state.
- (2) The rally is conducted for a single period of not less than three and not more than seven consecutive days.
- (3) Attendance at the rally is restricted to persons who have paid a nonrefundable admission fee to the sponsor of the rally.

b. A person licensed as a motor vehicle dealer in another state may apply for and be issued a temporary permit under this subsection if the person meets all of the following conditions:

(1) The person presents the department with a current motor vehicle dealer license valid for the sale of used motorcycles at retail in the person's state of residence.

(2) The state in which the person is licensed as a motor vehicle dealer allows a motor vehicle dealer licensed in Iowa to be issued a permit substantially similar to the temporary permit authorized under this section.¹

(3) The person furnishes to the department a surety bond that meets the requirements of section 322.4, subsection 1, paragraph "g".

(4) The person presents any additional information the department may require.

c. Application for a temporary permit under this subsection shall be made on forms provided by the department accompanied by a fee in the amount established for a temporary permit under subsection 2, paragraph "b".

d. A sale of a motorcycle at a motorcycle rally shall not be completed and an agreement for the sale of a motorcycle shall not be signed at a motorcycle rally. All such sales shall be consummated at the motor vehicle dealer's principal place of business.

e. The department may issue a temporary permit under this subsection for a period not to exceed seven consecutive days. A motor vehicle dealer may not receive more than one temporary permit issued under this subsection in a calendar year.

Sec. 5. Section 322C.2, subsection 10, Code 2011, is amended to read as follows:

10. "*Travel trailer*" means a vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon the public streets and highways and designed to permit the vehicle to be used as a place of human habitation by one or more persons. The vehicle may be up to eight feet six inches in width and its overall length shall not exceed forty feet. "*Travel trailer*" does not include a vehicle that is so designed as to permit it to be towed exclusively by a motorcycle.

Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 4, 2012

¹ See chapter 1138, §66, 82, 83 herein