

**House File 563 - Reprinted**

HOUSE FILE 563  
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HF 482)

(COMPANION TO LSB 2328HV BY  
COMMITTEE ON TRANSPORTATION)

(As Amended and Passed by the House March 19, 2015)

**A BILL FOR**

1 An Act relating to vehicle recyclers, including the transfer  
2 of motor vehicles to vehicle recyclers and compliance  
3 with the national motor vehicle title information system,  
4 making penalties applicable, and including effective date  
5 provisions.

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

1 Section 1. Section 321.45, subsection 2, paragraph a, Code  
2 2015, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (5) The vehicle is disposed of pursuant  
4 to section 321.52, subsection 2, paragraph "b".

5 Sec. 2. Section 321.46, subsection 1, Code 2015, is amended  
6 to read as follows:

7 1. The transferee shall, within thirty calendar days after  
8 purchase or transfer, apply for and obtain from the county  
9 treasurer of the person's residence, or if a nonresident, the  
10 county treasurer of the county where the primary users of the  
11 vehicle are located or the county where all other vehicles  
12 owned by the nonresident are registered, or in the case of a  
13 mobile home or manufactured home, the county treasurer of the  
14 county where the mobile home or manufactured home is located,  
15 or if a firm, association, or corporation with vehicles in  
16 multiple counties, the transferee may apply for and obtain  
17 from the county treasurer of the county where the primary  
18 user of the vehicle is located, a new registration and a new  
19 certificate of title for the vehicle except as provided in  
20 section 321.25, 321.48, or 322G.12, or when the transferee  
21 obtains the vehicle pursuant to section 321.52, subsection  
22 2, paragraph "b". The transferee shall present with the  
23 application the certificate of title endorsed and assigned by  
24 the previous owner and shall indicate the name of the county  
25 in which the vehicle was last registered and the registration  
26 expiration date.

27 Sec. 3. Section 321.52, subsection 2, Code 2015, is amended  
28 to read as follows:

29 2. a. The purchaser or transferee of a motor vehicle  
30 subject to registration for which a certificate of title is  
31 issued which is sold for scrap or junk shall surrender the  
32 certificate of title, properly endorsed and signed by the  
33 previous owner, to the county treasurer of the county of  
34 residence of the transferee, and shall apply for a junking  
35 certificate from the county treasurer, within thirty days after

1 assignment of the certificate of title, except when the vehicle  
2 is disposed of pursuant to paragraph "b". The county treasurer  
3 shall issue to such person without fee a junking certificate.  
4 A junking certificate shall authorize the holder to possess,  
5 transport, or transfer by endorsement the ownership of the  
6 junked vehicle. A certificate of title shall not again be  
7 issued for the vehicle subsequent to the issuance of a junking  
8 certificate except as provided in subsection 3. The county  
9 treasurer shall cancel the record of the vehicle. The junking  
10 certificate shall be printed on the registration receipt form  
11 and shall be imprinted with the words "junking certificate",  
12 as prescribed by the department. A space for transfer by  
13 endorsement shall be on the junking certificate. A separate  
14 form for the notation of the transfer of component parts shall  
15 be attached to the junking certificate when the certificate is  
16 issued.

17 b. The owner of a motor vehicle subject to registration that  
18 does not have a certificate of title or a junking certificate  
19 may dispose of the vehicle to a vehicle recycler licensed under  
20 chapter 321H for scrap or junk if the vehicle is twelve model  
21 years old or older and is acquired by the vehicle recycler  
22 for reasonable consideration equaling less than one thousand  
23 dollars.

24 Sec. 4. Section 321.52, subsection 3, paragraph a, Code  
25 2015, is amended to read as follows:

26 a. When a vehicle for which a certificate of title is issued  
27 is junked or dismantled by the owner, the owner shall detach  
28 the registration plates and surrender the plates to the county  
29 treasurer, unless the plates are properly assigned to another  
30 vehicle. The owner shall also surrender the certificate of  
31 title to the county treasurer except when the vehicle is  
32 disposed of pursuant to subsection 2, paragraph "b".

33 Sec. 5. Section 321.67, Code 2015, is amended to read as  
34 follows:

35 **321.67 Certificate of title must be executed.**

1 1. No person, except as provided in sections 321.23 and  
2 321.45, and section 321.52, subsection 2, paragraph "b", shall  
3 sell or otherwise dispose of a registered vehicle or a vehicle  
4 subject to registration without delivering to the purchaser or  
5 transferee thereof a certificate of title with such assignment  
6 thereon as may be necessary to show title in the purchaser.

7 2. No person shall purchase or otherwise acquire or bring  
8 into this state a registered vehicle or a vehicle subject to  
9 registration without obtaining a certificate of title thereto  
10 except for temporary use or as provided in sections 321.23 and  
11 321.45, and section 321.52, subsection 2, paragraph "b".

12 Sec. 6. Section 321.104, subsection 4, Code 2015, is amended  
13 to read as follows:

14 4. To sell, offer for sale, or transfer a motor vehicle,  
15 trailer, or semitrailer, except as provided in section 321.47  
16 or 321.48, or section 321.52, subsection 2, paragraph "b",  
17 without obtaining a certificate of title in the name of the  
18 seller or transferor or without delivering to the purchaser  
19 or transferee a certificate of title or a manufacturer's or  
20 importer's certificate duly assigned to the purchaser or  
21 transferee as provided in this chapter.

22 Sec. 7. Section 321H.2, Code 2015, is amended by adding the  
23 following new subsection:

24 NEW SUBSECTION. 3A. *"National motor vehicle title*  
25 *information system"* means the federally mandated motor vehicle  
26 title history database maintained by the United States  
27 department of justice that links the states' motor vehicle  
28 title records, including the department's title records, and  
29 that requires the reporting of junk and salvage motor vehicles  
30 in order to ensure that states, law enforcement agencies,  
31 insurers, and consumers have access to information that enables  
32 the verification of a vehicle's history, and the accuracy and  
33 legality of a motor vehicle's title, before a purchase or title  
34 transfer occurs.

35 Sec. 8. Section 321H.4, subsection 2, paragraph a, Code

1 2015, is amended to read as follows:

2     *a.* Application for a license as an authorized vehicle  
3 recycler shall be made to the department on forms provided by  
4 the department. The application shall be accompanied by a  
5 fee of seventy dollars for a two-year period or part thereof  
6 and proof of registration with the national motor vehicle  
7 title information system. The license shall be approved or  
8 disapproved within thirty days after application for the  
9 license. A license expires on December 31 of even-numbered  
10 years. A licensee shall have the month of expiration and the  
11 month after the month of expiration to renew the license. A  
12 person who fails to renew a license by the end of this time  
13 period and desires to hold a license shall file a new license  
14 application and pay the required fee. A separate license shall  
15 be obtained for each county in which an applicant conducts  
16 operations.

17     Sec. 9. NEW SECTION. **321H.4A National motor vehicle title**  
18 **information system.**

19     1. A vehicle recycler licensed under this chapter and  
20 subject to the requirements of 28 C.F.R. §25.56 shall register  
21 with the national motor vehicle title information system.

22     2. *a.* Except as provided in paragraph "b", for any vehicle  
23 subject to registration under chapter 321 purchased by a  
24 vehicle recycler licensed under this chapter and subject to the  
25 requirements of 28 C.F.R. §25.56, the vehicle recycler shall  
26 comply with the reporting requirements of 28 C.F.R. §25.56  
27 within two business days of purchasing the vehicle. Records of  
28 the vehicle recycler's compliance shall be kept by the vehicle  
29 recycler for at least three years after the purchase of the  
30 vehicle, and shall be open for inspection by any peace officer  
31 during normal business hours. The department shall adopt rules  
32 to implement this section, including but not limited to rules  
33 requiring the submission and retention of records not required  
34 by 28 C.F.R. §25.56.

35     *b.* Paragraph "a" does not apply to a vehicle that has

1 been crushed or flattened by mechanical means in such a way  
2 that it no longer resembles the vehicle described by the  
3 certificate of title if the vehicle recycler who purchased the  
4 vehicle verifies that the seller of the vehicle has met the  
5 requirements of paragraph "a". The department shall adopt rules  
6 relating to the form of the verification, and the manner in  
7 which the verification shall be retained.

8 Sec. 10. Section 321H.5, Code 2015, is amended to read as  
9 follows:

10 **321H.5 Display of license.**

11 A license issued under the provisions of this chapter shall  
12 specify the location of the principal place of business, the  
13 location of each extension within the county of the principal  
14 place of business, and for licenses issued on or after January  
15 1, 2016, the licensee's registration number for the national  
16 motor vehicle title information system. The license shall be  
17 conspicuously displayed at the principal place of business  
18 except during periods when the license is surrendered for  
19 modifications.

20 Sec. 11. Section 321H.6, unnumbered paragraph 1, Code 2015,  
21 is amended to read as follows:

22 The license of a person issued under the provisions of  
23 this chapter may be denied, revoked, or suspended, and an  
24 application for a license under this chapter may be denied, if  
25 the department finds any of the following:

26 Sec. 12. Section 321H.6, Code 2015, is amended by adding the  
27 following new subsection:

28 NEW SUBSECTION. 7. The licensee has failed to comply with  
29 section 321H.4A or 28 C.F.R. §25.56.

30 Sec. 13. Section 321H.8, subsection 1, Code 2015, is amended  
31 to read as follows:

32 1. a. Except as provided in paragraph "b", a person  
33 convicted of violating a provision of this chapter is guilty of  
34 a serious misdemeanor.

35 b. A person convicted of violating section 321H.4A is guilty

1 of a simple misdemeanor punishable by a fine of not less than  
2 two hundred fifty dollars nor more than one thousand five  
3 hundred dollars or by imprisonment not to exceed thirty days.

4 Sec. 14. EFFECTIVE DATE. This Act takes effect January 1,  
5 2016.