

CHAPTER 321H

VEHICLE RECYCLERS

Referred to in §307.27, 321.52, 321.69, 321.89, 322C.6

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321H.1 Administration.

The administration of [this chapter](#) shall be vested in the director of transportation. The department may employ such employees as are necessary for the administration of [this chapter](#), within applicable budget limitations.

[C79, 81, §321H.1]

[2015 Acts, ch 29, §114](#)

321H.2 Definitions.

As used in [this chapter](#) and unless a different meaning appears from the context:

1. “*Authorized vehicle recycler*” means a person licensed to operate as a vehicle rebuilder, used vehicle parts dealer or vehicle salvager.

2. “*Department*” means the state department of transportation.

3. “*Extension*” means a place of business of an authorized vehicle recycler other than the principal place of business within the county of the principal place of business.

4. “*National motor vehicle title information system*” means the federally mandated motor vehicle title history database established pursuant to 49 U.S.C. §30502 and maintained by the United States department of justice that links the states’ motor vehicle title records, including the department’s title records, and that requires the reporting of junk and salvage motor vehicles in order to ensure that states, law enforcement agencies, insurers, and consumers have access to information that enables the verification of a vehicle’s history, and the accuracy and legality of a motor vehicle’s title, before a purchase or title transfer occurs.

5. “*Person*” includes any individual, firm, corporation, partnership, joint adventure, or association, and the plural as well as the singular number.

6. “*Selling*” includes bartering, exchanging, or otherwise dealing in.

7. “*Used vehicle parts dealer*” means a person engaged in, or advertising as being engaged in, the business of selling bodies, parts of bodies, frames, or component parts of used vehicles subject to registration.

8. “*Vehicle*” means any vehicle as defined in [chapter 321](#).

9. “*Vehicle rebuilder*” means a person engaged in, or advertising as being engaged in, the business of rebuilding or restoring to operating condition vehicles subject to registration which have been damaged or wrecked.

10. “*Vehicle salvager*” means a person engaged in, or advertising as being engaged in, the business of scrapping, recycling, dismantling, or storing wrecked or damaged vehicles or selling reusable parts of vehicles or storing vehicles not currently registered which vehicles are vehicles subject to registration.

11. “*Vehicle subject to registration*” means any vehicle that is of a type required to be registered under [chapter 321](#) when operated on a public highway, including but not limited to a vehicle that is inoperable, salvage, or rebuilt.

12. “*Wrecked or salvage vehicle*” means a damaged vehicle for which the cost of repair exceeds fifty percent of the fair market value of the vehicle before it became damaged.

[C79, 81, §321H.2]

[97 Acts, ch 108, §32](#); [2008 Acts, ch 1032, §106](#); [2009 Acts, ch 130, §29, 30](#); [2014 Acts, ch 1027, §2](#); [2015 Acts, ch 52, §7, 14](#); [2016 Acts, ch 1073, §105](#)

321H.3 Prohibitions.

Except for educational institutions; persons licensed as new vehicle dealers under [chapter 322](#); persons engaged in a hobby not for profit; persons engaged in the business of purchasing bodies, parts of bodies, frames, or component parts of vehicles only for sale as scrap metal; insurance companies governed by [chapter 515](#); county mutual insurance associations governed by [chapter 518](#); state mutual insurance associations governed by [chapter 518A](#); or persons licensed under the provisions of [this chapter](#) as authorized vehicle recyclers, a person in this state shall not engage in, or advertise as being engaged in, the business of any of the following:

1. Selling or offering for sale used bodies, parts of bodies, frames, or component parts of more than six used vehicles subject to registration in a twelve-month period.
2. Dismantling, scrapping, recycling, or salvaging more than six vehicles subject to registration in a twelve-month period.
3. Rebuilding or restoring for sale more than six wrecked or salvage vehicles subject to registration in a twelve-month period.
4. Storing more than six vehicles not currently registered or storing damaged vehicles except where such storing of damaged vehicles is incidental to the primary purpose of the repair of vehicles for others.

[C79, 81, §321H.3]

[88 Acts, ch 1089, §8](#); [97 Acts, ch 108, §33](#); [2009 Acts, ch 130, §31](#); [2009 Acts, ch 179, §74](#); [2010 Acts, ch 1035, §3](#); [2014 Acts, ch 1027, §3](#)

321H.4 License application and fees.

1. Upon application and payment of a fee, a person may apply for a license to operate as an authorized vehicle recycler to engage in the business as one or more of the following:

- a. A vehicle rebuilder.
- b. A used vehicle parts dealer.
- c. A vehicle salvager.

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

b. The applicant shall specify which business or businesses, as enumerated in [subsection 1](#), the applicant is applying for a license to engage in. An applicant shall have or demonstrate that the applicant will have the facilities and equipment necessary to engage in the business or businesses for which the applicant is applying for a license. The license shall specify which business or businesses the applicant has been authorized to engage in.

3. Each licensee shall file with the department a supplemental statement form when the licensee's principal place of business, an extension, or the operation of business in the county is changed to differ from the information contained on the initial license application form at least ten days prior to any operational change. The department shall notify each licensee of the approval of a change in license status. If a change in license status is approved by the department, the licensee shall surrender the old license to the department together with a thirty-five dollar fee. The department shall issue a new license modified to reflect the principal place of business, each extension, and the operations of the licensee.

[C79, 81, §321H.4]

[92 Acts, ch 1104, §5](#); [92 Acts, ch 1175, §10](#); [2000 Acts, ch 1016, §19](#); [2006 Acts, ch 1068, §46, 57](#); [2009 Acts, ch 130, §32](#); [2015 Acts, ch 52, §8, 14](#)

Referred to in [§455D.11](#)

321H.4A National motor vehicle title information system.

1. A vehicle recycler licensed under [this chapter](#) and subject to the requirements of [28 C.F.R. §25.56](#) shall register with the national motor vehicle title information system.

2. *a.* Except as provided in paragraph “*b*”, for any vehicle subject to registration under [chapter 321](#) purchased by a vehicle recycler licensed under [this chapter](#) and subject to the requirements of [28 C.F.R. §25.56](#), the vehicle recycler shall comply with the reporting requirements of [28 C.F.R. §25.56](#) within two business days of purchasing the vehicle. Records of the vehicle recycler’s compliance shall be kept by the vehicle recycler for at least three years after the purchase of the vehicle, and shall be open for inspection by any peace officer during normal business hours. The department shall adopt rules to implement [this section](#), including but not limited to rules requiring the submission and retention of records not required by [28 C.F.R. §25.56](#).

b. Paragraph “*a*” does not apply to a vehicle that has been crushed or flattened by mechanical means in such a way that it no longer resembles the vehicle described by the certificate of title if the vehicle recycler who purchased the vehicle verifies that the seller of the vehicle has met the requirements of paragraph “*a*”. The department shall adopt rules relating to the form of the verification, and the manner in which the verification shall be retained.

[2015 Acts, ch 52, §9, 14](#)

Referred to in [§321H.6](#), [321H.8](#)

321H.5 Contents and display of license.

A license issued under the provisions of [this chapter](#) shall specify the location of the principal place of business, the location of each extension within the county of the principal place of business, and for licenses issued on or after January 1, 2016, the licensee’s registration number for the national motor vehicle title information system. The license shall be conspicuously displayed at the principal place of business except during periods when the license is surrendered for modifications.

[C79, 81, §321H.5]

[2015 Acts, ch 52, §10, 14](#)

321H.6 Denial, suspension, or revocation of license.

The license of a person issued under the provisions of [this chapter](#) may be denied, revoked, or suspended, and an application for a license under [this chapter](#) may be denied, if the department finds any of the following:

1. The licensee has violated any provision of [this chapter](#).
2. The licensee has made any material misrepresentation to the department in connection with an application for a license, junking certificate, salvage certificate, certificate of title, or registration of a vehicle.
3. The licensee has been convicted of a fraudulent practice or any indictable offense in connection with selling or other activity relating to vehicles, in this state or any other state, or has been convicted of three or more violations of [section 321.92, subsection 2](#), or [section 321.99](#).
4. The licensee has failed to maintain an established principal place of business in the county without notification to the department.
5. The licensee has had a license issued under the provisions of [this chapter](#) denied, suspended, or revoked within the previous three years.
6. The licensee has been determined in a final judgment of a court of competent jurisdiction to have violated [section 714.16](#) in connection with selling or other activity relating to vehicles.
7. The licensee has failed to comply with [section 321H.4A](#) or [28 C.F.R. §25.56](#).

[C79, 81, §321H.6]

[2009 Acts, ch 130, §33](#); [2010 Acts, ch 1035, §4, 5](#); [2015 Acts, ch 52, §11, 12, 14](#)

Fraudulent practices, [§714.8 – 714.14](#)

321H.7 Fees.

All fees of whatever character accruing from the administration of [this chapter](#) shall be accounted for and paid by the department into the state treasury monthly and shall be credited to the road use tax fund.

[C79, 81, §321H.7]

321H.8 Penalties.

1. *a.* Except as provided in paragraph “*b*”, a person convicted of violating a provision of [this chapter](#) is guilty of a serious misdemeanor.

b. A person convicted of violating [section 321H.4A](#) is guilty of a simple misdemeanor punishable by a fine of not less than two hundred fifty dollars nor more than one thousand five hundred dollars or by imprisonment not to exceed thirty days.

2. A person who has been convicted of a fraudulent practice, has been convicted of three or more violations of [section 321.92, subsection 2](#), or [section 321.99](#), or has been convicted of any indictable offense in connection with selling or other activity relating to vehicles, in this state or any other state, shall not for a period of five years from the date of conviction be an owner, salesperson, employee, officer of a corporation, or representative of an authorized vehicle recycler or represent themselves as an owner, salesperson, employee, officer of a corporation, or representative of an authorized vehicle recycler.

[C81, §321H.8]

[97 Acts, ch 108, §34; 2009 Acts, ch 130, §34; 2010 Acts, ch 1035, §6; 2015 Acts, ch 52, §13, 14](#)

Fraudulent practices, [§714.8 – 714.14](#)