



BILL and Amendment SUMMARY

Motor Vehicle Dealers SF 2228

Status of Bill: House Calendar
Committee: Transportation (19-0)
Lead Democrats: Rep Jacoby
Floor Manager: Rep Landon
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Background

The Iowa Department of Transportation (DOT) currently allows but does not require use of a program allowing for the electronic submission of applications and transfer of funds electronically. There are currently 10 states that limit the amount a dealer can charge for a documentation or “doc” fee. Iowa does not currently have a limit, and averages around \$135 for a doc fee. Florida has the highest average, at \$675. In order to get a license to sell motor vehicles in Iowa, a person must submit a surety bond of \$50,000.

Summary

Electronic Filing

Requires the DOT to develop and implement a plan for the submission of electronic applications, titling, registering, and transfer by January 1, 2018. If the program is not implemented a person who needs to register their vehicle can go to the county treasurer office or a contiguous county treasurer office to register their vehicle.

Surety Bond

Raises the surety bond amount from \$50,000 to \$75,000.

Document Fees

Limits the amount a dealer can charge for a document fee to \$180. The dealer must also provide a notice that states a document fee is not an official fee or required by law. A dealer must also include the fee in the price of the vehicle and disclose the full amount of the fee in a vehicle advertised by the dealer.

Amendment Summary

H-8126 by the Committee on Transportation

Clarifies that the notice for document fees is also included in cash sales and not just installment agreements

H-8146 by Landon

This amendment is the language from SF 2247, which was referred back to committee. The amendment includes language that adds advertising as being engaged in the business of selling, acquiring, exchanging, holding, offering, displaying, brokering, accepting on consignment, or conducting a retail auction of motor vehicles. The amendment prevents a licensed dealer or wholesaler from allowing someone else to use their license to be engaged in the business of selling motor vehicles, three or more violations of this provision includes 5 year ban on being engaged in the business of selling motor vehicles, including being an employee of a dealership.