

February 14, 1951.
Motor Vehicles, Commerce
and Trade.

House File 413
By WALTER of Hardin, BROOKINGS,
SCHWENGEL and OBERMAN.

Passed House, Date

Vote: Ayes..... Nays.....

Passed Senate, Date

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act relating to motor vehicles, the ownership thereof and other interests therein, and to provide for the issuance of certificates of title therefor upon payment of certain fees, and to prescribe penalties for violations of this act.

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

1 Section 1. Definitions. The following words and phrases
2 when used in this act shall, for the purpose of this act,
3 have the meanings respectively ascribed to them in this
4 section:

5 1. "Commissioner" means the commissioner of public
6 safety of the state.

7 2. "Department" means the state department of public
8 safety.

9 3. "Motor vehicle" means every vehicle which is
10 self-propelled, except farm tractors, implements of
11 husbandry and special mobile equipment as defined in
12 Chapter 321, Code 1946, and excepting also vehicles used
13 exclusively upon stationary rails or tracks and vehicles
14 known as trackless trolleys which are propelled by

15 electric power but not operated upon rails.

17 4. "New motor vehicle" means only a newly manufactured or
18 newly assembled motor vehicle which has not been previously
19 registered in any state or foreign country.

20 5. "Used motor vehicle" means every motor vehicle other
21 than a "new motor vehicle."

22 6. "Manufacturer's certificate of origin" means the
23 original written instrument or document required to be executed
24 and delivered by the manufacturer to his distributor or a dealer,
25 or to a person purchasing direct from the manufacturer, certifying
26 the origin of the motor vehicle.

27 7. "Certificate of title" means the document issued in
28 conformance with this act, certifying ownership of a motor
29 vehicle other than a manufacturer's certificate of origin.

30 8. "Assignment" means the execution of a prescribed form
31 transferring ownership of a motor vehicle from the person named
32 therein to the purchaser.

33 9. "Contract" means a conditional sales agreement, bailment,
34 lease, chattel mortgage, trust receipt or any other form of
35 security or agreement, wherein and whereby possession of a motor
36 vehicle is delivered to the buyer and title therein is to vest in
37 the buyer at a subsequent time upon the payment of part or all
38 of the price, or upon the performance of any other condition or
39 happening of any contingency, or upon the payment of a sum
40 substantially equivalent to the value of the motor vehicle, by
41 which contract it is agreed that the buyer is bound to become,

42 or has the option of becoming, the owner of the motor vehicle
43 upon full compliance with the terms of the contract.

44 10. "Title papers" means any instrument or document that
45 evidences ownership of a motor vehicle.

46 11. "Owner" means a person who holds the legal title of
47 a motor vehicle, or in the event a motor vehicle is the subject
48 of an agreement for the conditional sale or lease thereof with
49 the right of purchase upon performance of the conditions stated
50 in the agreement and with an immediate right of possession vested
51 in the conditional vendee or lessee, or in the event a
52 mortgagor of a vehicle is entitled to possession, then such
53 conditional vendee or lessee or mortgagor shall be deemed the
54 owner for the purposes of this act.

55 12. "Manufacturer" means every person who originally
56 manufactured or assembled the motor vehicle.

57 13. "Dealer" means every person engaged in the business of
58 buying, selling, exchanging, or otherwise dealing in new or used
59 motor vehicles, who has an established place of business for
60 such purpose in this state, and is licensed in this state in
61 accordance with the provisions of Chapter 322, Code 1946.

62 14. "Person" means every natural person, firm, copartnership,
63 association, joint adventure, corporation, company, receiver,
64 trustee, assignee, executor, administrator, sheriff, constable,
65 marshal, or other person in a representative or official
66 capacity, and members, officers, agents, employees, or other
67 representatives of those hereinbefore enumerated.

68 15. "Buyer" means any purchaser, conditional vendee, lessee,
69 bailee, transferee, chattel mortgage, or any person buying,
70 attempting to buy, or receiving a motor vehicle under conditional
71 sales contract, lease, bailment, transfer agreement, chattel
72 mortgage, trust receipt or any other form of security or
73 possession agreement, or legal successor in interest.

74 16. "Seller" means a manufacturer, dealer, lessor, bailor,
75 transferor, conditional vendor, chattel mortgagor, or any person
76 selling, attempting to sell, exchanging, or delivering a motor
77 vehicle, under a conditional sales contract, lease, bailment,
78 transfer agreement, chattel mortgage, trust receipt or other form
79 of security or possession agreement or legal successor in interest.

80 17. "Sell" or "sale" or "purchase" or any form thereof means
81 absolute or voluntary sales and purchases, agreements to sell and
82 purchase, bailments, chattel mortgages, leases, trust receipts,
83 and other forms of security agreement whereby any motor vehicles
84 are sold and purchased, or agree to be sold and purchased,
85 involuntary, statutory, and judicial sales, inheritance, devise
86 or bequest, gift or any other form or manner of sale or agreement
87 of sale thereof, or the giving or transferring possession of a
88 motor vehicle to a person for a permanent use.

89 18. "Purchaser" means a person who takes possession of a
90 motor vehicle by transfer of ownership, either for use or resale,
91 except a dealer when he takes possession through a manufacturer's
92 certificate of origin.

93 19. "Manufacturer's numbers" means the original manufacturer's

94 factory number, serial number, or other distinguishing identifi-
95 cation number affixed or attached to, or imprinted upon, the body
96 or chassis, or either or both of them, of a motor vehicle, and
97 the original manufacturer's number affixed to, or imprinted upon,
98 the engine or motor of a motor vehicle.

1 Sec. 2. Commissioner to administer Act. The commissioner
2 shall administer and enforce the provisions of this act and make
3 rules and regulations necessary for its administration and
4 enforcement.

1 Sec. 3. Title papers for each motor vehicle. Every person
2 shall have for each motor vehicle in his possession in this state
3 and shall at all times carry in such motor vehicle (a) a
4 non-negotiable copy of the certificate of title therefor issued
5 in conformity with this act, and (b) the certificate of
6 registration for the motor vehicle if it is registered by the
7 department and a certificate of registration has been issued
8 therefor. He shall produce the non-negotiable copy of the
9 certificate of title, and the certificate of registration, upon
10 demand by the commissioner or a peace officer or authorized
11 employee of the department. If he fails to do so, the commissioner
12 or such officer may seize and take possession of the motor vehicle
13 and hold and dispose of it in the manner provided for in section
14 22 of this act.

15 If a motor vehicle is registered in another state or a
16 foreign country and is being used or operated in this state, the
17 person in possession of it or using or operating it in this state

18 must be entitled to ownership or possession according to the laws
19 of the state or foreign country where it is registered, and shall
20 produce to the commissioner or any peace officer or authorized
21 employee of the department documents showing title to, or right
22 of possession in, the motor vehicle in that person or in the
23 person who has authorized him to use and operate it, or certificate
24 of registration or other evidence of registration, besides
25 registration plates, issued by the state or foreign country or
26 department thereof to that person, or to the person who has
27 authorized him to use and operate the motor vehicle, evidencing
28 the registration of the motor vehicle in that state or foreign
29 country.

1 Sec. 4. Certificate of title required before registration
2 of vehicle. Neither the department nor any county treasurer shall
3 after the effective date of this act initially register or renew
4 the registration of any motor vehicle, unless and until the
5 owner thereof shall make application for and be granted an
6 official certificate of title for such vehicle or present
7 satisfactory evidence that a certificate of title for such
8 vehicle has been previously issued to such owner in accordance
9 with the provisions of this act.

1 Sec. 5. Manufacturer's certificate of origin. When a new
2 motor vehicle is sold or delivered in this state by the
3 manufacturer to his distributor or to a dealer, or to a person
4 purchasing directly from the manufacturer, the manufacturer
5 shall execute and deliver to his distributor or to the dealer,

6 or to the person purchasing directly from the manufacturer, a
7 manufacturer's certificate of origin in the form prescribed by
8 the commissioner. The manufacturer's certificate of origin
9 shall contain the manufacturer's numbers of the vehicle
10 delivered, the name of the manufacturer, the horse power, and a
11 description of the make, style, year and model of the motor
12 vehicle. When a new motor vehicle is sold in this state, the
13 manufacturer, his distributor or a dealer shall execute and
14 deliver an assignment of the manufacturer's certificate of
15 origin, which assignment shall contain a full statement under
16 oath of all liens and encumbrances, if any, on such motor vehicle
17 listed in the order of their priority.

1 Sec. 6. Certificate of title required. No person, except
2 as provided in sec. 5 of this act, shall hereafter sell or
3 otherwise dispose of a motor vehicle without delivery to the
4 purchaser or transferee thereof a certificate of title with such
5 assignment thereon as may be necessary to show title in the
6 purchaser or transferee, nor purchase or otherwise acquire or
7 bring into this state, except for temporary use, a motor vehicle
8 unless he shall obtain a certificate of title or a manufacturer's
9 certificate of origin for the same in his name in accordance with
10 the provisions of this act.

1 Sec. 7. Certificate of title evidence of ownership. No
2 person, except as provided in section 12 of this act, acquiring
3 a motor vehicle from the owner thereof, whether such owner be a
4 manufacturer, dealer or otherwise, shall acquire any right, title,

5 claim or interest in or to such motor vehicle until he shall have
6 had issued to him a certificate of title to such motor vehicle,
7 or delivered to him a manufacturer's certificate of origin for
8 the same; nor shall any waiver or estoppel operate in favor of
9 such person against a person having possession of such certificate
10 of title or a manufacturer's certificate of origin for such motor
11 vehicle for a valuable consideration. No court in any case at
12 law or in equity shall recognize the right, title, claim or
13 interest of any person in or to any motor vehicle sold or disposed
14 of, or mortgaged or encumbered, unless evidenced by a certificate
15 of title or a manufacturer's certificate of origin duly issued, in
16 accordance with the provisions of this act.

1 Sec. 8. Application for certificate of title; duties of
2 county treasurer. Application for a certificate of title
3 shall be made upon a form prescribed by the commissioner, and
4 shall be sworn to before a notary public or other officer
5 empowered to administer oaths. Such application shall be filed
6 with the county treasurer of the county in which the applicant
7 resides if the applicant is a resident of this state, or if not
8 such a resident, in the county in which the transaction is
9 consummated, and shall be accompanied by the fee prescribed in
10 this act. If a certificate of title has not previously been
11 issued for such motor vehicle in this state, the application,
12 unless otherwise provided for in this act, shall be accompanied
13 by (a) a manufacturer's certificate of origin as provided for
14 in this act, or (b) a certificate of title or other evidence of

15 ownership required by the law of another state from which such
16 motor vehicle was brought into this state, or (c) an affidavit
17 of ownership by the applicant or his legal representative or
18 agent wherein said applicant states under oath that he is the
19 owner and has the present possession of the described motor
20 vehicle for which a certificate of title is applied for and that
21 such motor vehicle was either registered in this state during
22 the registration year immediately preceding the effective date
23 of this act or, being previously registered in this state, was
24 in storage in this state continuously as an unregistered motor
25 vehicle during such preceding registration year; the form of
26 such affidavit of ownership shall be prescribed by the
27 commissioner, but shall, in addition to such other information
28 as he may require, contain a full statement of all liens,
29 mortgages and encumbrances, if any, on such motor vehicle listed
30 in the order of their priority. The county treasurer shall
31 retain the evidence of title presented by the applicant and on
32 which the certificate of title is issued. The county treasurer
33 shall use reasonable diligence in ascertaining whether or not
34 the facts in such application are true by checking the application
35 and documents accompanying the same with the motor vehicle records
36 of his office, and if satisfied that the applicant is the owner of
37 such motor vehicle and the application is in proper form the
38 county treasurer shall issue a certificate of title over his
39 signature and official seal, but not otherwise. In the case of
40 the sale of a motor vehicle by a dealer to a general purchaser

41 or user, the certificate of title shall be obtained in the name
42 of the purchaser by the dealer upon application signed by the
43 purchaser, and in all other cases the certificate of title shall
44 be obtained by the purchaser; provided, however, when the
45 transferee of a motor vehicle is a dealer who acquires and holds
46 such motor vehicle for resale and operates the same only for
47 purposes incident to a resale and displays thereon the registration
48 plates issued for such motor vehicle, he shall not be required
49 to apply for and obtain a certificate of title for such motor
50 vehicle, but upon transfer of his title or interest in or to such
51 motor vehicle to another person, he shall execute and acknowledge
52 a reassignment of the certificate of title or manufacturer's
53 certificate of origin on such motor vehicle and deliver the same
54 to the person to whom such transfer is made.

1 Sec. 9. Execution of certificate of title; to be in
2 quintuplicate; where filed; copy to lienholder. The county
3 treasurer shall issue the certificate of title in quintuplicate.
4 All certificates of title shall be typewritten or printed by
5 other mechanical machines. Four copies of such certificate of
6 title shall have printed or stamped on the face thereof
7 "non-negotiable"; one such copy shall be retained by the county
8 treasurer in his office, two such copies shall be transmitted,
9 postage prepaid, on that date to the department of public safety,
10 and the remaining such copy shall be delivered to the applicant.
11 The county treasurer shall sign and affix his official seal to
12 the original certificate of title and, if there are no liens on

13 said motor vehicle, shall deliver the certificate to the
14 applicant. If there are one or more liens on said motor vehicle,
15 the certificate of title shall be delivered or mailed on the date
16 of issuance to the holder of the first lien. For the purposes
17 of this act, all liens, mortgages and encumbrances noted upon a
18 certificate of title shall take priority according to the order
19 in time in which the same are noted thereon by the county
20 treasurer. Such certificate of title shall be good for the life
21 of the motor vehicle so long as the same is owned or held by the
22 original holder of such certificate. The department shall
23 prescribe a uniform method of numbering certificates of title in
24 such a manner that the county of issuance shall be indicated,
25 and the county treasurer shall assign numbers to certificates of
26 title in the manner prescribed by the department. The county
27 treasurer shall file all certificates of title and other
28 instruments or documents pertaining to the issuance of such
29 certificates of title in accordance with regulations to be
30 prescribed by the department and shall maintain in his
31 office indexes for such certificates of title; provided,
32 however, that the county treasurer shall not be required
33 to retain on file any instruments or documents pertaining
34 to the issuance of such certificates for a period of longer
35 than seven (7) years after the date of filing thereof with
36 him, but may thereafter destroy the same.

1 Sec. 10. Fees; amount; disposition. The county
2 treasurer of the various counties shall charge a fee of

3 fifty cents (50c) for each certificate of title, and a fee
4 of fifty cents (50c) for each notation of any lien on a
5 certificate of title, which charge or charges shall be in
6 addition to the fees provided by law for the registration
7 of such motor vehicle. In addition to all other fees imposed
8 by law for the issuance of a certificate of title, the
9 various county treasurers are hereby authorized and required
10 to collect a delinquency fee of five dollars (\$5.00) where
11 the application for an original certificate of title or a
12 transfer thereof by assignment is not made within five days,
13 Sundays and holidays excepted, after a motor vehicle is
14 purchased or otherwise acquired. The various county
15 treasurers shall issue certificates of title without requiring
16 the payment of any fees for such issuance when the purchaser
17 is the United States, a department of the United States
18 Government, this state or any political subdivision of this
19 state or any municipality therein. The county treasurers of
20 the various counties shall retain for the purpose of defraying
21 the expenses of administering this act, twenty-five cents
22 (25c) of the fifty cents (50c) charged for each certificate
23 of title and twenty-five cents (25c) of the fifty cents
24 (50c) charged for each notation of lien; any surplus of such
25 funds remaining in the hands of any county treasurer at the
26 end of any fiscal year, shall on the commissioner's order be
27 paid to the department of public safety. The remaining
28 twenty-five cents (25c) charged for the certificate of title

29 and the remaining twenty-five cents (25c) charged for the
30 notation of any lien on a certificate of title shall be paid
31 to the department and shall, together with such funds as may
32 be by it received from the various county treasurers, be
33 used by the commissioner for the cost of administering this
34 act, but any balance of such funds in excess of one hundred
35 thousand dollars remaining in the department's hands at the
36 end of any biennium shall be paid by it to the state
37 treasurer to be credited to the state primary road fund.
38 The county treasurer of each county shall on the tenth day
39 of each month report under oath to the department on forms
40 furnished by the department, giving a full and complete
41 statement of all fees so received by such county treasurer
42 during the preceding calendar month, and shall forward to the
43 treasurer of state a duplicate of such report.

1 Sec. 11. Record of certificate of title; duties of

2 commissioner and department; cancellation of certificate.

3 The commissioner shall issue such regulations as he may deem
4 necessary to insure a uniform and orderly operation of this
5 act, and the county treasurers of the various counties shall
6 conform thereto. The department shall receive and file in
7 its office such copies of certificates of title or other
8 instruments or documents forwarded to it by the county
9 treasurers under the provisions of this act, as may be
10 necessary for it to maintain and complete its records, and
11 shall maintain indexes covering the state at large for the

12 certificates and instruments so filed. Such indexes shall
13 be by motor number or other distinguishing identification
14 number and alphabetically by owner's name and shall be for
15 the state at large and not for individual counties. The
16 department shall provide and furnish the forms required by
17 this act. The department shall check with its records all
18 duplicate copies of certificates of title received in its
19 office from the various county treasurers. If it appears
20 that a certificate of title should not have been issued, the
21 department shall have the power and it shall be its duty to
22 notify the county treasurer who issued such certificate of
23 title to cancel the same, and such county treasurer shall
24 thereupon enter the cancellation upon his records. The
25 county treasurer shall notify the person to whom such
26 certificate of title was issued, as well as any lienholders
27 appearing thereon of the cancellation and shall demand the
28 surrender of such certificate of title, but said cancellation
29 shall not affect the validity of any lien noted thereon. The
30 holder of such certificate of title shall return the same to
31 the county treasurer forthwith. If a certificate of
32 registration has been issued to a holder of a certificate of
33 title so cancelled, the county treasurer shall immediately
34 cancel the same and demand the return of such certificate of
35 registration and registration plates or tags and the holder
36 of such certificate of registration and registration plates
37 or tags shall return the same to the county treasurer forthwith.

38 The department may, at its discretion, make photostat,
39 microfilm or other photographic copies of any copies of
40 certificates of title or other instruments or documents filed
41 with it under the provisions of this act. When such
42 photostat or microfilm copies have been made, the department
43 may, at its discretion, destroy such copies of certificates
44 of title or other instruments or documents in such manner as
45 prescribed by the commissioner. Such photostat, microfilm or
46 other photographic records shall be admissible in evidence
47 when duly certified and authenticated by the officer having
48 custody and control thereof.

1 Sec. 12. Liens and mortgages on motor vehicles; validity
2 thereof; notation on certificate; priority; notation of
3 cancellation; failure to deliver certificate; penalties;
4 realease. The provisions of Chapter 556, Code 1946, shall
5 never be construed to apply or to permit or require the
6 deposit, filing or other record whatsoever of a chattel
7 mortgage, conveyance intended to operate as a mortgage, trust
8 receipt conditional sales contract, or other lien or
9 encumbrance or title retention instrument, or any copy of
10 the same, made after the effective date of this act and
11 covering a motor vehicle. Any mortgage, conveyance intended
12 to operate as a mortgage, trust receipt, conditional sales
13 contract, or other lien or encumbrance or title retention
14 instrument, other than a lien dependent upon possession, if
15 such instrument is accompanied by delivery of a manufacturer's

16 certificate of origin and followed by actual and continued
17 possession of the same by the holder of such instrument, or
18 in the case of a certificate of title, if a notation of the
19 same has been made by the county treasurer on the face thereof,
20 shall be valid as against the creditors of the mortgagor,
21 whether armed with process or not, and subsequent purchasers,
22 mortgagees, and other lienholders or claimants, but otherwise
23 shall not be valid against them. All liens, mortgages and
24 encumbrances, noted upon a certificate of title, shall take
25 priority according to the order of time in which the same are
26 noted thereon by the county treasurer. Exposure of sale of
27 any motor vehicle by the owner thereof, with the knowledge or
28 with the knowledge and consent of the holder of any lien,
29 mortgage or encumbrance thereon, shall not render the same
30 void or ineffective as against the creditors of such owner, or
31 against the holders of subsequent liens, mortgages or
32 encumbrances upon such motor vehicle. The holder of a chattel
33 mortgage, trust receipt, conditional sales contract or other
34 lien or encumbrance or title retention instrument, upon
35 presentation of such instrument to the county treasurer of the
36 county where such certificate of title was issued together with
37 the certificate of title and the fee prescribed by this act,
38 may have a notation of such lien made on the face of such
39 certificate of title. The county treasurer shall enter said
40 notation and the date thereof over his signature or that of
41 his deputy and the seal of his office, and shall also note

42 such lien and the date of notation on the copy of the
43 certificate of title in his files, and on that date shall
44 notify the department which upon receipt of such notification
45 shall do likewise. The county treasurer shall also indicate
46 by appropriate notation on such instrument itself the fact
47 that such lien has been noted on the certificate of title.
48 The holder of a junior lien, duly executed in the manner
49 prescribed by law governing such lien instruments, may make
50 application to permit notation of such junior lien on the
51 certificate of title on a form prescribed by the commissioner
52 which shall be sworn to before a notary public or other officer
53 empowered to administer oaths. Such application shall be
54 forwarded by such junior lienholder to the first lienholder
55 or other person holding the certificate of title who shall,
56 within ten days after the receipt of such application, attach
57 the application to the certificate of title in his possession
58 and deliver both documents to the county treasurer who issued
59 the certificate of title. The county treasurer upon receipt
60 of the application and certificate of title, together with
61 the fee prescribed for notation of lien from the junior
62 lienholder, shall note such junior lien on the certificate of
63 title and deliver the certificate of title to the first
64 lienholder. At the same time the county treasurer shall note
65 such lien on the copy of the certificate of title in his files
66 and shall notify the junior lienholder and the owner of the
67 motor vehicle of the notation of such junior lien on the

68 certificate of title. Whenever a lien is discharged the
69 holder thereof shall execute a notarized release within
70 twenty days after payment is received, such release to contain
71 the certificate of title number, the amount of the lien and
72 the date of notation thereof. The holder shall also note a
73 cancellation of such lien on the face of the certificate of
74 title under his, her or its signature, and deliver the release
75 and certificate of title to the county treasurer, who shall
76 note the cancellation of said lien on the face of the
77 certificate of title and on the copy of the certificate of
78 title in his office. The county treasurer shall then deliver
79 the certificate of title to the then first lienholder, or,
80 if there is no such lienholder, to the owner, or as otherwise
81 directed by the owner. Such cancellation of lien shall be
82 noted on the certificate of title by the county treasurer
83 without charge. The provisions of Chapter 556, Code 1946,
84 shall continue to apply to the deposit, filing, refiling, or
85 other record whatsoever of a chattel mortgage, conveyance
86 intended to operate as a mortgage, trust receipt, conditional
87 sales contract, or other lien or encumbrance or title
88 retention instrument, or any copy of the same, made prior to
89 the effective date of this act, and covering a motor vehicle.

1 Sec. 13. Transfer of title by operation of law. In
2 the event of the transfer of ownership of a motor vehicle
3 by operation of law as upon inheritance, devise or bequest,
4 order in bankruptcy, insolvency, replevin or execution sale,

5 or whenever a motor vehicle is sold to satisfy storage or
6 repair charges, or repossession is had upon default in
7 performance of a chattel mortgage, trust receipt, conditional
8 sales contract, or other like agreement, the county treasurer
9 of the county in which the last certificate of title to such
10 motor vehicle was issued, upon the surrender of the prior
11 certificate of title or manufacturer's certificate of origin,
12 or when that is not possible, upon presentation of satisfactory
13 proof to the county treasurer of ownership and right of
14 possession to such motor vehicle and upon payment of the fee
15 prescribed in this act, and the presentation of an application
16 for certificate of title, may issue to the applicant a
17 certificate of title thereto. Only an affidavit by the person
18 or the agent or legal representative of the person to whom
19 possession of such motor vehicle has so passed, setting forth
20 the facts entitling him to such possession and ownership,
21 together with such instruments or documents of authority or
22 certified copies thereof as may be sufficient or required by
23 law to evidence or effect a transfer of title or interest in
24 or to such motor vehicle, shall be considered satisfactory
25 proof of ownership and right of possession. In the event of
26 the death of an owner of one or more motor vehicles, the
27 total value of which does not exceed \$1,000.00, who does not
28 leave other property necessitating the procuring of
29 administration or letters testamentary as by law provided, the
30 surviving husband or wife or children or next of kin in the

31 order named may make application for title after first
32 having furnished the county treasurer proper proof of the
33 death of the registered owner and having attached to such
34 application an affidavit setting forth the fact that said
35 applicant is the surviving husband or wife or child or next
36 of kin; upon the proper filing of such application, the
37 county treasurer shall issue to the applicant a certificate
38 of title. Provided, however, that in all instances where
39 title has been transferred by operation of law, if, from
40 the records in the office of the department there appears
41 to be any lien or liens on such motor vehicle, such
42 certificate of title shall contain a statement of such liens
43 unless the application is accompanied by proper evidence of
44 their satisfaction or extinction.

45 If a motor vehicle is seized, levied upon or attached
46 and taken into possession, actually or constructively, by
47 virtue of judicial process issued by a court of competent
48 jurisdiction in this state, or by virtue of a state or
49 federal statute, the officer or person so seizing and taking
50 possession of such motor vehicle shall immediately file with
51 the county treasurer of the county in which the last
52 certificate of title to such motor vehicle was issued, a
53 notice in writing giving a full description of the motor
54 vehicle, and the name and address of the person from whom
55 taken, and shall attach a copy of the process of statutory or
56 other authority to the notice.

57 A county treasurer may cancel any certificate of title
58 previously issued by him and issue a new certificate of title
59 to a dealer or any lienholder upon written verified
60 application therefor and satisfactory proof to the county
61 treasurer:

62 1. That a lien on the motor vehicle described in such
63 application has been foreclosed by the applicant and the
64 ownership thereof has been adjudicated; or

65 2. That the motor vehicle described in such application
66 has been repossessed by the applicant under the terms and
67 conditions of the instrument creating the lien.

68 If, from the records in the office of the county treasurer,
69 there appears to be a lien or liens on such motor vehicle
70 senior to that of the applicant, the new certificate of title
71 shall contain a statement showing the existence of such
72 senior lien or liens unless the application is accompanied
73 by proper evidence of their satisfaction or extinction. If,
74 from the records in the office of the county treasurer, there
75 appears to be any lien or liens on such motor vehicle junior
76 to that of the applicant, the county treasurer shall require
77 the applicant to give a notice by registered mail to such
78 junior lienholder or lienholders of such application for a
79 new certificate of title stating the amount due on applicant's
80 claim, unless a waiver of such notice by the junior lienholder
81 is filed with the county treasurer. A new certificate of title
82 shall be issued to the applicant after the expiration of

83 five days after receipt of such notice by the junior lienholder
84 or lienholders unless a junior lienholder shall have paid or
85 has tendered payment of all amounts due to the senior lien-
86 holder. In the event of such payment or tender of payment
87 by a junior lienholder, such junior lienholder shall be
88 issued a new certificate of title upon proper application
89 therefor and proof of his right thereto.

1 Sec. 14. Defective certificate of title or defective
2 title papers. If the certificate of title or title papers
3 to the motor vehicle is or are defective or improper the
4 bona fide owner of the motor vehicle or any lienholder may
5 apply to the department to correct the defects in such
6 certificate of title or to permit the title papers to be
7 received and the certificate of title to be issued thereon.

8 The department shall upon such proof as it may require
9 showing that it is just and equitable that the defects be
10 corrected or that the certificate of title or title papers
11 be received, with or without hearing, determine the truth
12 and merits of the application and whether the holder appears
13 to be a bona fide owner of the motor vehicle, or the holder
14 of a lien thereon, and may order the appropriate county
15 treasurer to issue a certificate of title correcting the
16 defects or permitting the certificate of title or title
17 papers to be received. The applicant submitting the
18 defective certificate of title or title papers shall pay to
19 the county treasurer a fee of two dollars (\$2.00) for the

20 issuance of such certificate of title, and such fees shall
21 be used by the county treasurer for administering this act,
22 provided, however, that if the defect in the original
23 certificate of title was occasioned by an error on the part
24 of such county treasurer, a corrected certificate of title
25 shall be issued without charge by the county treasurer to
26 the applicant.

27 Before such certificate of title is issued by the county
28 treasurer, the department may require the applicant to furnish
29 a good and sufficient indemnity bond in a penal sum of double
30 the value of the motor vehicle, running to the county
31 treasurer for the purpose of indemnifying any and all persons
32 who might subsequently establish legal ownership or any
33 interest in or to such motor vehicle at the time certificate
34 of title issued as compensation in full for all damages
35 sustained or suffered by reason of the issuance of the
36 certificate of title in accordance with the provisions of
37 this section.

1 Sec. 15. Lost or destroyed certificate of title; issuance
2 of duplicate. In the event any certificate of title is lost,
3 mutilated, becomes illegible or is destroyed, the owner or
4 legal representative or successor in interest of the owner of
5 such motor vehicle, or the holder of a lien thereon, shall
6 immediately make application to the county treasurer of the
7 county where such certificate of title was issued for a certified
8 copy of the certificate of title. Such application shall be

9 signed and sworn to by the person making the same. The county
10 treasurer shall, upon proper application, issue a certified
11 copy of said certificate of title to the person entitled to
12 receive the certificate of title under the provisions of this
13 act. Such certified copy and all subsequent certificates of
14 title issued in the chain of title originated by said
15 certified copy shall be plainly marked across their faces
16 “reissued copy”, and any subsequent purchaser of said motor
17 vehicle in the chain of title originating through such
18 certified copy shall acquire only such rights in such motor
19 vehicle as the original holder of said certified copy himself
20 had. Any purchaser of such motor vehicle may at the time of
21 such purchase require the seller of the same to indemnify him
22 and all subsequent purchasers of said motor vehicle against
23 any loss which he or they may suffer by reason of any claim or
24 claims presented upon the original certificate of title. In
25 the event of the recovery of the original certificate of title
26 by the owner, he shall forthwith surrender such original cer-
27 tificate of title to the county treasurer for cancellation.
28 A fee of one dollar (\$1.00), shall be paid to the county
29 treasurer for each such reissued certificate of title, and
30 such fees shall be used by the county treasurer for
31 administering this act.

1 Sec. 16. Grounds for refusal to issue certificate of
2 title. The department or the county treasurer shall refuse
3 the issuance of a certificate of title upon any of the following.

4 grounds:

- 5 1. That the application contains any false or
6 fraudulent statement or that the applicant has failed to
7 furnish the required information or reasonable additional
8 information requested by the department or the county
9 treasurer or that the applicant is not entitled to the
10 issuance of a certificate of title to the motor vehicle
11 under this act;
- 12 2. That the department or the county treasurer has
13 reasonable grounds to believe that the motor vehicle is a
14 stolen or embezzled motor vehicle or that the issuance of
15 a certificate of title would constitute a fraud against the
16 rightful owner or any other person having a valid lien upon
17 such motor vehicle;
- 18 3. That the required fee or fees have not been paid;
- 19 4. That the required sales tax or use tax on the motor
20 vehicle has not been paid.

1 Sec. 17. Surrender and cancellation of certificate of
2 title; when required. Any owner, who scraps, junks,
3 dismantles, wrecks or destroys a motor vehicle, or changes
4 such motor vehicle in such manner that it loses its character
5 as a motor vehicle or that it is not the motor vehicle described
6 in the certificate of title issued for such motor vehicle, shall
7 immediately surrender and deliver the certificate of title for
8 such motor vehicle to the county treasurer who issued the same
9 and thereupon said county treasurer shall, with the consent

10 of all holders of any liens noted thereon, enter a cancellation
11 of such certificate of title upon his records and shall
12 immediately notify the department of such cancellation.

13 Any owner who sells a motor vehicle as scrap or to be
14 dismantled, junked, or destroyed shall assign the certificate
15 of title thereto to the purchaser and shall deliver such
16 certificate so assigned to the county treasurer who issued the
17 same for cancellation. A certificate of title shall not again
18 be issued for such motor vehicle in the event it is scrapped,
19 dismantled, junked or destroyed.

20 Upon cancellation of a certificate of title in a manner
21 prescribed in this section, the county treasurer and the
22 department may remove from their files and cancel and destroy
23 all certificates of title and all copies thereof for such
24 motor vehicle.

1 Sec. 18. Cancellation of title; sale of motor vehicle
2 to non-resident of state; notice. A county treasurer upon
3 receipt of notification from another state or foreign country
4 that a certificate of title issued by him has been surrendered
5 by the owner in conformity with the laws of such other state
6 or foreign country, may cancel the record of such certificate
7 of title and remove the same from his files, and shall
8 immediately notify the department of such cancellation which
9 shall likewise remove the record of such certificate of title
10 from its files. In case a motor vehicle titled under this act
11 is sold to a non-resident of this state, the seller of such

12 motor vehicle shall notify the department of such sale within
13 five days thereafter on a form prescribed by the commissioner
14 for such purpose.

1 Sec. 19. Department authorized to suspend or revoke
2 certificate of title. The department is hereby authorized
3 to suspend or revoke the certificate of title for any motor
4 vehicle in any of the following events:

5 1. When the department is satisfied that such
6 certificate of title was fraudulently or erroneously issued;

7 2. When the motor vehicle has been dismantled, scrapped,
8 junked, wrecked or destroyed;

9 3. When the department determines that the required fees
10 for such certificate of title have not been paid and the same
11 are not paid upon reasonable notice and demand by the
12 department;

13 4. When the department determines that the owner has
14 committed any offense under this act involving the certificate
15 of title to be suspended or revoked;

16 5. When the department is so authorized under any other
17 provision of law.

1 Sec. 20. Certificate of title to be returned to the
2 department upon cancellation, suspension or revocation.

3 Whenever the department has authorized hereunder cancels,
4 suspends, or revokes a certificate of title for any motor vehicle,
5 the owner or person in possession of the same shall immediately
6 return such certificate of title so cancelled, suspended, or

7 revoked to the department.

1 Sec. 21. Seizure of documents. The commissioner or any
2 person acting under the commissioner's direction or any county
3 treasurer is hereby authorized to seize and take possession of
4 any manufacturer's certificate of origin, certificate of title
5 or other title papers to which the department or such county
6 treasurer may be entitled or which any person is under duty
7 to return to the department or such county treasurer, or which
8 may be fictitious, or which have been unlawfully or
9 erroneously issued, from any person or place in this state,
10 with all the rights, privileges and immunities conferred by
11 law on an officer executing a writ of replevin.

1 Sec. 22. Seizure of motor vehicles; notice; sale; officer's
2 fees. Whenever any motor vehicle is seized under the
3 provisions of section 3 of this act, the commissioner, peace
4 officer, or such other officer seizing and taking possession
5 of such motor vehicle shall give notice of such seizure by
6 registered mail addressed to the registered owner of such
7 motor vehicle at his last known address appearing on the
8 records of the department. Said notice shall notify such
9 owner of the fact that such motor vehicle is in the custody
10 of such officer and that the same may be recovered by him
11 by complying with the provisions of this act, within fifteen
12 days from the date of said notice. If within fifteen days
13 from the date of said notice, the owner complies with the
14 provisions of this act, the officer having said motor vehicle

15 in his custody shall deliver the same to such owner upon
16 payment by him of the costs and fees incurred incident to
17 the seizure and holding of said motor vehicle. If the
18 owner of said motor vehicle does not comply with the
19 provisions of this act within fifteen days from the date of
20 said notice, the officer having possession of said motor
21 vehicle shall advertise the same for sale in a newspaper
22 published within the county where such vehicle was seized
23 at least once each week for two consecutive weeks. Said
24 motor vehicle shall be sold at public auction to the highest
25 cash bidder and said sale must be held within one week
26 following the date of the last publication of the notice as
27 provided for herein. After deducting from the total
28 receipts of the sale the costs incident to such sale, the
29 costs incident to the seizure and holding of such motor
30 vehicle and the fees for his services, such officer shall
31 pay any balance remaining to the department and the
32 commissioner shall use the same for the purpose of
33 administering this act. The officer seizing such vehicle
34 shall be entitled to receive a fee of two dollars for such
35 seizure which shall be collected from the owner of the
36 seized motor vehicle, and on the sale of such motor vehicle
37 shall be entitled to receive, in addition to such fee, the
38 same compensation as a constable is entitled to receive for
39 the sale of property on execution.

1 Sec. 23. Appeal. Any person denied a certificate of

2 title or whose certificate has been cancelled, suspended
3 or revoked under the provisions of this act, may, within
4 ten (10) days after notice thereof, file a petition in
5 certiorari in the district court of the county of his
6 residence to determine whether such order or act is lawful
7 and reasonable. The filing of such a petition shall not
8 suspend the order or act of the department or commissioner
9 unless a stay thereof is allowed by a judge of said court
10 pending final determination of the matter. The court shall
11 hear such petition and make any appropriate order or decree.

1 Sec. 24. Commissioner to prescribe forms. The
2 commissioner shall prescribe and provide suitable forms of
3 application, manufacturer's certificate of origin, certificates
4 of title, and all other forms requisite or deemed necessary
5 to carry out the provisions of this act.

1 Sec. 25. Appointment of manufacturer's agent.
2 Manufacturers shall appoint and authorize agents whose duty
3 it shall be to sign manufacturers' certificates of origin.
4 The department shall have the power to require that a
5 certified copy of a list containing the names and the
6 facsimile signatures of the duly authorized agents be furnished
7 to it and to be forwarded to each county treasurer in the
8 respective counties within the state and may prescribe the
9 form of authorization to be used by manufacturers and the
10 method of certification of the names of said agents.

1 Sec. 26. Alteration or forgery of certificates; holding

2 and using same; penalties. Any person who shall falsely make,
3 alter, forge or counterfeit, or cause to be falsely made,
4 altered, forged or counterfeited, any certificate of title or
5 manufacturer's certificate of origin, to a motor vehicle
6 issued pursuant to the provisions of this act, or any
7 assignment upon or of such certificate of title or
8 manufacturer's certificate of origin, or any cancellation of
9 any lien or liens on a motor vehicle, or who holds or uses
10 such certificate of title, manufacturer's certificate of
11 origin, assignment, or cancellation of lien or liens knowing
12 the same to have been falsely made, altered, forged or
13 counterfeited, shall be deemed guilty of a felony, and upon
14 conviction thereof shall be imprisoned in the penitentiary
15 not more than ten years or be fined not exceeding one thousand
16 dollars and imprisoned in the county jail not exceeding one
17 year for each offense

1 Sec. 27. Passing title of stolen cars; penalty. Any
2 person who shall procure or attempt to procure a certificate
3 of title to a motor vehicle, or who passes or attempts to
4 pass a certificate of title or any assignment thereof to a
5 motor vehicle, knowing or having reason to believe that such
6 motor vehicle has been stolen, shall be deemed guilty of a
7 felony, and upon conviction thereof shall be imprisoned in
8 the penitentiary not more than ten years or be fined not
9 exceeding one thousand dollars or imprisoned in the county
10 jail not exceeding one year for each offense.

1 Sec. 28. False statements. Any person who fraudulently
2 uses a false or fictitious name or gives a false or fictitious
3 address in any application for a certificate of title herein
4 provided for or in any assignment thereof, or knowingly makes
5 a false statement or knowingly conceals a material fact or
6 otherwise commits a fraud in any such application for a
7 certificate of title, assignment of certificate of title,
8 affidavit of ownership and possession, or any other
9 affidavit required under the provisions of this act, shall
10 be fined not exceeding one thousand dollars, or be
11 imprisoned in the county jail for not more than one year,
12 or both, for each offense.

1 Sec. 29. Operating motor vehicle without certificate
2 of title; penalty. Any person who shall after July 1, 1950,
3 except as otherwise provided for in this act, operate in
4 this state a motor vehicle for which a certificate of title
5 is required without having such certificate of title in
6 accordance with the provisions of this act, or upon which
7 the certificate of title has been cancelled, suspended or
8 revoked, or who shall knowingly permit any such motor vehicle
9 to be operated in this state by another, shall be fined not
10 exceeding five hundred dollars or be imprisoned in the
11 county jail for not more than six months, or both.

1 Sec. 30. Other violations; penalties. If a person:

2 1. Sells, transfers, or purports to sell or transfer
3 a motor vehicle without delivering to the purchaser or

4 transferee thereof a certificate of title or a manufacturer's
5 certificate of title or a manufacturer's certificate of
6 origin, to such motor vehicle duly assigned to such purchaser
7 as provided for in this act; or

8 2. Except as otherwise provided for in this act,
9 being a dealer or acting on behalf of a dealer shall acquire,
10 purchase, hold or display for sale a motor vehicle without
11 having obtained a manufacturer's certificate of origin or a
12 certificate of title therefor as provided for in this act; or

13 3. Fails to surrender any certificate of title upon
14 cancellation, suspension, or revocation by the department
15 and notice thereof as prescribed in this act; or

16 4. Fails to surrender any certificate of title upon
17 cancellation by a county treasurer and notice thereof as
18 prescribed in this act; or

19 5. Fails to surrender any certificate of title to the
20 county treasurer as provided for in this act in case of the
21 scrapping, junking, dismantling, wrecking, destruction or
22 change of motor vehicle in such respect that it is not the
23 motor vehicle described in the certificate of title; or

24 6. Being the holder of a certificate of title, wilfully
25 fails or refuses to deliver such certificate of title to the
26 appropriate county treasurer for the purpose of showing a
27 junior lien on such certificate of title; or

28 7. Knowingly permits the use of a certificate of title
29 in any manner by another not entitled thereto, except as

30 provided for in this act; or

31 8. Violates any of the provisions of this act or any
32 lawful rules and regulations promulgated by the commissioner
33 pursuant to the provisions of this act for which no penalty
34 is otherwise provided—shall upon conviction thereof be
35 punished by a fine of not exceeding five hundred dollars or
36 by imprisonment for not more than ninety days, or both, for
37 each offense.

1 Sec. 31. Penalties to be in addition to those imposed
2 by other statutes. The provisions of sections 26, 27, 28,
3 29 and 30 of this act shall supplement and be in addition to
4 any and all other penalties prescribed or imposed by law for
5 forgery, frauds, false statements, or theft or unauthorized
6 taking or use of any motor vehicle.

1 Sec. 32. Constitutionality. If any part or parts of
2 this act shall be held to be unconstitutional, such
3 unconstitutionality shall not affect the validity of the
4 remaining parts of this act. The legislature hereby declares
5 that it would have passed the remaining parts of this act
6 if it had known that such part or parts thereof would be
7 declared unconstitutional.

1 Sec. 33. Title of act. This act may be cited as the
2 motor vehicle certificate of title act.

1 Sec. 34. Effective date of act. This act shall be
2 in full force and effect from and after January 1, 1950.

EXPLANATION OF H. F. 413

A certificate of title law provides a method of transferring ownership of a particular kind of personal property and requires that certain conditions be met upon the sale of a motor vehicle.

The purpose of such a statute is:

1. To lessen and prevent theft of motor vehicles and the importation into this state of stolen vehicles by discouraging the sale of and hindering the facility with which such stolen motor vehicles are now transferred into innocent hands;

2. To furnish a simple method of identifying a particular motor vehicle and the true owner thereof, thus affording a person dealing with the possession of a motor vehicle a means of determining whether such possession is lawful and preventing the sale of a motor vehicle to an innocent purchaser by one having no legal title thereto;

3. To provide a purchaser with clear documentary evidence of title to a motor vehicle and a legal basis for ownership thereof by preventing the same of encumbered motor vehicles without the disclosure of existing liens;

4. To prevent misrepresentation and fraud in the securing of loans on motor vehicles by furnishing lenders sufficient information to enable them to operate with safety in making and discounting loans.

5. It will facilitate the transfer of registration in other states of a vehicle previously registered in Iowa by an Iowa owner. Thirty-one states and the District of Columbia today have motor vehicle certificate of title laws, and several of the remaining states are contemplating the early passage of such legislation. Our adjoining states of South Dakota, Nebraska, Missouri, Illinois and Wisconsin, all have certificate of title acts.

In drafting the submitted proposal for a motor vehicle certificate of title act for Iowa the provisions of the uniform vehicle code have been considered along with the best features found in the present title laws of the several states. Under the forms of the proposed bill a certificate of title must be obtained for every self-propelled vehicle, except tractors, implements of husbandry, special mobile equipment, vehicles used exclusively upon stationery rails or tracks and trackless trolleys. Commercial trailers, farm trailers and house trailers are not covered by the provisions of the proposed act.