

FILED MAR 06 2006

SENATE FILE 2337

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 3234)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing prelicensing and continuing education
2 requirements for used motor vehicle dealers.

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

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

SE 2337

1 Section 1. Section 322.4, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 8A. If the applicant is applying for a
4 used motor vehicle dealer license, certification that the
5 applicant has met the educational requirements for licensure
6 under section 322.7A. The certification may be transmitted to
7 the department by the education provider in electronic format.

8 Sec. 2. Section 322.7, subsection 4, Code 2005, is amended
9 to read as follows:

10 4. The motor vehicle dealer license provided for in this
11 chapter shall be renewed upon application in the form and
12 content prescribed by the department and upon payment of the
13 required fee. A used motor vehicle dealer license shall not
14 be renewed for an applicant who is subject to continuing
15 education requirements until the licensee certifies completion
16 of the educational requirements for license renewal under
17 section 322.7A. The certification may be transmitted to the
18 department by the education provider in electronic format. A
19 licensee shall have the month of expiration and the month
20 after the month of expiration to renew the license. A person
21 who fails to renew a license by the end of this time period
22 and desires to hold a license shall file a new license
23 application and pay the required fee.

24 Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER
25 EDUCATION PROGRAM.

26 1. An applicant for a license as a used motor vehicle
27 dealer shall complete a minimum of eight hours of prelicensing
28 education program courses pursuant to this section prior to
29 submitting an application to the department.

30 2. A person seeking renewal of a used motor vehicle dealer
31 license shall complete a minimum of five hours of continuing
32 education program courses over a two-year period pursuant to
33 this section prior to submitting an application for license
34 renewal. However, an applicant for renewal of a used motor
35 vehicle dealer license who has met the prelicensing education

1 requirement under subsection 1 within the preceding twelve
2 months is exempt from the continuing education requirement for
3 license renewal.

4 3. To meet the requirements of this section, at least one
5 individual who is associated with the used motor vehicle
6 dealer as an owner, principal, corporate officer, director, or
7 member or partner of a limited liability company or limited
8 liability partnership shall complete the education program
9 courses.

10 4. The Iowa independent auto dealers association shall
11 develop the prelicensing and continuing education course
12 curricula for the used motor vehicle dealer education program,
13 which shall include but not be limited to examination of
14 federal and state laws applicable to the motor vehicle
15 industry and federal, state, and local regulations pertaining
16 to used motor vehicle dealers. The education program courses
17 shall be provided by an Iowa nonprofit motor vehicle
18 association. Costs of the education program shall be borne by
19 the course provider, who may charge an applicant a reasonable
20 fee of not more than two hundred dollars for the prelicensing
21 education course and not more than one hundred fifty dollars
22 for the continuing education course.

23 5. The provisions of this section apply to all used motor
24 vehicle dealers, including but not limited to individuals,
25 corporations, and partnerships, except for the following:

- 26 a. Motor vehicle rental companies having a national
27 franchise.
- 28 b. National motor vehicle auction companies.
- 29 c. Wholesale dealer-only auction companies.
- 30 d. Used car dealerships owned by a franchise motor vehicle
31 dealer.
- 32 e. Banks, credit unions, and savings and loan
33 associations.

34 6. A provider of used motor vehicle dealer education
35 program courses shall transmit a report on the program

1 annually by December 31 to the chairpersons of the committees
2 on transportation of the senate and house of representatives.

3 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM --
4 NOTICE. The state department of transportation shall provide
5 reasonable notice to current used motor vehicle dealer
6 licensees of the need to meet continuing education
7 requirements as a condition for future license renewal.

8 EXPLANATION

9 This bill establishes prelicensing education and continuing
10 education requirements for used motor vehicle dealers. An
11 applicant for licensure as a used motor vehicle dealer is
12 required to complete at least eight hours of prelicensing
13 education prior to licensure, and an applicant for renewal of
14 a license is required to complete at least five hours of
15 continuing education over a two-year period as a condition for
16 license renewal. The bill specifies those persons associated
17 with a dealer in an official capacity who can fulfill the
18 education requirements on behalf of the dealer. The education
19 requirements do not apply to nationally franchised rental
20 companies; national motor vehicle and wholesale dealer-only
21 auction companies; used car dealerships owned by a franchise
22 motor vehicle dealer; and banks, credit unions, and savings
23 and loan associations.

24 The bill requires the Iowa independent automobile dealers
25 association to develop course curricula for the education
26 program, and specifies that a provider of the program courses
27 shall be an Iowa nonprofit motor vehicle association. Costs
28 of the education program are the responsibility of the course
29 provider, and may be recouped by fees of up to \$200 for
30 prelicensing courses and \$150 for continuing education
31 courses. An education course provider is required to report
32 annually to the chairpersons of the transportation committees
33 of the senate and house of representatives.

34 The state department of transportation is directed to
35 provide timely notice of the new requirements to current

1 licensees.

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

SENATE FILE 2337

S-5088

- 1 Amend Senate File 2337 as follows:
2 1. Page 2, line 10, by inserting after the word
3 "association" the following: ", in consultation with
4 the state department of transportation, the department
5 of education, the attorney general, and the Iowa
6 association of community college trustees,".
7 2. Page 2, by striking lines 17 through 22 and
8 inserting the following: "shall be provided by
9 community colleges as defined in section 260C.2. A
10 community college may charge an applicant a reasonable
11 fee for each education program course provided to the
12 applicant."
13 3. By striking page 2, line 34, through page 3,
14 line 2, and inserting the following:
15 "____. Each community college providing used motor
16 vehicle dealer education program courses shall
17 transmit a report on the program annually by December
18 31 to the director of transportation, the director of
19 the department of education, the attorney general, and
20 the president of the Iowa association of community
21 college trustees."
22 4. By renumbering as necessary.

By JEFF DANIELSON

S-5088 FILED MARCH 16, 2006

SENATE FILE 2337

S-5087

- 1 Amend Senate File 2337 as follows:
2 1. Page 2, line 10, by inserting after the word
3 "association" the following: ", in consultation with
4 the state department of transportation, the department
5 of education, the attorney general, and the Iowa
6 association of community college trustees,".
7 2. Page 2, by striking lines 17 through 19 and
8 inserting the following: "shall be provided by
9 community colleges as defined in section 260C.2. A
10 community college may charge an applicant a
11 reasonable".
12 3. By striking page 2, line 34, through page 3,
13 line 2, and inserting the following:
14 "____. Each community college providing used motor
15 vehicle dealer education program courses shall
16 transmit a report on the program annually by December
17 31 to the director of transportation, the director of
18 the department of education, the attorney general, and
19 the president of the Iowa association of community
20 college trustees."
21 4. By renumbering as necessary.

By JEFF DANIELSON

S-5087 FILED MARCH 16, 2006

1 Section 1. Section 322.4, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 8A. If the applicant is applying for a
4 used motor vehicle dealer license, certification that the
5 applicant has met the educational requirements for licensure
6 under section 322.7A. The certification may be transmitted to
7 the department by the education provider in electronic format.

8 Sec. 2. Section 322.7, subsection 4, Code 2005, is amended
9 to read as follows:

10 4. The motor vehicle dealer license provided for in this
11 chapter shall be renewed upon application in the form and
12 content prescribed by the department and upon payment of the
13 required fee. A used motor vehicle dealer license shall not
14 be renewed for an applicant who is subject to continuing
15 education requirements until the licensee certifies completion
16 of the educational requirements for license renewal under
17 section 322.7A. The certification may be transmitted to the
18 department by the education provider in electronic format. A
19 licensee shall have the month of expiration and the month
20 after the month of expiration to renew the license. A person
21 who fails to renew a license by the end of this time period
22 and desires to hold a license shall file a new license
23 application and pay the required fee.

24 Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER
25 EDUCATION PROGRAM.

26 1. An applicant for a license as a used motor vehicle
27 dealer shall complete a minimum of eight hours of prelicensing
28 education program courses pursuant to this section prior to
29 submitting an application to the department.

30 2. A person seeking renewal of a used motor vehicle dealer
31 license shall complete a minimum of five hours of continuing
32 education program courses over a two-year period pursuant to
33 this section prior to submitting an application for license
34 renewal. However, an applicant for renewal of a used motor
35 vehicle dealer license who has met the prelicensing education

1 requirement under subsection 1 within the preceding twelve
2 months is exempt from the continuing education requirement for
3 license renewal.

4 3. To meet the requirements of this section, at least one
5 individual who is associated with the used motor vehicle
6 dealer as an owner, principal, corporate officer, director, or
7 member or partner of a limited liability company or limited
8 liability partnership shall complete the education program
9 courses.

10 4. The Iowa independent auto dealers association, in
11 consultation with the state department of transportation, the
12 department of education, the attorney general, and the Iowa
13 association of community college trustees, shall develop the
14 prelicensing and continuing education course curricula for the
15 used motor vehicle dealer education program, which shall
16 include but not be limited to examination of federal and state
17 laws applicable to the motor vehicle industry and federal,
18 state, and local regulations pertaining to used motor vehicle
19 dealers. The education program courses shall be provided by
20 community colleges as defined in section 260C.2. A community
21 college may charge an applicant a reasonable fee of not more
22 than two hundred dollars for the prelicensing education course
23 and not more than one hundred fifty dollars for the continuing
24 education course.

25 5. The provisions of this section apply to all used motor
26 vehicle dealers, including but not limited to individuals,
27 corporations, and partnerships, except for the following:

- 28 a. Motor vehicle rental companies having a national
29 franchise.
- 30 b. National motor vehicle auction companies.
- 31 c. Wholesale dealer-only auction companies.
- 32 d. Used car dealerships owned by a franchise motor vehicle
33 dealer.
- 34 e. Banks, credit unions, and savings and loan
35 associations.

1 6. Each community college providing used motor vehicle
2 dealer education program courses shall transmit a report on
3 the program annually by December 31 to the director of
4 transportation, the director of the department of education,
5 the attorney general, and the president of the Iowa
6 association of community college trustees.

7 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM --
8 NOTICE. The state department of transportation shall provide
9 reasonable notice to current used motor vehicle dealer
10 licensees of the need to meet continuing education
11 requirements as a condition for future license renewal.

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Ward co-chair
Danielson co-chair
Hahn
Fraise

SSB# 3234
Transportation

Succeeded By
SF/HF 2337

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CO-CHAIRPERSONS McCOY AND
PUTNEY)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing prelicensing and continuing education
2 requirements for used motor vehicle dealers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21

1 Section 1. Section 322.4, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 8A. If the applicant is applying for a
4 used motor vehicle dealer license, certification that the
5 applicant has met the educational requirements for licensure
6 under section 322.7A. The certification may be transmitted to
7 the department by the education provider in electronic format.

8 Sec. 2. Section 322.7, subsection 4, Code 2005, is amended
9 to read as follows:

10 4. The motor vehicle dealer license provided for in this
11 chapter shall be renewed upon application in the form and
12 content prescribed by the department and upon payment of the
13 required fee. A used motor vehicle dealer license shall not
14 be renewed for an applicant who is subject to continuing
15 education requirements until the licensee certifies completion
16 of the educational requirements for license renewal under
17 section 322.7A. The certification may be transmitted to the
18 department by the education provider in electronic format. A
19 licensee shall have the month of expiration and the month
20 after the month of expiration to renew the license. A person
21 who fails to renew a license by the end of this time period
22 and desires to hold a license shall file a new license
23 application and pay the required fee.

24 Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER
25 EDUCATION PROGRAM.

26 1. An applicant for a license as a used motor vehicle
27 dealer shall complete a minimum of eight hours of prelicensing
28 education program courses pursuant to this section prior to
29 submitting an application to the department.

30 2. A person seeking renewal of a used motor vehicle dealer
31 license shall complete a minimum of five hours of continuing
32 education program courses over a two-year period pursuant to
33 this section prior to submitting an application for license
34 renewal. However, an applicant for renewal of a used motor
35 vehicle dealer license who has met the prelicensing education

1 requirement under subsection 1 within the preceding twelve
2 months is exempt from the continuing education requirement for
3 license renewal.

4 3. To meet the requirements of this section, at least one
5 individual who is associated with the used motor vehicle
6 dealer as an owner, principal, corporate officer, director, or
7 member or partner of a limited liability company or limited
8 liability partnership shall complete the education program
9 courses.

10 4. The Iowa independent auto dealers association shall
11 develop the prelicensing and continuing education course
12 curricula for the used motor vehicle dealer education program,
13 which shall include but not be limited to examination of
14 federal and state laws applicable to the motor vehicle
15 industry and federal, state, and local regulations pertaining
16 to used motor vehicle dealers. The education program courses
17 shall be provided by an Iowa nonprofit motor vehicle
18 association. Costs of the education program shall be borne by
19 the course provider, who may charge an applicant a reasonable
20 fee of not more than two hundred dollars for the prelicensing
21 education course and not more than one hundred fifty dollars
22 for the continuing education course.

23 5. The provisions of this section apply to all used motor
24 vehicle dealers, including but not limited to individuals,
25 corporations, and partnerships, except for the following:

- 26 a. Motor vehicle rental companies having a national
27 franchise.
- 28 b. National motor vehicle auction companies.
- 29 c. Wholesale dealer-only auction companies.
- 30 d. Used car dealerships owned by a franchise motor vehicle
31 dealer.
- 32 e. Banks, credit unions, and savings and loan
33 associations.

34 6. A provider of used motor vehicle dealer education
35 program courses shall transmit a report on the program

1 annually by December 31 to the chairpersons of the committees
2 on transportation of the senate and house of representatives.

3 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM --
4 NOTICE. The state department of transportation shall provide
5 reasonable notice to current used motor vehicle dealer
6 licensees of the need to meet continuing education
7 requirements as a condition for future license renewal.

8 EXPLANATION

9 This bill establishes prelicensing education and continuing
10 education requirements for used motor vehicle dealers. An
11 applicant for licensure as a used motor vehicle dealer is
12 required to complete at least eight hours of prelicensing
13 education prior to licensure, and an applicant for renewal of
14 a license is required to complete at least five hours of
15 continuing education over a two-year period as a condition for
16 license renewal. The bill specifies those persons associated
17 with a dealer in an official capacity who can fulfill the
18 education requirements on behalf of the dealer. The education
19 requirements do not apply to nationally franchised rental
20 companies; national motor vehicle and wholesale dealer-only
21 auction companies; used car dealerships owned by a franchise
22 motor vehicle dealer; and banks, credit unions, and savings
23 and loan associations.

24 The bill requires the Iowa independent automobile dealers
25 association to develop course curricula for the education
26 program, and specifies that a provider of the program courses
27 shall be an Iowa nonprofit motor vehicle association. Costs
28 of the education program are the responsibility of the course
29 provider, and may be recouped by fees of up to \$200 for
30 prelicensing courses and \$150 for continuing education
31 courses. An education course provider is required to report
32 annually to the chairpersons of the transportation committees
33 of the senate and house of representatives.

34 The state department of transportation is directed to
35 provide timely notice of the new requirements to current

1 licensees.

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35