

Motor Vehicle Division Informational Memo # 21-22

2021 Legislation – Abandoned vehicles

DATE: May 27, 2021

FROM: Sara Siedsma, Compliance Officer, MVD

TO: All Motor Vehicle Division staff, Iowa County Treasurers and County Treasurer staff

SUBJECT

This informational memo explains legislation enacted during the 2021 legislative session which addresses reclamation requirements for abandoned vehicles taken into custody by a police authority or private entity and is most applicable to staff that work with abandoned vehicle processing.

SUMMARY

Senate File 232 eliminates the requirement for a police authority or private entity taking custody of an abandoned vehicle to describe any personal property found in the vehicle. The legislation also requires a person reclaiming an abandoned vehicle to show proof of having a valid driver's license and financial responsibility to the police authority or private entity prior to driving the vehicle away from the premises.

This bill affects Motor Vehicle Division (MVD) indirectly because it affects the abandoned vehicle process where MVD reimburses certain costs through the Road Use Tax Fund when a private entity or police authority must sell an abandoned vehicle.

The legislation is effective July 1, 2021.

LINK TO LEGISLATION

<https://www.legis.iowa.gov/docs/publications/LGE/89/SF232.pdf>

CURRENT

Under current law, when taking an abandoned vehicle into custody, a police authority or private entity must describe the personal property found in vehicle in the notice of abandoned vehicle that is sent to the owner or lienholder. There is also no requirement in the code for the person reclaiming an abandoned vehicle to show proof of having a valid driver's license and financial responsibility to the police authority or private entity prior to driving the vehicle away from the premises.

NEW

As mentioned above, the legislation will no longer require a police authority or private entity taking custody of an abandoned vehicle to describe any personal property found in the vehicle in the notice of abandoned vehicle that is sent to the owner or lienholder. The legislation also requires a person reclaiming an abandoned vehicle to show proof of having a valid driver's license and financial responsibility to the police authority or private entity prior to driving the vehicle away from the premises.

BUSINESS IMPACT

This legislation will not impact county treasurer processes but may have a minor impact on MVD. How personal property in an abandoned vehicle is processed by a police authority or private entity is outside the scope of interest we have in reclamation of abandoned vehicles, and therefore we expect no impact because of the change to personal property processing. However, the new parts of the legislation requiring a person to provide proof of having a valid driver's license and financial responsibility prior to reclaiming an abandoned vehicle may result in more customer and police authority/private entity questions as they work through the new requirements, but we expect the impacts to be minor.