



HOUSE REPUBLICAN STAFF ANALYSIS

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| Bill: | House File 2617 | House Committee: | PASSED 20-0 (2/17/26) |
| Committee: | Transportation | House Floor: | |
| Floor Manager: | Rep. Megan Jones | Senate Floor: | |
| Date: | March 4, 2026 | Governor: | |
| Staff: | Brad Trow (1-3471) | | |

Abandoned Vehicles

House File 2617 is a rewrite of Iowa's laws governing abandoned vehicles. The bill makes no substantive changes to the law and instead streamlines the legal process for towing and impounding abandoned vehicles on both public and private property. The amendment to HF 2617 makes a number of policy changes, including to the notice provisions.

Section by Section Analysis

Section 1 – [Iowa Code Section 321.88]:

The section strikes a reference to subsections in the existing Code provisions for abandoned vehicles. Since the bill re-writes that part of the Code, this reference is now longer needed.

Section 2 – [Iowa Code section 321.89]:

The section strikes the existing language in Iowa Code section 321.89 dealing with abandoned vehicles and re-writes the section to reorganize and clarify Iowa law.

Subsection 1 – **Authority to tow and impound** - sets out the authority to tow and impound a vehicle. If the vehicle is abandoned on public property, police have the responsibility to tow and impound the vehicle. The police may hire a garagekeeper to perform this duty.

If the vehicle is abandoned on private property, police may tow and impound the vehicle, or the property owner may hire a garagekeeper to perform this duty.

Subsection 2 – **Required notice** – lays out the requirements for notice to be given to the vehicle's owner. Within 20 days of impoundment, the party who impounded the vehicle must send to the vehicle's owner and any vehicle lienholder a notice by certified mail. The notice must include:

1. A description of the vehicle;
2. Location of the vehicle;
3. A statement that the owner has 10 days to reclaim the vehicle or personal items from inside the vehicle. The clock on this starts when the notice is mailed;
4. A statement that the vehicle and any personal items inside cannot be reclaimed until all towing and impound fees have been paid;
5. A statement that failing to reclaim the vehicle or personal items in the vehicle within the 10 day period is deemed a waiver of any interest in the vehicle or personal items.

6. A statement that failure to reclaim is deemed to be consent for the party that impounded the vehicle to sell or dispose of the vehicle and the personal property;
7. If the vehicle was towed by a garagekeeper without the police's involvement, included in the notice would be a statement that the garagekeeper can claim a lien against the vehicle;
8. If the vehicle was towed by the police or by a garagekeeper hired by the police, the notice will include language that the party may dispute the assessed fees or planned disposition of the vehicle and would be subject to an evidentiary hearing before the police.

If it is not possible to determine the identity and address of the vehicle's owner, then the police or the garagekeeper is to publish a public notice in a newspaper where the vehicle was impounded.

Subsection 3 – **Reclamation** – The owner of the vehicle or personal items in the vehicle can reclaim these upon payment of all towing, notice, and impoundment fees. Before driving the vehicle, the owner must provide proof of insurance coverage and show a valid driver's license.

Subsection 4 – **Limited Liability** – The owner of a vehicle or personal items impounded does not have any cause of action against a garagekeeper if the notice procedures in subsection 2 were followed.

Subsection 5 – **Failure to reclaim** – If a vehicle or personal property are not claimed within the 10 day window or did not ask for a hearing, then all ownership rights and claims are forfeited.

Subsection 6 – **Vehicles sold for highway use** – If a vehicle has not been reclaimed and is determined to be fit for driving, then it will be sold at public auction. A party who buys the vehicle gets it free and clear of any liens or other interest in the vehicle. Upon purchase, the party buying the vehicle will be given a certificate of title for the vehicle.

Subsection 7 – **Vehicles sold for junk or scrap** – If a vehicle is not reclaimed but not sold at public auction, then it shall be sold for junk or scrap. The purchaser of the vehicle gets the vehicle free and clear of any liens or other interests in the vehicle. If the vehicle is sold for junk, the demolisher shall apply for a junking certificate for the vehicle.

Subsection 8 – **Sale proceeds** – The subsection lays out how the proceeds from the sale of an unclaimed vehicle shall be distributed. If the vehicle was held by the police, then the police agency can retain the proceeds from the sale to cover their expenses incurred. If any funds remain from the sale after these expenses are accounted for, then that amount shall be held for 90 days. If they are not claimed, then the remaining funds will be deposited in the Road Use Tax Fund. If the proceeds of the sale are not sufficient to cover the expenses, then the difference shall be paid by the Road Use Tax Fund.

Subsection 9 – **Definitions**

Section 3 – [Iowa Code Section 321.90 (1)]:

The section removes Code references for provisions that were removed in the re-write of section 321.89 and strikes the definition of garagekeeper from this section.

Section 4 – [Iowa Code Section 321.90 (2) (c, d, e, g)]:

The section removes Code references for provisions that were removed in the re-write of section 321.89.

AMENDMENTS

H-8140, by Jones: The amendment strikes the language of the bill and replaces it with the following:

Section 1 – [Iowa Code Section 321.88]:

The section strikes a reference to subsections in the existing Code provisions for abandoned vehicles. Since the bill re-writes that part of the Code, this reference is now longer needed.

Section 2 – [Iowa Code section 321.89]:

The section strikes the existing language in Iowa Code section 321.89 dealing with abandoned vehicles and re-writes the section to reorganize and clarify Iowa law.

Subsection 1 – **Authority to tow and impound** - sets out the authority to tow and impound a vehicle. If the vehicle is abandoned on public property, police have the responsibility to tow and impound the vehicle. The police may hire a garagekeeper to perform this duty.

If the vehicle is abandoned on private property, police may tow and impound the vehicle, or the property owner may hire a garagekeeper to perform this duty.

Subsection 2 – **Required notice** – lays out the requirements for notice to be given to the vehicle's owner. Within 10 days of impoundment, the party who impounded the vehicle must send to the vehicle's owner and any vehicle lienholder a notice by certified mail. The notice must include:

1. A description of the vehicle;
2. Location of the vehicle;
3. A statement that the owner has 20 days to reclaim the vehicle or personal items from inside the vehicle. The clock on this starts when the notice was given;
4. A statement that the vehicle cannot be reclaimed until all towing and impound fees have been paid;
5. A statement that the owner may retrieve personal property from inside the vehicle without paying a fee, but the owner only has one opportunity to retrieve their personal property.
6. A statement that failing to reclaim the vehicle or personal items in the vehicle within the 20 day period is deemed a waiver of any interest in the vehicle or personal items.
7. A statement that failure to reclaim is deemed to be consent for the party that impounded the vehicle to sell or dispose of the vehicle and the personal property;
8. If the vehicle was towed by a garagekeeper without the police's involvement, included in the notice would be a statement that the garagekeeper can claim a lien against the vehicle;
9. If the vehicle was towed by the police or by a garagekeeper hired by the police, the notice will include language that the party may dispute the assessed fees or planned disposition of the vehicle and would be subject to an evidentiary hearing before the police.

Notice is deemed to have been given to the owner when it is mailed via certified mail, regular mail, or parcel delivery service with a tracking number. A police officer may personally deliver notice to the owner, who must sign an affidavit of service. In this option, notice is deemed given when it has been delivered.

If it is not possible to determine the identity and address of the vehicle's owner, then the police or the garagekeeper is to publish a public notice in a newspaper where the vehicle was impounded. The publication process is subject to the same timeline as other forms of notice.

A garagekeeper is required to display their place of business in a manner that is readily visible to visitors. If the garagekeeper has a business website, it must state their hours of operation, telephone number, and corporate or business name.

A garagekeeper who tows vehicles must display on both sides of their tow truck the name of the business, address, and telephone number.

Subsection 3 – **Reclamation** – The subsection provides that the registered owner of the vehicle can reclaim the vehicle when they have paid all towing, notice, and impoundment fees. Fees will not be charged on calendar days, but on periods of 24 hours. The garagekeeper will provide an itemized invoice which will describe all fees assessed.

When a garagekeeper ceases a tow and returns the vehicle to the owner, the garagekeeper is required to accept payment via credit card (with a card-use surcharge) or other form of payment. The garagekeeper cannot charge a storage fee for a day when they are not open for business at least 8 hours.

Before driving the vehicle off the lot, the owner must present a valid driver's license and proof of financial liability coverage.

Subsection 4 – **Personal Property Retrieval** – The section sets out the process for retrieving personal property from a vehicle. The vehicle's owner must give the garagekeeper a written list of the personal property inside the vehicle, which will be gathered by the garagekeeper and returned to the owner. The owner is given one opportunity to do this, and retrieving the personal property does not constitute reclaiming the vehicle.

Subsection 5 – **Inspection** – A lienholder that is given notice that a vehicle which they have interest in has the right to inspect the condition of the vehicle. A garagekeeper may charge a fee of up to \$100 for performing an inspection for a lienholder. If the fee is paid, the garagekeeper shall allow the lienholder's representative to inspect the vehicle.

Subsection 6 – **Recordkeeping** – Garagekeepers are required to keep the records of each abandoned vehicle held by them for at least three years after the vehicle was reclaimed or sold.

Subsection 7 – **Limited Liability** – The owner of a vehicle or personal items impounded does not have any cause of action against a garagekeeper if the notice procedures in subsection 2 were followed.

Subsection 8 – **Failure to act** – If a vehicle or personal property are not claimed within the 20 day window or did not ask for a hearing, then all ownership rights and claims are forfeited.

Subsection 9 – **Vehicles sold for highway use** – If a vehicle has not been reclaimed and is determined to be fit for driving, then it will be sold at public auction. A party who buys the vehicle gets it free and clear of any liens or other interest in the vehicle. Upon purchase, the party buying the vehicle will be given a certificate of title for the vehicle.

Subsection 10 – **Vehicles sold for junk or scrap** – If a vehicle is not reclaimed but not sold at public auction, then it shall be sold for junk or scrap. The purchaser of the vehicle gets the vehicle free and clear of any liens or other interests in the vehicle. If the vehicle is sold for junk, the demolisher shall apply for a junking certificate for the vehicle.

Subsection 11 – ***Sale proceeds*** – The subsection lays out how the proceeds from the sale of an unclaimed vehicle shall be distributed. If the vehicle was held by the police, then the police agency can retain the proceeds from the sale to cover their expenses incurred. If any funds remain from the sale after these expenses are accounted for, then that amount shall be held for 90 days. If they are not claimed, then the remaining funds will be deposited in the Road Use Tax Fund. If the proceeds of the sale are not sufficient to cover the expenses, then the difference shall be paid by the Road Use Tax Fund.

If a garagekeeper sells an abandoned vehicle at public auction, the garagekeeper may keep all the proceeds.

Subsection 9 – ***Definitions***

Section 3 – [Iowa Code Section 321.90 (1)]:

The section removes Code references for provisions that were removed in the re-write of section 321.89 and strikes the definition of garagekeeper from this section.

Section 4 – [Iowa Code Section 321.90 (2) (c, d, e, g)]:

The section removes Code references for provisions that were removed in the re-write of section 321.89.

