

Iowa considers a salvage vehicle one that has a gross vehicle weight rating of less than 30,000 pounds and meets one of the following criteria:

It has an out-of-state salvage-branded title.

It was bought by an insurance company due to theft or damage.

The vehicle has repair costs exceeding 50% of its fair market value and was bought by a licensed recycler.

Such a vehicle must be given a title with the brand "salvage" on it, and it may not be registered. Once a vehicle has a salvage-branded title, Iowa will never issue it a "clean" title?only a "prior salvage" title if the vehicle is repaired to street worthiness (at which point it can be registered).

Should I Buy a Salvaged Vehicle?

Buying a salvaged vehicle can be a great bargain or a nightmare just waiting to happen, depending upon how careful you are. Salvaged vehicles that have been recently repaired can still have a number of problems that are undetectable to the average buyer. If you are interested in purchasing a vehicle with a "prior salvage" designation, have it inspected by a qualified professional mechanic.

Salvage fraud occurs when an unscrupulous dealer purchases a salvaged vehicle, performs a minimal amount of repairs, and sells it to a driver who is unaware of the vehicle's history. Such a seller can sometimes get a clean title for the vehicle by transferring it through a state with more lenient salvage titling laws. If you have doubts about the origins of a vehicle (beware out-of-state titles), save your money for a wiser purchase!

Salvage Vehicle Repair Licenses

If you wish to repair salvage vehicles, you may be required to obtain an Iowa vehicle recycler's license. A license is necessary if you are operating as a business or meet the following criteria:

You rebuild, restore, and sell six or more salvage vehicles per year.

You sell used parts from more than six used vehicles per year.

You are involved in the dismantling of more than six used vehicles per year.

You store unregistered vehicles for a purpose not related to any of the above conditions.

If you are acting as part of an educational institution, operating as a licensed new-car dealer, purchasing vehicles for scrap metal, or rebuilding vehicles as a hobby, you do not need to obtain a recycler's license.

How to Bring a Vehicle Out of Salvage

After you've repaired your salvaged vehicle, it will need to undergo a \$30 salvage theft examination, where its parts will be examined to make sure none were stolen. Present a completed Affidavit of Salvage Vehicle Repairs to the examiner.

When the vehicle passes that inspection, submit an application for title to the county treasurer's office. You will also need to submit the salvage title, salvage theft examination certificate, and appropriate registration fees.

Once you've submitted the necessary paperwork, you'll receive a title stamped "prior salvage." This designation will remain on all subsequent titles and registration renewals.