

SENATE/HOUSE FILE _____
BY (PROPOSED TREASURER OF
STATE BILL)

A BILL FOR

1 An Act relating to the filing of a certificate of deposit
2 by the owner of a motor vehicle as proof of financial
3 responsibility.

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

1 Section 1. Section 321.1, subsection 24B, paragraph c, Code
2 2013, is amended to read as follows:

3 ~~c. A valid statement issued by the treasurer of state~~
4 ~~pursuant to certificate of deposit filed with the department~~
5 ~~as provided in section 321A.25 attesting to the filing of a~~
6 ~~certificate of deposit with the treasurer of state.~~

7 Sec. 2. Section 321A.18, subsection 3, Code 2013, is amended
8 to read as follows:

9 3. ~~A statement issued by the treasurer of state attesting to~~
10 ~~the filing of a certificate of deposit with the treasurer of~~
11 ~~state as provided in section 321A.25.~~

12 Sec. 3. Section 321A.25, Code 2013, is amended to read as
13 follows:

14 **321A.25 Certificate of deposit as proof.**

15 1. Proof of financial responsibility may be evidenced
16 ~~by the statement of the treasurer of state that the person~~
17 ~~named in the statement has filed filing with the treasurer~~
18 ~~of state department fifty-five thousand dollars in the form~~
19 ~~of an endorsed a certificate of deposit made payable jointly~~
20 ~~to the person and the treasurer of state department. The~~
21 ~~certificate of deposit shall be obtained from an Iowa financial~~
22 ~~institution in the amount of fifty-five thousand dollars plus~~
23 ~~any early withdrawal penalty fee. The treasurer of state~~
24 ~~shall promptly notify the director of transportation of the~~
25 ~~name and address of the person to whom the statement has been~~
26 ~~issued. Upon receipt of the notification certificate of~~
27 ~~deposit, the director of transportation department shall issue~~
28 ~~to the person a security insurance card for each motor vehicle~~
29 ~~registered in this state by the person. The security insurance~~
30 ~~card shall state the name and address of the person and the~~
31 ~~registration number of the motor vehicle for which the card is~~
32 ~~issued. The treasurer of state shall not accept a certificate~~
33 ~~of deposit and issue a statement for it and the department~~
34 ~~shall not accept the statement a certificate of deposit unless~~
35 ~~accompanied by evidence that there are no unsatisfied judgments~~

1 of any character against the person in the county where the
2 person resides.

3 2. Such certificate of deposit shall be held by the
4 ~~treasurer of state~~ department to satisfy, in accordance with
5 this chapter, any execution on a judgment issued against
6 the person filing the certificate of deposit, for damages,
7 including damages for care and loss of services, because of
8 bodily injury to or death of any person, or for damages because
9 of injury to or destruction of property, including the loss of
10 use of property, resulting from the ownership, maintenance,
11 use, or operation of a motor vehicle after the certificate of
12 deposit was filed. A certificate of deposit so filed shall not
13 be subject to attachment or execution unless the attachment
14 or execution arises out of a suit for damages as previously
15 provided in this subsection.

16 Sec. 4. Section 321A.27, Code 2013, is amended to read as
17 follows:

18 **321A.27 Substitution of proof.**

19 The department shall consent to the cancellation of a bond
20 or certificate of insurance or the department shall ~~direct and~~
21 ~~the treasurer of state shall~~ return a certificate of deposit
22 to the person entitled to the certificate of deposit upon
23 the substitution and acceptance of other adequate proof of
24 financial responsibility pursuant to this chapter.

25 Sec. 5. Section 321A.29, subsection 1, unnumbered paragraph
26 1, Code 2013, is amended to read as follows:

27 The department shall upon request consent to the immediate
28 cancellation of a bond or certificate of insurance, or the
29 department shall ~~direct and the treasurer of state shall~~ return
30 to the person entitled thereto a certificate of deposit filed
31 pursuant to this chapter as proof of financial responsibility,
32 or the department shall waive the requirement of filing proof,
33 in any of the following events:

34 Sec. 6. Section 321A.29, subsection 2, Code 2013, is amended
35 to read as follows:

1 2. The department shall not consent to the cancellation
2 of a bond or the return of a certificate of deposit in the
3 event an action for damages upon a liability covered by such
4 proof is then pending or a judgment upon any such liability is
5 unsatisfied, or in the event the person who has filed such bond
6 or such certificate of deposit has within one year immediately
7 preceding such request been involved as an operator or owner in
8 any motor vehicle accident resulting in injury or damage to the
9 person or property of others. An affidavit of the applicant as
10 to the nonexistence of such facts, or that the applicant has
11 been released from all of the applicant's liability, or has
12 been finally adjudicated not to be liable, for such injury or
13 damage, shall be sufficient evidence thereof in the absence of
14 evidence to the contrary in the records of the department.

15

EXPLANATION

16 Under current law, a person who is required to file proof of
17 financial responsibility in order to operate a motor vehicle
18 may do so by filing \$55,000 with the treasurer of state in
19 the form of a certificate of deposit made payable jointly to
20 the person and the treasurer of state. This bill amends Code
21 section 321A.25 to provide that the certificate of deposit
22 is to be made payable to the department of transportation
23 and filed directly with the department, rather than with the
24 treasurer of state. The bill makes conforming amendments
25 to the definition of "financial liability coverage" in Code
26 section 321.1, the list of alternate methods of filing proof of
27 financial responsibility contained in Code section 321A.18, and
28 related provisions in Code sections 321A.27 and 321A.29.