

March 20, 1969

SENATE FILE 530

Passed on File

*Law Enforcement 3-25,
Pass as amended 4-1
Sen. " " 4-25, Pass 5-1*

By LANGE, WALSH, SHIRLEY,
THORSEN and KYHL
(Weichman, Tieden, Miller
of Jones, Wolfe, Kehe,
Miller of Page, Darrington
and Kennedy of Dubuque)

Passed Senate, Date *4-14-69* Passed House, Date *5-12-69*

Vote: Ayes *54* Nays *0* Vote: Ayes *96* Nays *0*

Approved

*Pass as amended by
House 5-22; 44-0*

A BILL FOR

- 1 An Act relating to the leasing and renting of motor vehicles.
- 2 *Be It Enacted by the General Assembly of the State of Iowa:*
- 3 Section 1. When used in this Act, unless the context
- 4 requires otherwise:
 - 5 1. "Person" means an individual, partnership, corporation,
 - 6 associatiion, or other business entity.
 - 7 2. "Motor vehicle" means every vehicle which is self-
 - 8 propelled and subject to registration under the laws of this
 - 9 state.
 - 10 3. "Business" means the business of leasing or otherwise
 - 11 providing motor vehicles for use by others for compensation.
 - 12 4. "Lease" means a written agreement providing for the
 - 13 leasing of a motor vehicle for a period of more than sixty days.
 - 14 5. "Licensee" means a person licensed under the provisions
 - 15 of this Act to engage in business.
 - 16 6. "Judgment" means any judgment which shall have become
 - 17 final.
 - 18 7. "Evidence of financial responsibility" means:
 - 19 a. A certificate of an insurance carrier certifying that
 - 20 the lessor under a lease is insured against liability for a
 - 21 judgment in the amount of ten thousand dollars for personal
 - 22 injury to one individual and in an aggregate amount of twenty
 - 23 thousand dollars for personal injuries to all individuals in-
 - 24 volved in a single accident, and in the amount of five thousand
 - 25 dollars for property damage, resulting from any such single

1 accident in which a motor vehicle under a lease is involved; or
2 b. A bond executed by a surety company authorized to do
3 business in this state providing for the payment of judgments,
4 against a lessor under a lease, within the limits set forth
5 in paragraph a of this subsection.

6 8. "Commissioner" means the commissioner of public safety.

7 Sec. 2. No person shall engage in business in this state
8 without first having obtained a license as provided in this
9 Act.

10 Sec. 3. The application for a license to engage in business
11 in this state shall be filed with the commissioner and shall
12 provide such information relating to applicant's business as
13 the commissioner may require.

14 Sec. 4. The license fee for a license to engage in business
15 in this state for each calendar year or part thereof shall be
16 fifteen dollars, to be paid at the time the application for a
17 license is filed. If the application is denied, the amount
18 of the fee shall be refunded to applicant.

19 Sec. 5. A license shall be denied if the applicant has
20 engaged in business in this state within one year prior to
21 the date of application without first having obtained a
22 license as provided in this Act, or has violated any rules
23 and regulations of the commissioner adopted for the adminis-
24 tration of this Act.

25 The license of any licensee who shall have violated any
26 provision of this Act or any rules and regulations of the
27 commissioner adopted for the administration of this Act shall
28 be suspended and such licensee shall not be renewed nor shall
29 a new license be issued to such licensee within one year after
30 the date of suspension of the license; provided that the
31 suspension of a license shall not invalidate any lease entered
32 into by lessor prior to suspension and the parties to the
33 lease shall have the authority and remain liable to perform
34 their respective obligations under such leases.

35 Sec. 6. Within ten days after delivery of a motor vehicle

1 under a lease entered into by a lessor, such lessor shall
2 file with the commissioner evidence of financial responsi-
3 bility and a copy of the lease, together with a certificate
4 on forms to be provided by the commissioner, setting forth
5 the name and address of the lessee, the period of the lease,
6 and such other information as the commissioner may require,
7 except if the lessor has on file with the commissioner
8 evidence of financial responsibility covering all motor
9 vehicles which may be leased by lessor, the lessor shall not
10 be required to furnish further evidence of financial re-
11 sponsibility after delivery of the motor vehicle under a lease.
12 In addition if a lessor has filed with the commissioner a lease
13 form under which motor vehicles are to be leased, the lessor
14 shall not be required to file a copy of each lease.

15 The lessor shall pay a filing fee of fifty cents upon the
16 filing of each certificate provided for in this section.

17 Sec. 7. A duplicate of the certificate required to be
18 filed with the commissioner under the provisions of section
19 six (6) of this Act shall be carried in the motor vehicle
20 leased in such manner as the commissioner may prescribe.

21 Sec. 8. All motor vehicles which are primarily garaged
22 or located in this state and which are the subject of a lease
23 shall be registered. This section shall not be construed
24 to exempt any motor vehicle from registration which is other-
25 wise subject to registration under the provisions of chapter
26 three hundred twenty-one (321) of the Code.

27 Sec. 9. Any person engaged in business in this state shall
28 not enter into any agreement for the use of a motor vehicle
29 under the terms of which such person grants to another an option
30 to purchase such motor vehicle without first having obtained
31 a motor vehicle dealer's license under the provisions of chapter
32 three hundred twenty-two (322) of the Code, and all sales of
33 motor vehicles under such options shall be subject to sales
34 or use taxes imposed under the provisions of chapters four
35 hundred twenty-two (422) and four hundred twenty-three (423)

1 of the Code.

2 Sec. 10. Section three hundred twenty-two point one (322.1)
3 of the Code, as it pertains to employees and the expenditure
4 of funds shall apply to the provisions of this Act.

5 Sec. 11. The commissioner shall adopt rules and regulations
6 for the purpose of administering this Act. All fees and funds
7 accruing from the administration of this Act shall be remitted
8 to the treasurer of state monthly and by him deposited in the
9 motor vehicle dealer's license fee fund in the manner provided
10 in section three hundred twenty-two point twelve (322.12).

11 Sec. 12. Any person violating any provision of this Act
12 shall be guilty of a misdemeanor.

EXPLANATION OF SENATE FILE 530

There is no law regulating the leasing of motor vehicles. Foreign leasing companies will lease vehicles in Iowa with no insurance coverage and subject to no control or regulation. This bill provides for supervision of motor vehicle leasing.

adopted
5-12
1 Amend Senate File 530, page 4, line one (1), by
2 adding the following after the period:
3 "Nothing contained in this section shall require
4 such person to have a place of business as provided
5 by section three hundred twenty-two point six (322.6),
6 subsection eight (8), of the Code."

Filed
May 9 1969

WEICHMAN of Benton

FISCAL NOTE
SENATE FILE 530

Date prepared April 23, 1969

Requested by Senator Kyhl.
Prepared in regard to Senate File 530, a bill for an act relating to the leasing and renting of motor vehicles.

Following is the fiscal effect in dollars of the legislative proposal as required by Rule 47:

1st year	\$13,800
2nd year	9,000
3rd year	9,000
4th year	9,000
5th year	9,000

Filed
April 28, 1969

GERRY D. RANKIN
Legislative Fiscal Director

Senate concurred 5-22

HOUSE AMENDMENT TO
SENATE FILE 530

- 1 Amend Senate File 530, page 4, line one (1), by
- 2 adding the following after the period:
- 3 "Nothing contained in this section shall require such
- 4 person to have a place of business as provided by section
- 5 three hundred twenty-two point six (322.6), subsection
- 6 eight (8), of the Code."

- 1 Amend Senate File 530 as follows:
- 2 1. By striking from page 1, lines 10 and 11, the words
- 3 "or otherwise providing".
- 4 2. By striking from page 1, line 21, the word "ten"
- 5 and by inserting in lieu thereof the word "fifty".
- 6 3. By striking from page 1, line 22, the word "twenty"
- 7 and by inserting in lieu thereof the words "one hundred".
- 8 4. By striking from page 1, line 24, the word "five"
- 9 and by inserting the word "ten".
- 10 5. By inserting in page 3, line 15, after the word
- 11 "cents" the word "for each motor vehicle to be leased".
- 12 6. By inserting in page 3, line 23, after the word
- 13 "registered" the words "in this state".

*Adopted
4-24*

Filed - *Adopted 4-24*
April 1, 1969

By COMMITTEE ON LAW ENFORCEMENT

1 Amend Senate File 530 by inserting after the word "Code" in
2 line 26 on page 3 the following:
3 " , provided however, that the provisions of this section
4 shall not apply to motor vehicles in fleets whose registrations
5 are apportioned under the provisions of section three hundred
6 twenty-six point two (326.2)."

Filed - *Adopted 4-24*
April 23, 1969

By KYHL