

FEB 7 1996

COMMERCE - REGULATION

HOUSE FILE 2163

BY HANSON and KREMER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to filing security for motor vehicle financial  
 2 responsibility and providing an exception.

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

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HF 2163

1 Section 1. Section 321A.6, Code 1995, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 5. If, prior to the date that the  
4 department would otherwise suspend the person's license and  
5 registration or nonresident's operating privilege under  
6 section 321A.5, there shall be filed with the department a  
7 notarized affidavit indicating the following:

8 a. That the person required to file security under this  
9 chapter requested that the other party enter into a settlement  
10 agreement and requested that the other party respond, in  
11 writing, within thirty days of receipt of the request.

12 b. That the request was sent by restricted certified mail  
13 to the other party's last known address.

14 c. That a return receipt was received and that the other  
15 party failed to respond within thirty days of receipt of the  
16 request.

17 Only the party making the request to enter into a  
18 settlement agreement may be exempted under this subsection  
19 from the requirements of this chapter.

20 EXPLANATION

21 Chapter 321A applies to owners and operators of motor  
22 vehicles who do not have automobile insurance. Current law  
23 requires the state department of transportation to suspend the  
24 motor vehicle license of an operator and the registration of  
25 an owner of a motor vehicle involved in a motor vehicle  
26 accident which has resulted in bodily injury, death, or damage  
27 in excess of \$500 unless the owner or operator deposits  
28 security which is sufficient to satisfy any judgment for  
29 damages resulting from the accident. The department may  
30 suspend the license and registration within 60 days of receipt  
31 of the accident report.

32 Section 321A.6 provides for exceptions to filing security  
33 if there was no injury or damage caused to a person or  
34 property other than the operator or owner; if the motor  
35 vehicle was stopped, standing, or parked; if the motor vehicle

1 was being operated without the owner's permission; and if  
 2 prior to the date the department would suspend the license and  
 3 registration, the person files evidence that the person is  
 4 released from liability, been finally adjudicated not to be  
 5 liable or has executed a warrant for confession of judgment,  
 6 or has executed a written agreement providing for payment of  
 7 an agreed amount in installments.

8 This bill adds another exception which prohibits the  
 9 department from suspending the license and registration if the  
 10 person files a notarized affidavit with the department that  
 11 the person has attempted to settle the claim. The bill  
 12 requires that to show this the person required to file  
 13 security under this chapter must request that the other party  
 14 enter into a settlement agreement and request that the other  
 15 party respond, in writing, within 30 days of receipt of the  
 16 request. The request must be made by restricted certified  
 17 mail at the other party's last known address. A return  
 18 receipt must be received and the other party must have failed  
 19 to respond within 30 days of receipt of the request. The bill  
 20 provides that only the requesting person shall be credited  
 21 with complying with the security requirements of chapter 321A.

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