

FEB 21 1996

COMMERCE AND REGULATION

HOUSE FILE
BY O'BRIEN

2288

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to insurance coverage and registration
2 requirements for motor vehicles in this state and providing
3 penalties and effective dates.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HF 2288

1 Section 1. Section 321.1, Code Supplement 1995, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 34A. "Liability insurance coverage" means
4 any of the following:

5 a. An owner's policy of liability insurance which is
6 issued by an insurance carrier authorized to do business in
7 this state to or for the benefit of the person named in the
8 policy as insured, and insuring the person named as insured
9 and any person using an insured motor vehicle with the express
10 or implied permission of the named insured against loss from
11 liability imposed by law for damages arising out of the
12 ownership, maintenance, or use of an insured motor vehicle
13 within the United States of America or Canada, but subject to
14 minimum limits, exclusive of interest and costs, in the
15 amounts specified in section 321A.21 or specified in another
16 provision of the Code, whichever is greater.

17 b. A bond filed with the department pursuant to section
18 321A.24.

19 c. A valid certificate of deposit of money or security
20 issued by the treasurer of state pursuant to section 321A.25.

21 d. A valid certificate of self-insurance issued by the
22 department pursuant to section 321A.34.

23 Sec. 2. Section 321.20, Code Supplement 1995, is amended
24 by adding the following new subsection:

25 NEW SUBSECTION. 6. Proof of liability insurance coverage
26 if the registration is for a motor vehicle.

27 Sec. 3. Section 321.24, Code Supplement 1995, is amended
28 by adding the following new unnumbered paragraph:

29 NEW UNNUMBERED PARAGRAPH. Before issuing a registration
30 for a motor vehicle, the county treasurer shall verify that
31 the applicant has liability insurance coverage. If proof is
32 not submitted, registration shall not be issued. Proof of
33 liability insurance coverage is not required for issuance of a
34 certificate of title.

35 Sec. 4. Section 321.30, Code Supplement 1995, is amended

1 by adding the following new subsection preceding the last
2 unnumbered paragraph:

3 NEW SUBSECTION. 14. If the application is for the
4 registration of a motor vehicle and the application does not
5 include proof of liability insurance coverage. However, proof
6 of liability insurance is not required for issuance of a
7 certificate of title.

8 Sec. 5. Section 321.40, unnumbered paragraph 1, Code
9 Supplement 1995, is amended to read as follows:

10 Application for renewal of a vehicle registration shall be
11 made on or after the first day of the month of expiration of
12 registration and up to and including the last day of the month
13 following the month of expiration of registration. The
14 registration shall be renewed upon payment of the appropriate
15 registration fee and, for motor vehicles, upon submission of
16 proof of liability insurance coverage.

17 Sec. 6. Section 321.46, subsection 2, Code 1995, is
18 amended by adding the following new unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Prior to issuing a registration
20 for a motor vehicle, the county treasurer shall verify that
21 the applicant has submitted proof of liability insurance
22 coverage. If proof is not submitted, the registration shall
23 not be issued. Proof of liability insurance coverage is not
24 required for issuance of a certificate of title.

25 Sec. 7. Section 321.54, unnumbered paragraph 1, Code 1995,
26 is amended to read as follows:

27 Nonresident owners of foreign vehicles operated within this
28 state for the intrastate transportation of persons or property
29 for compensation or for the intrastate transportation of
30 merchandise shall register and maintain liability insurance
31 coverage for each such vehicle and pay the same fees therefor
32 ~~as-is required with-reference-to~~ for like vehicles owned by
33 residents of this state.

34 Sec. 8. Section 321.55, Code 1995, is amended to read as
35 follows:

1 321.55 REGISTRATION REQUIRED FOR CERTAIN VEHICLES OWNED OR
2 OPERATED BY NONRESIDENTS.

3 A nonresident owner or operator engaged in remunerative
4 employment within the state or carrying on business within the
5 state and owning or operating a motor vehicle, trailer, or
6 semitrailer within the state shall register and maintain
7 liability insurance coverage for each such vehicle and pay the
8 same fees for registration as are paid for like vehicles owned
9 by residents of this state. However, this paragraph does not
10 apply to a person commuting from the person's residence in
11 another state or whose employment is seasonal or temporary,
12 not exceeding ninety days.

13 A nonresident owner of a motor vehicle operated within the
14 state by a resident of the state shall register the vehicle
15 and shall maintain liability insurance coverage for the
16 vehicle. The nonresident owner shall pay the same fees for
17 registration as are paid for like vehicles owned by residents
18 of this state. However, registration under this paragraph
19 does-not-apply-to is not required for vehicles being operated
20 by residents temporarily, not exceeding ninety days. It is
21 unlawful for a resident to operate within the state an
22 unregistered motor vehicle required to be registered under
23 this paragraph.

24 Sec. 9. Section 321.57, unnumbered paragraph 1, Code 1995,
25 is amended to read as follows:

26 A dealer owning any vehicle of a type otherwise required to
27 be registered hereunder under this chapter may operate or move
28 the same vehicle upon the highways solely for purposes of
29 transporting, testing, demonstrating, or selling the same
30 vehicle without registering each-such the vehicle, upon
31 condition that any-such the vehicle display in the manner
32 prescribed in sections 321.37 and 321.38 a special plate
33 issued to such the owner as provided in sections 321.58 to
34 321.62. In-addition-to-the-foregoing,-a However, if the
35 vehicle is a motor vehicle the dealer shall maintain liability

1 insurance coverage for the motor vehicle. A new car dealer or
2 a used car dealer may operate or move upon the highways any a
3 new or used car or trailer owned by the dealer for either
4 private or business purposes without registering ~~the same~~
5 ~~providing, (1) such~~ it if the new or used car or trailer is in
6 the dealer's inventory and is continuously offered for sale at
7 retail, and ~~(2) there is displayed thereon~~ on it a special
8 plate issued to ~~such~~ the dealer as provided in sections 321.58
9 to 321.62.

10 Sec. 10. Section 321A.17, subsections 1 through 3, Code
11 Supplement 1995, are amended to read as follows:

12 1. ~~Whenever~~ If the department, under any a law of this
13 state, suspends or revokes the license of any a person upon
14 receiving record of a conviction or a forfeiture of bail or
15 revokes the license of any a person pursuant to chapter 321J,
16 the department shall also suspend the registration for all
17 motor vehicles registered in the name of the person, except
18 that the department shall not suspend the registration, unless
19 otherwise required by law, if the person has previously given
20 or immediately gives and ~~thereafter~~ maintains proof of
21 ~~financial responsibility~~ liability insurance coverage, as
22 defined in section 321.1, with respect to all motor vehicles
23 registered by the person.

24 2. ~~Such~~ The license ~~and registration~~ shall remain
25 suspended or revoked and shall not ~~at any time thereafter~~ be
26 renewed nor shall any a license be ~~thereafter~~ issued to such
27 ~~the person, nor shall any motor vehicle be thereafter~~
28 ~~registered in the name of such person~~ until permitted under
29 the motor vehicle laws of this state and not then unless and
30 until the person ~~shall give~~ gives and ~~thereafter maintain~~
31 maintains proof of financial responsibility. The registration
32 shall remain suspended and no motor vehicle shall be
33 registered in the name of the person until the person gives
34 and maintains proof of liability insurance coverage, as
35 defined in section 321.1.

1 3. If a person is not licensed, but by final order or
2 judgment is convicted of or forfeits any bail or collateral
3 deposited to secure an appearance for trial for any an offense
4 requiring the suspension or revocation of license, or for
5 operating an unregistered motor vehicle upon the highways, no
6 license shall be ~~thereafter~~ issued to such that person ~~and no~~
7 ~~motor-vehicle-shall-continue-to-be-registered-or-thereafter-be~~
8 ~~registered-in-the-name-of-such-person~~ until the person shall
9 ~~give~~ gives and ~~thereafter-maintain~~ maintains proof of
10 financial responsibility. A motor vehicle registered in the
11 name of the person shall be cancelled and shall not be renewed
12 until the person provides proof of liability insurance
13 coverage, as defined in section 321.1.

14 Sec. 11. Section 321A.32, subsection 3, Code 1995, is
15 amended to read as follows:

16 3. Any A person who ~~shall-forge~~ forges or, without
17 authority, ~~sign-any~~ signs a notice provided for under section
18 321A.5 that a policy or bond is in effect, or any evidence of
19 ~~proof-of~~ financial responsibility, or any evidence of
20 liability insurance coverage as defined in section 321.1, or
21 who files or offers for filing any such notice or evidence of
22 ~~proof~~ knowing or having reason to believe that it is forged or
23 signed without authority, ~~shall-be~~ is guilty of a serious
24 misdemeanor.

25 Sec. 12. EFFECTIVE DATE. This Act takes effect January 1,
26 1997.

27 EXPLANATION

28 This bill requires proof of liability insurance coverage
29 before registering a motor vehicle in this state. However,
30 proof of liability insurance coverage is not required for
31 issuance of a certificate of title.

32 The bill defines liability insurance coverage to include
33 either liability insurance, the filing of a bond, the deposit
34 of money or securities, or a certification of self-insurance.
35