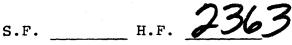
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COMMERCE AND REGULATION	HOUSE FILE 2363					
WITHLRAW. Y BRADLEY 3/11/98 (P. 592)						
Passed House, Date	Passed Senate, Date					
Vote: Ayes Nays	Vote: Ayes Nays					
Approved						

A BILL FOR

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Section 1. Section 321.20B, subsections 1, 2, and 3, Code
 Supplement 1997, are amended to read as follows:
 I. Notwithstanding chapter 321A, which requires certain
 persons to maintain proof of financial responsibility, a
 person shall not drive a motor vehicle which-is-registered-in
 this-state on the highways of this state unless financial

7 liability coverage, as defined in section 321.1, subsection 8 24A, is in effect for the motor vehicle and unless the driver 9 has in the motor vehicle the proof of financial liability 10 coverage card issued for the motor vehicle, or if the vehicle 11 is registered in another state, other evidence that financial 12 liability coverage is in effect for the motor vehicle.

This subsection does not apply to the operator of a motor 14 vehicle owned by or leased to the United States, this state or 15 another state, or any political subdivision of this state or 16 of another state, or to a motor vehicle which is subject to 17 section 325-267-327-157-327A.57 325A.6 or 327B.6.

2. a. An insurance company transacting business in this 19 state shall issue to its insured owners of motor vehicles 20 registered in this state a financial liability coverage card 21 for each registered motor vehicle insured. Each financial 22 liability coverage card shall identify the registration number 23 <u>or vehicle identification number</u> of the motor vehicle insured 24 and shall indicate the expiration date of the applicable 25 insurance coverage. The financial liability coverage card 26 shall also contain the name and address of the insurer, the 27 name of the insured, the type of coverage provided, and an 28 emergency telephone number of the insurer.

b. The insurance division and the department, as appropriate, shall adopt rules regarding the contents of a financial liability coverage card to be issued pursuant to this section. Notwithstanding the provisions of this section, a fleet owner shall is not be required to maintain in each vehicle a financial liability coverage card with the individual registration number or the vehicle identification

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1 number of the vehicle included on the card. Such fleet owner 2 shall be required to maintain a financial liability coverage 3 card in each vehicle in the fleet including information deemed 4 appropriate by the commissioner of insurance or the director, 5 as applicable.

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3. If the financial liability coverage for a motor vehicle 6 7 which is registered in this state is canceled or terminated 8 effective prior to the expiration date indicated on the 9 financial liability coverage card issued for the vehicle, the 10 person to whom the financial liability coverage card was 11 issued shall destroy the card.

Section 321.20B, subsections 4 and 5, Code 12 Sec. 2. 13 Supplement 1997, are amended by striking the subsections and 14 inserting in lieu thereof the following:

15 a. If a peace officer stops a motor vehicle registered 4. 16 in this state and the driver is unable to provide proof of 17 financial liability coverage, the peace officer shall do one 18 of the following:

Issue a warning memorandum to the driver. 19 (1)

20 (2) Issue a citation and remove the motor vehicle's 21 license plates and registration receipt. Upon removing the 22 license plates and registration receipt, the peace officer 23 shall deliver the plates for destruction, as appropriate, and 24 forward the registration receipt and evidence of the 25 violation, as determined by the department, to the county 26 treasurer of the county in which the vehicle is registered. 27 The driver of the motor vehicle may drive the motor vehicle 28 for a time period of up to forty-eight hours after receiving 29 the citation solely for the purpose of removing the motor 30 vehicle from the highways of this state.

After receiving the citation, the driver shall keep the 31 32 citation in the motor vehicle at all times while driving the 33 motor vehicle as provided in this subparagraph, as proof of 34 the driver's privilege to drive the motor vehicle for such 35 limited time and purpose.

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1 (3) (a) Issue a citation, remove the motor vehicle's 2 license plates and registration receipt, and impound the motor 3 vehicle. The peace officer shall deliver the plates for 4 destruction, as appropriate, and forward the registration 5 receipt and evidence of the violation, as determined by the 6 department, to the county treasurer of the county in which the 7 vehicle is registered.

8 (b) A vehicle which is impounded may be claimed by a 9 person if the owner provides proof of financial liability 10 coverage and proof of payment of any applicable fine and the 11 costs of towing and storage for the motor vehicle. If the 12 motor vehicle is not claimed within thirty days after 13 impoundment, the motor vehicle may be treated as an abandoned 14 vehicle pursuant to section 321.89.

15 (c) The holder of a security interest in a motor vehicle 16 which is impounded pursuant to this subparagraph shall be 17 notified of the impoundment within seventy-two hours of the 18 impoundment of the motor vehicle and shall have the right to 19 claim the motor vehicle upon the payment of all fees. 20 b. An owner or driver of a motor vehicle who is charged 21 with a violation of subsection 1 and issued a citation under 22 paragraph "a", subparagraph (2) or (3), is subject to the 23 following:

(1) An owner or driver who produces to the clerk of court, swithin thirty days of the issuance of the citation under aragraph "a", or prior to the date of the individual's court appearance as indicated on the citation, whichever is earlier, proof that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, or, if the driver is not the owner of the motor vehicle, proof that liability coverage was in effect for the driver with respect to the motor vehicle being driven at the time the ariver was stopped and cited, in the same manner as if the arecipt indicating that such proof was provided and be subject

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1 to one of the following:

2 (a) If the person was cited pursuant to paragraph "a", 3 subparagraph (2), the owner or driver shall provide a copy of 4 the receipt to the county treasurer of the county of residence 5 of the owner and the owner shall be assessed a fifteen dollar 6 administrative fee by the county treasurer who shall issue new 7 license plates and registration to the person after payment of 8 the fee.

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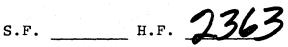
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9 (b) If the person was cited pursuant to paragraph "a", 10 subparagraph (3), the owner or driver, after the owner 11 provides proof of financial liability coverage to the clerk of 12 court, may claim the vehicle after such person pays any 13 applicable fine and the costs of towing and storage for the 14 motor vehicle, and pays to the county treasurer of the county 15 of residence of the owner a fifteen dollar administrative fee, 16 and the county treasurer shall issue new license plates and 17 registration to the person.

An owner or driver who is charged with a violation of 18 (2)19 subsection 1 and is unable to show that financial liability 20 coverage was in effect for the motor vehicle at the time the 21 person was stopped and cited may do either of the following: 22 Sign an admission of violation on the citation and (a) 23 remit to the clerk of court a scheduled fine as provided in 24 section 805.8, subsection 2, for a violation of subsection 1. 25 Upon payment of the fine to the clerk of court of the county 26 where the citation was issued, payment of a fifteen dollar 27 administrative fee to the county treasurer of the county in 28 which the vehicle is registered, and providing proof of 29 payment of any applicable fine and proof of financial 30 liability coverages to the county treasurer of the county in 31 which the vehicle is registered, the treasurer shall issue new 32 license plates and registration to the owner.

33 (b) Request an appearance before the court on the matter.
34 If the matter goes before the court, and the owner or driver
35 is found guilty of a violation of subsection 1, the court may

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1 impose a fine as provided in section 805.8, subsection 2, for 2 a violation of subsection 1, or the court may order the person 3 to perform unpaid community service instead of the fine. Upon 4 the payment of the fine or the entry of the order for unpaid 5 community service, the person shall provide proof of payment 6 or entry of such order and the county treasurer of the county 7 in which the vehicle is registered shall issue new license 8 plates and registration to the owner upon the owner providing 9 proof of financial liability coverage and paying a fifteen 10 dollar administrative fee to the county treasurer. 5. If the motor vehicle is not registered in this state 11 12 and the driver is a nonresident, the peace officer shall issue 13 a citation and the department shall suspend the driver's 14 privilege of operating a motor vehicle within this state. The 15 driver shall have thirty days to provide to the department 16 proof of financial responsibility. If the driver provides 17 such proof, the department shall restore the driver's .18 nonresident operating privilege after payment of a fifteen 19 dollar administrative fee. If the driver is unable to provide 20 such proof, the driver shall be subject to a fine as provided 21 in section 805.8, subsection 2, for a violation of subsection

22 1.

Sec. 3. Section 321.20B, subsections 6 and 7, Code
Supplement 1997, are amended to read as follows:

25 6. This section applies-to-a-motor-vehicle-subject-to
26 registration-under-this-chapter-other-than does not apply to a
27 motor vehicle identified in section 321.18, subsections 1
28 through 6, and subsection 8.

7. This section does not apply to a motor vehicle owned by a motor vehicle dealer or wholesaler licensed pursuant to licensed pursuant to

32 Sec. 4. Section 321.57, unnumbered paragraph 1, Code 33 Supplement 1997, is amended to read as follows:

34 A dealer owning any vehicle of a type otherwise required to 35 be registered under this chapter may operate or move the

1 vehicle upon the highways solely for purposes of transporting, 2 testing, demonstrating, or selling the vehicle without 3 registering the vehicle, upon condition that the vehicle 4 display in the manner prescribed in sections 321.37 and 321.38 5 a special plate issued to the owner as provided in sections 6 321.58 to 321.62. However,-if-the-vehicle-is-a-motor-vehicle; 7 the-dealer;-if-subject-to-section-321:20B;-shall-maintain 8 financial-liability-coverage-for-the-motor-vehicle-as-required 9 under-section-321-208---A Additionally, a new car dealer or a 10 used car dealer may operate or move upon the highways a new or 11 used car or trailer owned by the dealer for either private or 12 business purposes without registering it if the new or used 13 car or trailer is in the dealer's inventory and is 14 continuously offered for sale at retail, and there is 15 displayed on it a special plate issued to the dealer as 16 provided in sections 321.58 to 321.62.

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Sec. 5. <u>NEW SECTION</u>. 322.27A WHOLESALER'S LICENSE.
A person shall not engage in business as a wholesaler of
motor vehicles in this state without a license as provided in
this chapter.

Prior to the issuance of such license, the department, at a minimum, and in addition to any other information the department deems necessary to the application, shall require proof that the applicant has financial liability coverage as defined in section 321.1, except that such coverage shall be in limits of not less than one hundred thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, three hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifty thousand lollars because of injury to or destruction of property of others in any one accident.

33 Sec. 6. Section 805.8, subsection 2, paragraph ah, Code 34 Supplement 1997, is amended to read as follows:

35 ah. If -- in-connection-with-a-motor-vehicle-accident; a

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1 person is charged and found guilty of a violation of section 2 321.20B, subsection 1, the scheduled fine is one hundred 3 dollars.

4 Sec. 7. 1997 Iowa Acts, chapter 139, section 18, is 5 repealed.

6 Sec. 8. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.
7 This Act, being deemed of immediate importance, takes effect
8 upon enactment and applies retroactively to July 1, 1997.
9 EXPLANATION

10 This bill amends provisions relating to the motor vehicle 11 mandatory financial responsibility legislation passed during 12 the 1997 legislative session.

13 Code section 321.20B is amended to strike language which 14 establishes a scheduled fine of \$250. Language is included 15 referencing Code section 805.8, subsection 2, which lists a 16 number of scheduled fines. The scheduled fine currently in 17 the Code section for a violation of Code section 321.20B is 18 initially \$100. The fine is increased to \$250 effective July 19 1, 1999, pursuant to the 1997 legislation.

20 Code section 321.20B is amended by striking language 21 requiring the state department of transportation to establish, 22 by rule, criteria for determining whether to impound a vehicle 23 or remove the license plates and registration for a violation. 24 Procedures for citation and impoundment are now specified in 25 the bill.

26 Code section 321.57 is amended and Code section 322.27A is 27 created to provide a special financial responsibility 28 requirement for motor vehicle wholesalers.

28 requirement for motor venicle wholesalers.

29 Code section 805.8, subsection 2, is amended to apply the 30 \$100 scheduled fine to all instances where a person is charged 31 and found guilty of a violation of section 321.20B.

32 Currently, such fine applies if the person is found guilty in 33 connection with a motor vehicle accident.

34 The bill specifies the manner in which sanctions will be 35 applied to operators of vehicles registered both in this state

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1 and in other states. The bill amends House File 514 as enacted during the 1997 3 regular session by repealing the conditional effectiveness 4 language relating to state mandates. The bill is effective upon enactment and retroactively 6 applicable to July 1, 1997.

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