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COMMERCE AND REGULATION

HOUSE FILE

2363

BY BRADLEY

WITHDRAWN

3/11/98 (P. 592)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to motor vehicle operator proof of financial
2 responsibility and providing an effective date and for
3 retroactive applicability.

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

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WITHDRAWN

HT 2363

1 Section 1. Section 321.20B, subsections 1, 2, and 3, Code
2 Supplement 1997, are amended to read as follows:

3 1. Notwithstanding chapter 321A, which requires certain
4 persons to maintain proof of financial responsibility, a
5 person shall not drive a motor vehicle ~~which is registered in~~
6 ~~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.

13 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.

18 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 or vehicle identification number 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.

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

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.

6 3. If the financial liability coverage for a motor vehicle
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.

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

15 4. a. If a peace officer stops a motor vehicle registered
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:

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

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.

31 After receiving the citation, the driver shall keep the
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.

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:

24 (1) An owner or driver who produces to the clerk of court,
25 within thirty days of the issuance of the citation under
26 paragraph "a", or prior to the date of the individual's court
27 appearance as indicated on the citation, whichever is earlier,
28 proof that financial liability coverage was in effect for the
29 motor vehicle at the time the person was stopped and cited,
30 or, if the driver is not the owner of the motor vehicle, proof
31 that liability coverage was in effect for the driver with
32 respect to the motor vehicle being driven at the time the
33 driver was stopped and cited, in the same manner as if the
34 motor vehicle were owned by the driver, shall be given a
35 receipt indicating that such proof was provided and be subject

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.

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.

18 (2) An owner or driver who is charged with a violation of
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 (a) Sign an admission of violation on the citation and
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

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.

11 5. If the motor vehicle is not registered in this state
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.

23 Sec. 3. Section 321.20B, subsections 6 and 7, Code
24 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.

29 7. This section does not apply to a motor vehicle owned by
30 a motor vehicle dealer or wholesaler licensed pursuant to
31 chapter 322.

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 321.20B.~~ 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.

17 Sec. 5. NEW SECTION. 322.27A WHOLESALER'S LICENSE.

18 A person shall not engage in business as a wholesaler of
19 motor vehicles in this state without a license as provided in
20 this chapter.

21 Prior to the issuance of such license, the department, at a
22 minimum, and in addition to any other information the
23 department deems necessary to the application, shall require
24 proof that the applicant has financial liability coverage as
25 defined in section 321.1, except that such coverage shall be
26 in limits of not less than one hundred thousand dollars
27 because of bodily injury to or death of one person in any one
28 accident and, subject to the limit for one person, three
29 hundred thousand dollars because of bodily injury to or death
30 of two or more persons in any one accident, and fifty thousand
31 dollars because of injury to or destruction of property of
32 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

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.

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

1 and in other states.

2 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.

5 The bill is effective upon enactment and retroactively
6 applicable to July 1, 1997.

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