

REPRINTED

FEB 25 1998

Place On Calendar

HOUSE FILE 2454
BY COMMITTEE ON COMMERCE AND
REGULATION

(SUCCESSOR TO HF 2363)

Passed House, Date 3/5/98 ^(p.540) Passed Senate, Date 3/31/98 ^(p.975)
Vote: Ayes 95 Nays 0 Vote: Ayes 50 Nays 0
Approved April 17, 1998

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:

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

HF 2454

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 of the insurer, name and address
27 of the ~~insurer insurance agency~~, the name of the insured, the
28 ~~type-of-coverage-provided~~, and an emergency telephone number
29 of the insurer or emergency telephone number of the insurance
30 agency.

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

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

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

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

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

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

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

34 After receiving the citation, the driver shall keep the
35 citation in the motor vehicle at all times while driving the

1 motor vehicle as provided in this subparagraph, as proof of
2 the driver's privilege to drive the motor vehicle for such
3 limited time and purpose.

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

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

18 (c) The holder of a security interest in a motor vehicle
19 which is impounded pursuant to this subparagraph shall be
20 notified of the impoundment within seventy-two hours of the
21 impoundment of the motor vehicle and shall have the right to
22 claim the motor vehicle upon the payment of all fees.

23 b. An owner or driver of a motor vehicle who is charged
24 with a violation of subsection 1 and issued a citation under
25 paragraph "a", subparagraph (2) or (3), is subject to the
26 following:

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

1 driver was stopped and cited, in the same manner as if the
2 motor vehicle were owned by the driver, shall be given a
3 receipt indicating that such proof was provided and be subject
4 to one of the following:

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

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

21 (2) An owner or driver who is charged with a violation of
22 subsection 1 and is unable to show that financial liability
23 coverage was in effect for the motor vehicle at the time the
24 person was stopped and cited may do either of the following:

25 (a) Sign an admission of violation on the citation and
26 remit to the clerk of court a scheduled fine as provided in
27 section 805.8, subsection 2, for a violation of subsection 1.
28 Upon payment of the fine to the clerk of court of the county
29 where the citation was issued, payment of a fifteen dollar
30 administrative fee to the county treasurer of the county in
31 which the vehicle is registered, and providing proof of
32 payment of any applicable fine and proof of financial
33 liability coverages to the county treasurer of the county in
34 which the vehicle is registered, the treasurer shall issue new
35 license plates and registration to the owner.

1 (b) Request an appearance before the court on the matter.
2 If the matter goes before the court, and the owner or driver
3 is found guilty of a violation of subsection 1, the court may
4 impose a fine as provided in section 805.8, subsection 2, for
5 a violation of subsection 1, or the court may order the person
6 to perform unpaid community service instead of the fine. Upon
7 the payment of the fine or the entry of the order for unpaid
8 community service, the person shall provide proof of payment
9 or entry of such order and the county treasurer of the county
10 in which the vehicle is registered shall issue new license
11 plates and registration to the owner upon the owner providing
12 proof of financial liability coverage and paying a fifteen
13 dollar administrative fee to the county treasurer.

14 c. An owner or driver cited for a violation of subsection
15 1, who produces to the clerk of court proof that financial
16 liability coverage was in effect for the motor vehicle at the
17 time the person was stopped and cited as provided in paragraph
18 "b", shall not be convicted of such violation and the citation
19 issued shall be dismissed.

20 5. If the motor vehicle is not registered in this state
21 and the driver is a nonresident, the peace officer shall do
22 one of the following:

23 a. Issue a warning memorandum to the driver.

24 b. Issue a citation and the department shall suspend the
25 driver's privilege of operating a motor vehicle within this
26 state. The driver shall have thirty days to provide to the
27 department proof of financial responsibility. If the driver
28 provides such proof, the department shall restore the driver's
29 nonresident operating privilege after payment of a fifteen
30 dollar administrative fee. If the driver is unable to provide
31 such proof, the driver shall be subject to a fine as provided
32 in section 805.8, subsection 2, for a violation of subsection
33 1. A driver subject to a fine pursuant to this subsection
34 shall have sixty days from the date the citation was issued to
35 pay the amount of the fine to the department.

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

3 6. This section ~~applies to a motor vehicle subject to~~
4 ~~registration under this chapter other than~~ does not apply to a
5 motor vehicle identified in section 321.18, subsections 1
6 through 6, and subsection 8.

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

10 Sec. 4. Section 321.20B, Code Supplement 1997, is amended
11 by adding the following new subsection:

12 NEW SUBSECTION. 6A. This section does not apply to a
13 lienholder who has a security interest in a motor vehicle
14 subject to the registration requirements of this chapter, so
15 long as such lienholder maintains financial liability coverage
16 for any motor vehicle driven or moved by the lienholder in
17 which the lienholder has an interest.

18 Sec. 5. Section 321.57, unnumbered paragraph 1, Code
19 Supplement 1997, is amended to read as follows:

20 A dealer owning any vehicle of a type otherwise required to
21 be registered under this chapter may operate or move the
22 vehicle upon the highways solely for purposes of transporting,
23 testing, demonstrating, or selling the vehicle without
24 registering the vehicle, upon condition that the vehicle
25 display in the manner prescribed in sections 321.37 and 321.38
26 a special plate issued to the owner as provided in sections
27 321.58 to 321.62. ~~However, if the vehicle is a motor vehicle,~~
28 ~~the dealer, if subject to section 321.20B, shall maintain~~
29 ~~financial liability coverage for the motor vehicle as required~~
30 ~~under section 321.20B.--~~ Additionally, a new car dealer or a
31 used car dealer may operate or move upon the highways a new or
32 used car or trailer owned by the dealer for either private or
33 business purposes without registering it if the new or used
34 car or trailer is in the dealer's inventory and is
35 continuously offered for sale at retail, and there is

1 displayed on it a special plate issued to the dealer as
2 provided in sections 321.58 to 321.62.

3 Sec. 6. NEW SECTION. 322.27A WHOLESALER'S LICENSE.

4 A person shall not engage in business as a wholesaler of
5 motor vehicles in this state without a license as provided in
6 this chapter.

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

19 Sec. 7. Section 805.8, subsection 2, paragraph ah, Code
20 Supplement 1997, is amended to read as follows:

21 ah. ~~If, in connection with a motor vehicle accident,~~ a
22 person is charged and found guilty of a violation of section
23 321.20B, subsection 1, the scheduled fine is one hundred
24 dollars.

25 Sec. 8. 1997 Iowa Acts, chapter 139, section 18, is
26 repealed.

27 Sec. 9. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.
28 This Act, being deemed of immediate importance, takes effect
29 upon enactment and applies retroactively to July 1, 1997.

30 EXPLANATION

31 This bill amends provisions relating to the motor vehicle
32 mandatory financial responsibility legislation passed during
33 the 1997 legislative session.

34 Code section 321.20B is amended to strike language which
35 establishes a scheduled fine of \$250. Language is included

1 referencing Code section 805.8, subsection 2, which lists a
2 number of scheduled fines. The scheduled fine currently in
3 the Code section for a violation of Code section 321.20B is
4 initially \$100. The fine is increased to \$250 effective July
5 1, 1999, pursuant to the 1997 legislation.

6 Code section 321.20B is amended by striking language
7 requiring the state department of transportation to establish,
8 by rule, criteria for determining whether to impound a vehicle
9 or remove the license plates and registration for a violation.
10 Procedures for citation and impoundment are now specified in
11 the bill.

12 Code section 321.57 is amended and Code section 322.27A is
13 created to provide a special financial responsibility
14 requirement for motor vehicle wholesalers.

15 Code section 805.8, subsection 2, is amended to apply the
16 \$100 scheduled fine to all instances where a person is charged
17 and found guilty of a violation of section 321.20B.
18 Currently, such fine applies if the person is found guilty in
19 connection with a motor vehicle accident.

20 The bill specifies the manner in which sanctions will be
21 applied to operators of vehicles registered both in this state
22 and in other states.

23 The bill amends House File 514 as enacted during the 1997
24 regular session by repealing the conditional effectiveness
25 language relating to state mandates.

26 The bill is effective upon enactment and retroactively
27 applicable to July 1, 1997.

28

29

30

31

32

33

34

35

HOUSE FILE 2454

H-8218

1 Amend House File 2454 as follows:

- 2 1. Page 1, by striking line 26 and inserting the
3 following: "shall also contain the name and address
4 of the insurer or the name of the insurer and the name
5 and address".
- 6 2. Page 2, line 28, by striking the word
7 "vehicle" and inserting the following: "motor
8 vehicle".
- 9 3. Page 3, line 10, by striking the word
10 "vehicle" and inserting the following: "motor
11 vehicle".
- 12 4. Page 3, line 11, by striking the word
13 "vehicle" and inserting the following: "motor
14 vehicle".
- 15 5. Page 4, lines 7 and 8, by striking the words
16 "of residence of the owner" and inserting the
17 following: "in which the motor vehicle is
18 registered".
- 19 6. Page 4, line 15, by striking the word
20 "vehicle" and inserting the following: "motor
21 vehicle".
- 22 7. Page 4, line 17, by inserting after the words
23 "vehicle, and" the following: "the owner or driver
24 provides a copy of the receipt and the owner".
- 25 8. Page 4, line 18, by striking the words "of
26 residence of the owner" and inserting the following:
27 "in which the motor vehicle is registered".
- 28 9. Page 4, line 31, by striking the word
29 "vehicle" and inserting the following: "motor
30 vehicle".
- 31 10. Page 4, line 34, by striking the word
32 "vehicle" and inserting the following: "motor
33 vehicle".
- 34 11. Page 5, line 10, by striking the word
35 "vehicle" and inserting the following: "motor
36 vehicle".

By BRADLEY of Clinton

H-8218 FILED MARCH 4, 1998

adopted 3/5/98

(p. 538)

HOUSE FILE 2454

H-8234

1 Amend House File 2454 as follows:

- 2 1. Page 3, line 22, by inserting after the word
3 "fees." the following: "However, if the value of the
4 vehicle is less than the security interest, all fees
5 shall be divided equally between the lienholder and
6 the political subdivision impounding the vehicle."

By VAN FOSSEN of Scott

H-8234 FILED MARCH 4, 1998

adopted 3/5/98

(p. 538)

HOUSE FILE 2454

243

Amend House File 2454 as follows:

1. Page 1, by inserting before line 1 the following:

"Section 1. Section 321.20, Code Supplement 1997, is amended by adding the following new subsection:
NEW SUBSECTION. 6. Proof of financial liability coverage if the registration is for a motor vehicle."

2. Page 5, by inserting after line 19 the following:

"d. An owner or driver cited for violation of subsection 1 shall also surrender such person's motor vehicle license to the department. An owner or driver shall not have a new license issued until the person provides to the department proof of financial liability coverage."

3. Page 7, by inserting after line 2 the following:

"Sec. ____ . Section 321.177, Code 1997, is amended by adding the following new subsection:
NEW SUBSECTION. 11. To any person who does not at the time of application provide proof of financial liability coverage as required in section 321.20B for all motor vehicles owned by the person.

Sec. ____ . Section 321A.17, subsections 1, 2, and 3, Code 1997, are amended to read as follows:

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

2. ~~Such~~ The license ~~and-registration~~ shall remain suspended or revoked and shall not ~~at-any-time~~ thereafter be renewed ~~nor-shall-any~~ and a new license ~~shall not be thereafter~~ issued to ~~such the~~ the person, ~~nor shall-any-motor-vehicle-be-thereafter-registered-in~~ the-name-of-such-person until permitted under the motor vehicle laws of this state and not ~~then-unless~~ and until the person ~~shall-give~~ gives and ~~thereafter~~ thereafter maintain ~~maintains~~ proof of financial ~~responsibility~~ liability coverage, as defined in section 321.1.

3. If a person is not licensed, but by final order or judgment is convicted of or forfeits any bail or

8243

-1-

H-8243

Page 2

1 collateral deposited to secure an appearance for trial
2 for any offense requiring the suspension or revocation
3 of license, or for operating an unregistered motor
4 vehicle upon the highways, no a license shall not be
5 thereafter issued to such that person and no motor
6 vehicle shall continue to be registered or thereafter
7 be registered in the name of such person until the
8 person shall give gives and thereafter maintain
9 maintains proof of financial responsibility liability
10 coverage, as defined in section 321.1."
11 4. By renumbering as necessary.

By WHITEAD of Woodbury

H-8243 FILED MARCH 4, 1998

Not German 3/5/98
(P.540)

HOUSE FILE 2454

H-8239

1 Amend House File 2454 as follows:
2 1. Page 5, by striking lines 24 through 35 and
3 inserting the following:
4 "b. Issue a citation. An owner or driver who
5 produces to the clerk of court within thirty days of
6 the issuance of the citation, or prior to the date of
7 the individual's court appearance as indicated on the
8 citation, whichever is earlier, proof that the
9 financial liability coverage was in effect for the
10 motor vehicle at the time the person was stopped and
11 cited, or if the driver is not the owner of the motor
12 vehicle, proof that liability coverage was in effect
13 for the driver with respect to the motor vehicle being
14 driven at the time the driver was stopped and cited in
15 the same manner as if the motor vehicle were owned by
16 the driver, shall be given a receipt indicating that
17 proof was provided, and the citation issued shall be
18 dismissed."

By BRADLEY of Clinton

H-8239 FILED MARCH 4, 1998

Adopted 3/5/98
(P.539)

S-3/17/98 sm Do Pass

HOUSE FILE 2454
BY COMMITTEE ON COMMERCE AND
REGULATION

(SUCCESSOR TO HF 2363)

(As Amended and Passed by the House, March 5, 1998)

Passed House, ^(P. 1289) Date 4-6-98 Passed Senate, ^(P. 975) Date 3/31/98
Vote: Ayes 97 Nays 0 Vote: Ayes 50 Nays 0
Approved April 17

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:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19

New Language _____

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 or the
27 name of the insurer and the name and address of the insurer
28 insurance agency, the name of the insured, the-type-of
29 coverage-provided, and an emergency telephone number of the
30 insurer or emergency telephone number of the insurance agency.

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

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

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

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

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

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

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

34 After receiving the citation, the driver shall keep the
35 citation in the motor vehicle at all times while driving the

1 motor vehicle as provided in this subparagraph, as proof of
2 the driver's privilege to drive the motor vehicle for such
3 limited time and purpose.

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

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

18 (c) The holder of a security interest in a motor vehicle
19 which is impounded pursuant to this subparagraph shall be
20 notified of the impoundment within seventy-two hours of the
21 impoundment of the motor vehicle and shall have the right to
22 claim the motor vehicle upon the payment of all fees.
23 However, if the value of the vehicle is less than the security
24 interest, all fees shall be divided equally between the
25 lienholder and the political subdivision impounding the
26 vehicle.

27 b. An owner or driver of a motor vehicle who is charged
28 with a violation of subsection 1 and issued a citation under
29 paragraph "a", subparagraph (2) or (3), is subject to the
30 following:

31 (1) An owner or driver who produces to the clerk of court,
32 within thirty days of the issuance of the citation under
33 paragraph "a", or prior to the date of the individual's court
34 appearance as indicated on the citation, whichever is earlier,
35 proof that financial liability coverage was in effect for the

1 motor vehicle at the time the person was stopped and cited,
2 or, if the driver is not the owner of the motor vehicle, proof
3 that liability coverage was in effect for the driver with
4 respect to the motor vehicle being driven at the time the
5 driver was stopped and cited, in the same manner as if the
6 motor vehicle were owned by the driver, shall be given a
7 receipt indicating that such proof was provided and be subject
8 to one of the following:

9 (a) If the person was cited pursuant to paragraph "a",
10 subparagraph (2), the owner or driver shall provide a copy of
11 the receipt to the county treasurer of the county in which the
12 motor vehicle is registered and the owner shall be assessed a
13 fifteen dollar administrative fee by the county treasurer who
14 shall issue new license plates and registration to the person
15 after payment of the fee.

16 (b) If the person was cited pursuant to paragraph "a",
17 subparagraph (3), the owner or driver, after the owner
18 provides proof of financial liability coverage to the clerk of
19 court, may claim the motor vehicle after such person pays any
20 applicable fine and the costs of towing and storage for the
21 motor vehicle, and the owner or driver provides a copy of the
22 receipt and the owner pays to the county treasurer of the
23 county in which the motor vehicle is registered a fifteen
24 dollar administrative fee, and the county treasurer shall
25 issue new license plates and registration to the person.

26 (2) An owner or driver who is charged with a violation of
27 subsection 1 and is unable to show that financial liability
28 coverage was in effect for the motor vehicle at the time the
29 person was stopped and cited may do either of the following:

30 (a) Sign an admission of violation on the citation and
31 remit to the clerk of court a scheduled fine as provided in
32 section 805.8, subsection 2, for a violation of subsection 1.
33 Upon payment of the fine to the clerk of court of the county
34 where the citation was issued, payment of a fifteen dollar
35 administrative fee to the county treasurer of the county in

1 which the motor vehicle is registered, and providing proof of
2 payment of any applicable fine and proof of financial
3 liability coverages to the county treasurer of the county in
4 which the motor vehicle is registered, the treasurer shall
5 issue new license plates and registration to the owner.

6 (b) Request an appearance before the court on the matter.
7 If the matter goes before the court, and the owner or driver
8 is found guilty of a violation of subsection 1, the court may
9 impose a fine as provided in section 805.8, subsection 2, for
10 a violation of subsection 1, or the court may order the person
11 to perform unpaid community service instead of the fine. Upon
12 the payment of the fine or the entry of the order for unpaid
13 community service, the person shall provide proof of payment
14 or entry of such order and the county treasurer of the county
15 in which the motor vehicle is registered shall issue new
16 license plates and registration to the owner upon the owner
17 providing proof of financial liability coverage and paying a
18 fifteen dollar administrative fee to the county treasurer.

19 c. An owner or driver cited for a violation of subsection
20 1, who produces to the clerk of court proof that financial
21 liability coverage was in effect for the motor vehicle at the
22 time the person was stopped and cited as provided in paragraph
23 "b", shall not be convicted of such violation and the citation
24 issued shall be dismissed.

25 5. If the motor vehicle is not registered in this state
26 and the driver is a nonresident, the peace officer shall do
27 one of the following:

28 a. Issue a warning memorandum to the driver.

29 b. Issue a citation. An owner or driver who produces to
30 the clerk of court within thirty days of the issuance of the
31 citation, or prior to the date of the individual's court
32 appearance as indicated on the citation, whichever is earlier,
33 proof that the financial liability coverage was in effect for
34 the motor vehicle at the time the person was stopped and
35 cited, or if the driver is not the owner of the motor vehicle,

1 proof that liability coverage was in effect for the driver
2 with respect to the motor vehicle being driven at the time the
3 driver was stopped and cited in the same manner as if the
4 motor vehicle were owned by the driver, shall be given a
5 receipt indicating that proof was provided, and the citation
6 issued shall be dismissed.

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

9 6. ~~This section applies to a motor vehicle subject to~~
10 ~~registration under this chapter other than~~ does not apply to a
11 motor vehicle identified in section 321.18, subsections 1
12 through 6, and subsection 8.

13 7. This section does not apply to a motor vehicle owned by
14 a motor vehicle dealer or wholesaler licensed pursuant to
15 chapter 322.

16 Sec. 4. Section 321.20B, Code Supplement 1997, is amended
17 by adding the following new subsection:

18 NEW SUBSECTION. 6A. This section does not apply to a
19 lienholder who has a security interest in a motor vehicle
20 subject to the registration requirements of this chapter, so
21 long as such lienholder maintains financial liability coverage
22 for any motor vehicle driven or moved by the lienholder in
23 which the lienholder has an interest.

24 Sec. 5. Section 321.57, unnumbered paragraph 1, Code
25 Supplement 1997, is amended to read as follows:

26 A dealer owning any vehicle of a type otherwise required to
27 be registered under this chapter may operate or move the
28 vehicle upon the highways solely for purposes of transporting,
29 testing, demonstrating, or selling the vehicle without
30 registering the vehicle, upon condition that the vehicle
31 display in the manner prescribed in sections 321.37 and 321.38
32 a special plate issued to the owner as provided in sections
33 321.58 to 321.62. ~~However, if the vehicle is a motor vehicle,~~
34 ~~the dealer, if subject to section 321.20B, shall maintain~~
35 ~~financial liability coverage for the motor vehicle as required~~

1 ~~under-section-321-20B---~~A Additionally, a new car dealer or a
2 used car dealer may operate or move upon the highways a new or
3 used car or trailer owned by the dealer for either private or
4 business purposes without registering it if the new or used
5 car or trailer is in the dealer's inventory and is
6 continuously offered for sale at retail, and there is
7 displayed on it a special plate issued to the dealer as
8 provided in sections 321.58 to 321.62.

9 Sec. 6. NEW SECTION. 322.27A WHOLESALER'S LICENSE.

10 A person shall not engage in business as a wholesaler of
11 motor vehicles in this state without a license as provided in
12 this chapter.

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

25 Sec. 7. Section 805.8, subsection 2, paragraph ah, Code
26 Supplement 1997, is amended to read as follows:

27 ah. ~~If, in connection with a motor vehicle accident,~~ a
28 person is charged and found guilty of a violation of section
29 321.20B, subsection 1, the scheduled fine is one hundred
30 dollars.

31 Sec. 8. 1997 Iowa Acts, chapter 139, section 18, is
32 repealed.

33 Sec. 9. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.

34 This Act, being deemed of immediate importance, takes effect
35 upon enactment and applies retroactively to July 1, 1997.

HOUSE FILE 2454

S-5340

1 Amend House File 2454, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 6, line 17, by striking the word
 4 "subsection" and inserting the following:
 5 "subsections".
 6 2. Page 6, by inserting after line 23 the
 7 following:
 8 "NEW SUBSECTION. 6B. An insurance company that
 9 has issued financial liability coverage for a motor
 10 vehicle registered in this state pursuant to this
 11 chapter, shall not make any payments to a third party
 12 in excess of three thousand dollars for damages to a
 13 motor vehicle as a result of any claim made against
 14 the owner of a motor vehicle covered by financial
 15 liability coverage, unless such payment is also made
 16 payable to the first lienholder of record who has a
 17 security interest in the motor vehicle owned by the
 18 third-party claimant. The insurance company, as
 19 reimbursement for the company's expenses, shall retain
 20 fifty dollars of the payment on any such claim if the
 21 first lienholder is also listed as a payee."

By DENNIS H. BLACK

S-5340 FILED MARCH 24, 1998

WITHDRAWN

3/31/98 (p. 974)

HOUSE FILE 2454

S-5386

1 Amend House File 2454, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 2, by inserting after line 21 the
 4 following:
 5 "(2) Issue a citation to the driver. If a
 6 citation is issued, the citation shall be issued under
 7 this subparagraph unless the driver has been
 8 previously charged and cited for a violation of
 9 subsection 1. A citation which is issued and
 10 subsequently dismissed shall be disregarded for
 11 purposes of determining if the driver has been
 12 previously charged and cited."
 13 2. Page 2, line 22, by striking the figure "(2)"
 14 and inserting the following: "(3)".
 15 3. Page 3, line 4, by striking the figure "(3)"
 16 and inserting the following: "(4)".
 17 4. Page 3, line 29, by striking the word and
 18 figures "(2) and (3)" and inserting the following:
 19 "(3) and (4)".
 20 5. Page 4, line 10, by striking the figure "(2)"
 21 and inserting the following: "(3)".
 22 6. Page 4, line 17, by striking the figure "(3)"
 23 and inserting the following: "(4)".
 24 7. Page 5, line 20, by inserting after the word
 25 "court" the following: "within thirty days of the
 26 issuance of the citation".

By JOANN DOUGLAS

MICHAEL E. GRONSTAL

Adopted 3/31/98 (p. 973)

S-5386 FILED MARCH 25, 1998

1 Amend House File 2454, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 6, by inserting after line 23 the
4 following:

5 "Sec. _____. Section 321.24, Code 1997, is amended
6 by adding the following new unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. Before issuing a new
8 registration for a motor vehicle, the county treasurer
9 shall verify that the applicant has submitted proof of
10 financial responsibility as required under section
11 321.20B. If proof is not submitted, registration
12 shall not be issued. Proof of financial
13 responsibility is not required for issuance of a
14 certificate of title.

15 Sec. _____. Section 321.30, Code 1997, is amended by
16 adding the following new subsection preceding the last
17 unnumbered paragraph:

18 NEW SUBSECTION. 14. If the application is for a
19 new registration of a motor vehicle and the
20 application does not include proof of financial
21 responsibility as required under section 321.20B.
22 However, proof of financial responsibility is not
23 required for issuance of a certificate of title.

24 Sec. _____. Section 321.40, unnumbered paragraph 1,
25 Code Supplement 1997, is amended to read as follows:

26 Application for renewal of a vehicle registration
27 shall be made on or after the first day of the month
28 of expiration of registration and up to and including
29 the last day of the month following the month of
30 expiration of registration. The registration shall be
31 renewed upon payment of the appropriate registration
32 fee and upon the applicant providing proof of
33 financial responsibility as required under section
34 321.20B.

35 Sec. _____. Section 321.46, subsection 2, Code 1997,
36 is amended by adding the following new unnumbered
37 paragraph:

38 NEW UNNUMBERED PARAGRAPH. Prior to issuing a new
39 registration for a motor vehicle, the county treasurer
40 shall verify that the applicant has submitted proof of
41 financial responsibility as required under section
42 321.20B. If proof is not submitted, the registration
43 shall not be issued. Proof of financial
44 responsibility is not required for issuance of a
45 certificate of title."

46 2. Page 7, by inserting after line 8 the
47 following:

48 "Sec. _____. NEW SECTION. 321.482A FALSE
49 INFORMATION PROVIDED TO OBTAIN REGISTRATION.

50 A person who provides false information concerning
S-5351 -1-

S-5351

Page 2

1 such person's proof of financial responsibility for
2 purposes of obtaining a new motor vehicle registration
3 or for renewal of a motor vehicle registration under
4 section 321.24, 321.30, 321.40, or 321.46 commits a
5 simple misdemeanor."

6 3. By renumbering as necessary.

By STEVEN D. HANSEN

*O/Order
13/31/98
(P. 974)*

SENATE AMENDMENT TO HOUSE FILE 2454

H-8824

1 Amend House File 2454, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, by inserting after line 21 the
4 following:

5 "(2) Issue a citation to the driver. If a
6 citation is issued, the citation shall be issued under
7 this subparagraph unless the driver has been
8 previously charged and cited for a violation of
9 subsection 1. A citation which is issued and
10 subsequently dismissed shall be disregarded for
11 purposes of determining if the driver has been
12 previously charged and cited."

13 2. Page 2, line 22, by striking the figure "(2)"
14 and inserting the following: "(3)".

15 3. Page 3, line 4, by striking the figure "(3)"
16 and inserting the following: "(4)".

17 4. Page 3, line 29, by striking the word and
18 figures "(2) and (3)" and inserting the following:
19 "(3) and (4)".

20 5. Page 4, line 10, by striking the figure "(2)"
21 and inserting the following: "(3)".

22 6. Page 4, line 17, by striking the figure "(3)"
23 and inserting the following: "(4)".

24 7. Page 5, line 20, by inserting after the word
25 "court" the following: "within thirty days of the
26 issuance of the citation".

RECEIVED FROM THE SENATE

H-8824 FILED MARCH 31, 1998

House Concurred
4-6-98
(p. 1289)

HOUSE FILE 2454

S-5398

1 Amend House File 2454, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, by inserting after line 21 the
4 following:

5 "(2) Issue a citation to the driver. If a
6 citation is issued, the citation shall be issued under
7 this subparagraph unless the driver has been
8 previously convicted for a violation of subsection 1."

9 2. Page 2, line 22, by striking the figure "(2)"
10 and inserting the following: "(3)".

11 3. Page 3, line 4, by striking the figure "(3)"
12 and inserting the following: "(4)".

13 4. Page 3, line 29, by striking the word and
14 figures "(2) and (3)" and inserting the following:
15 "(3) and (4)".

16 5. Page 4, line 10, by striking the figure "(2)"
17 and inserting the following: "(3)".

18 6. Page 4, line 17, by striking the figure "(3)"
19 and inserting the following: "(4)".

20 7. Page 5, line 20, by inserting after the word
21 "court" the following: "within thirty days of the
22 issuance of the citation".

By JOANN DOUGLAS

S-5398 FILED MARCH 26, 1998

WITHDRAWN

3/31/98

(p. 973)

HOUSE FILE 2454

AN ACT

RELATING TO MOTOR VEHICLE OPERATOR PROOF OF FINANCIAL RESPONSIBILITY AND PROVIDING AN EFFECTIVE DATE AND FOR RETROACTIVE APPLICABILITY.

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

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

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

This subsection does not apply to the operator of a motor vehicle owned by or leased to the United States, this state or another state, or any political subdivision of this state or of another state, or to a motor vehicle which is subject to section ~~325.267-327.157-327A.57~~ 325A.6 or 327B.6.

2. a. An insurance company transacting business in this state shall issue to its insured owners of motor vehicles registered in this state a financial liability coverage card for each ~~registered~~ motor vehicle insured. Each financial liability coverage card shall identify the registration number or vehicle identification number of the motor vehicle insured and shall indicate the expiration date of the applicable insurance coverage. The financial liability coverage card shall also contain the name and address of the insurer or the name of the insurer and the name and address of the insurer

insurance agency, the name of the insured, the type of coverage provided, and an emergency telephone number of the insurer or emergency telephone number of the insurance agency.

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

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

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

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

- (1) Issue a warning memorandum to the driver.
- (2) Issue a citation to the driver. If a citation is issued, the citation shall be issued under this subparagraph unless the driver has been previously charged and cited for a violation of subsection 1. A citation which is issued and subsequently dismissed shall be disregarded for purposes of determining if the driver has been previously charged and cited.

(3) Issue a citation and remove the motor vehicle's license plates and registration receipt. Upon removing the license plates and registration receipt, the peace officer shall deliver the plates for destruction, as appropriate, and forward the registration receipt and evidence of the violation, as determined by the department, to the county treasurer of the county in which the motor vehicle is registered. The motor vehicle may be driven for a time period of up to forty-eight hours after receiving the citation solely for the purpose of removing the motor vehicle from the highways of this state, unless the driver's operating privileges are otherwise suspended.

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

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

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

(c) The holder of a security interest in a motor vehicle which is impounded pursuant to this subparagraph shall be notified of the impoundment within seventy-two hours of the impoundment of the motor vehicle and shall have the right to claim the motor vehicle upon the payment of all fees.

However, if the value of the vehicle is less than the security interest, all fees shall be divided equally between the lienholder and the political subdivision impounding the vehicle.

b. An owner or driver of a motor vehicle who is charged with a violation of subsection 1 and issued a citation under paragraph "a", subparagraph (3) or (4), is subject to the following:

(1) An owner or driver who produces to the clerk of court, within thirty days of the issuance of the citation under paragraph "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 driver was stopped and cited, in the same manner as if the motor vehicle were owned by the driver, shall be given a receipt indicating that such proof was provided and be subject to one of the following:

(a) If the person was cited pursuant to paragraph "a", subparagraph (3), the owner or driver shall provide a copy of the receipt to the county treasurer of the county in which the motor vehicle is registered and the owner shall be assessed a fifteen dollar administrative fee by the county treasurer who shall issue new license plates and registration to the person after payment of the fee.

(b) If the person was cited pursuant to paragraph "a", subparagraph (4), the owner or driver, after the owner provides proof of financial liability coverage to the clerk of court, may claim the motor vehicle after such person pays any applicable fine and the costs of towing and storage for the motor vehicle, and the owner or driver provides a copy of the receipt and the owner pays to the county treasurer of the county in which the motor vehicle is registered a fifteen

dollar administrative fee, and the county treasurer shall issue new license plates and registration to the person.

(2) An owner or driver who is charged with a violation of subsection 1 and is unable to show that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited may do either of the following:

(a) Sign an admission of violation on the citation and remit to the clerk of court a scheduled fine as provided in section 805.8, subsection 2, for a violation of subsection 1. Upon payment of the fine to the clerk of court of the county where the citation was issued, payment of a fifteen dollar administrative fee to the county treasurer of the county in which the motor vehicle is registered, and providing proof of payment of any applicable fine and proof of financial liability coverages to the county treasurer of the county in which the motor vehicle is registered, the treasurer shall issue new license plates and registration to the owner.

(b) Request an appearance before the court on the matter. If the matter goes before the court, and the owner or driver is found guilty of a violation of subsection 1, the court may impose a fine as provided in section 805.8, subsection 2, for a violation of subsection 1, or the court may order the person to perform unpaid community service instead of the fine. Upon the payment of the fine or the entry of the order for unpaid community service, the person shall provide proof of payment or entry of such order and the county treasurer of the county in which the motor vehicle is registered shall issue new license plates and registration to the owner upon the owner providing proof of financial liability coverage and paying a fifteen dollar administrative fee to the county treasurer.

c. An owner or driver cited for a violation of subsection 1, who produces to the clerk of court within thirty days of the issuance of the citation proof that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited as provided in paragraph "b", shall not be convicted of such violation and the citation issued shall be dismissed.

5. If the motor vehicle is not registered in this state and the driver is a nonresident, the peace officer shall do one of the following:

- a. Issue a warning memorandum to the driver.
- b. Issue a citation. An owner or driver who produces to the clerk of court within thirty days of the issuance of the citation, or prior to the date of the individual's court appearance as indicated on the citation, whichever is earlier, proof that the 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 driver was stopped and cited in the same manner as if the motor vehicle were owned by the driver, shall be given a receipt indicating that proof was provided, and the citation issued shall be dismissed.

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

6. ~~This section applies to a motor vehicle subject to registration under this chapter other than~~ does not apply to a motor vehicle identified in section 321.18, subsections 1 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 chapter 322.

Sec. 4. Section 321.20B, Code Supplement 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. This section does not apply to a lienholder who has a security interest in a motor vehicle subject to the registration requirements of this chapter, so long as such lienholder maintains financial liability coverage for any motor vehicle driven or moved by the lienholder in which the lienholder has an interest.

Sec. 5. Section 321.57, unnumbered paragraph 1, Code Supplement 1997, is amended to read as follows:

A dealer owning any vehicle of a type otherwise required to be registered under this chapter may operate or move the vehicle upon the highways solely for purposes of transporting, testing, demonstrating, or selling the vehicle without registering the vehicle, upon condition that the vehicle display in the manner prescribed in sections 321.37 and 321.38 a special plate issued to the owner as provided in sections 321.58 to 321.62. ~~However, if the vehicle is a motor vehicle, the dealer, if subject to section 321.20B, shall maintain financial liability coverage for the motor vehicle as required under section 321.20B.~~ Additionally, a new car dealer or a used car dealer may operate or move upon the highways a new or used car or trailer owned by the dealer for either private or business purposes without registering it if the new or used car or trailer is in the dealer's inventory and is continuously offered for sale at retail, and there is displayed on it a special plate issued to the dealer as provided in sections 321.58 to 321.62.

Sec. 6. NEW SECTION. 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 dollars because of injury to or destruction of property of others in any one accident.

Sec. 7. Section 805.8, subsection 2, paragraph ah, Code Supplement 1997, is amended to read as follows:

~~ah. If in connection with a motor vehicle accident, a person is charged and found guilty of a violation of section 321.20B, subsection 1, the scheduled fine is one hundred dollars.~~

Sec. 8. 1997 Iowa Acts, chapter 139, section 18, is repealed.

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

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2454, Seventy-seventh General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved April 17, 1998

TERRY E. BRANSTAD
Governor