

FEB 18 1997

COMMERCE AND REGULATION

HOUSE FILE **280**

BY BRADLEY, RANTS, HEATON, SUKUP,
MARTIN, WELTER, BRUNKHORST, HOLMES,
BRAUNS, GREIG, ARNOLD, FALLON,
MYERS, RICHARDSON, FORD, CONNORS,
WHITEAD, BUKTA, KINZER, O'BRIEN,
WITT, and REYNOLDS-KNIGHT

WITHDRAWN
3.18.97 (p.646)

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

A BILL FOR

1 An Act relating to the offense of driving a motor vehicle when a
2 license has been revoked or denied for driving while
3 intoxicated, financial liability coverage and registration
4 requirements for motor vehicles in this state, providing for
5 the seizure of motor vehicle registration plates, and
6 providing penalties and conditional effective dates.

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

8
9
10
11
12
13
14
15
16
17
18
19
20

WITHDRAWN

HF 280

1 Section 1. Section 321.1, Code 1997, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 24A. "Financial liability 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 Iowa to or for the benefit of the person named in the policy
8 as insured, and insuring the person named as insured and any
9 person using an insured motor vehicle with the express or
10 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 NEW SUBSECTION. 54A. "Proof of financial liability
24 coverage card" means either a liability insurance card issued
25 under section 321.20B, a bond insurance card issued under
26 section 321A.24, a security insurance card issued under
27 section 321A.25, or a self-insurance card issued under section
28 321A.34.

29 Sec. 2. NEW SECTION. 321.20B PROOF OF SECURITY AGAINST
30 LIABILITY.

31 1. Notwithstanding chapter 321A, which requires certain
32 persons to maintain proof of financial responsibility, a
33 person shall not drive a motor vehicle which is registered in
34 this state on the highways of this state unless financial
35 liability coverage, as defined in section 321.1, subsection

1 24A, is in effect for the motor vehicle and unless the driver
2 has in the motor vehicle the proof of financial liability
3 coverage card issued for the motor vehicle.

4 2. The department shall not register a motor vehicle or
5 issue a registration certificate or registration plates unless
6 the applicant has submitted proof of financial liability
7 coverage. This subsection shall only apply to the applicant's
8 initial registration of the motor vehicle and does not apply
9 to a subsequent renewal of registration of the motor vehicle,
10 unless the applicant is required to maintain proof of
11 financial responsibility under chapter 321A or other
12 applicable law.

13 3. An insurance company transacting business in this state
14 shall issue to its insured owners of motor vehicles registered
15 in this state a financial liability coverage card for each
16 registered motor vehicle insured. Each financial liability
17 coverage card shall identify the registration number of the
18 motor vehicle insured and shall indicate the expiration date
19 of the applicable insurance coverage. The financial liability
20 coverage card shall also contain the name and address of the
21 insured and insurer, the type of coverage provided, and an
22 emergency telephone number of the insurer.

23 4. If the financial liability coverage for a motor vehicle
24 which is registered in this state is canceled or terminated
25 effective prior to the expiration date indicated on the
26 financial liability coverage card issued for the vehicle, the
27 person to whom the financial liability coverage card was
28 issued shall return the financial liability coverage card to
29 the insurer which issued the card.

30 5. If a peace officer stops a motor vehicle and the driver
31 is unable to provide proof of financial liability coverage,
32 the peace officer shall do one of the following:

33 a. Issue a warning citation to the driver.

34 b. Issue a citation and remove the motor vehicle's license
35 plates and registration from the motor vehicle which has been

1 operated on the highways of this state without financial
2 liability coverage being in effect for the motor vehicle, and
3 remove the license plates and registration from any other
4 vehicle registered to the person in violation of this section
5 for which the person is unable to show proof of financial
6 liability coverage. Upon removing the license plates and
7 registration the peace officer shall issue a temporary
8 registration permit and forward the plates to the county
9 treasurer of the county in which the plates were issued along
10 with a copy of the citation issued by the peace officer. An
11 owner or driver of a motor vehicle who is charged with a
12 violation of subsection 1 and whose license plates and
13 registration have been removed is subject to the following:

14 (1) An owner or driver who produces to the county
15 treasurer, within thirty days of the time the person's license
16 plates and registration are removed, proof that financial
17 liability coverage was in effect for the motor vehicle at the
18 time the person was stopped and cited, shall be assessed a
19 fifteen dollar administrative fee by the county treasurer who
20 shall return the license plates and registration to the person
21 after payment of the fee.

22 (2) An owner or driver who is unable to show that
23 financial liability coverage was in effect for the motor
24 vehicle at the time the person was stopped and cited, and
25 signs an admission of violation on the citation, may do either
26 of the following:

27 (a) Sign an admission of violation on the citation and
28 remit to the county treasurer a scheduled fine of two hundred
29 fifty dollars plus a fifteen dollar administrative fee. Upon
30 payment of the fine and fee, and providing proof of financial
31 liability coverage to the county treasurer, the county
32 treasurer shall return the license plates and registration to
33 the person.

34 (b) Request an appearance before the court on the matter.
35 If the matter goes before the court, and the owner or driver

1 is found guilty of a violation of subsection 1, the court may
2 impose a fine of two hundred fifty dollars, or the court may
3 order the person to perform unpaid community service instead
4 of the fine. Upon the payment of the fine or the entry of the
5 order for unpaid community service, the county treasurer shall
6 return the license plates and registration to the person upon
7 the person providing proof of financial liability coverage and
8 paying a fifteen dollar administrative fee to the county
9 treasurer.

10 (3) An owner or driver who fails to provide to the county
11 treasurer, within thirty days of the time the person's
12 registration plates are removed, proof that financial
13 liability coverage was in effect for the motor vehicle at the
14 time the person was stopped and cited, and does not sign an
15 admission of violation on the citation, shall not have the
16 person's license plates or registration returned. The county
17 treasurer shall destroy the plates and registration and
18 provide notification to the state department of transportation
19 that the plates and registration have been destroyed,
20 including a copy of the citation.

21 c. Issue a citation and impound the motor vehicle. A
22 vehicle which is impounded may be claimed by a person if the
23 owner provides proof of financial liability coverage and pays
24 any applicable fine and the costs of towing and storage for
25 the motor vehicle. The amount for the costs of towing and
26 storage shall be paid to the law enforcement agency which
27 impounds the motor vehicle. If the motor vehicle is not
28 claimed within thirty days after impoundment, the motor
29 vehicle may be treated as an abandoned vehicle pursuant to
30 section 321.89. If the law enforcement agency elects to treat
31 the motor vehicle as abandoned, the agency shall notify the
32 registered owner of the motor vehicle that the vehicle shall
33 be deemed abandoned and shall be sold in the manner provided
34 in section 321.89 if payment of the total cost of impoundment
35 is not received within twenty-one days of the mailing of the

1 notice. Notwithstanding section 321.89, any amount received
2 from the sale of the motor vehicle shall be retained by the
3 law enforcement agency which impounds the vehicle.

4 6. This section applies to a motor vehicle subject to
5 registration under this chapter other than a motor vehicle
6 identified in section 321.18, subsections 1 through 6, and
7 subsection 8.

8 7. The director of transportation and the commissioner of
9 insurance shall adopt rules pursuant to chapter 17A to
10 administer this section.

11 Sec. 3. Section 321.54, unnumbered paragraph 1, Code 1997,
12 is amended to read as follows:

13 Nonresident owners of foreign vehicles operated within this
14 state for the intrastate transportation of persons or property
15 for compensation or for the intrastate transportation of
16 merchandise shall register and maintain financial liability
17 coverage as required under section 321.20B for each such
18 vehicle and pay the same fees ~~therefor-as-is~~ required with
19 ~~reference-to~~ for like vehicles owned by residents of this
20 state.

21 Sec. 4. Section 321.55, Code 1997, is amended to read as
22 follows:

23 321.55 REGISTRATION REQUIRED FOR CERTAIN VEHICLES OWNED OR
24 OPERATED BY NONRESIDENTS.

25 A nonresident owner or operator engaged in remunerative
26 employment within the state or carrying on business within the
27 state and owning or operating a motor vehicle, trailer, or
28 semitrailer within the state shall register and maintain
29 financial liability coverage as required under section 321.20B
30 for each such vehicle and pay the same fees for registration
31 as are paid for like vehicles owned by residents of this
32 state. However, this paragraph does not apply to a person
33 commuting from the person's residence in another state or
34 whose employment is seasonal or temporary, not exceeding
35 ninety days.

1 A nonresident owner of a motor vehicle operated within the
2 state by a resident of the state shall register the vehicle
3 and shall maintain financial liability coverage as required
4 under section 321.20B for the vehicle. The nonresident owner
5 shall pay the same fees for registration as are paid for like
6 vehicles owned by residents of this state. However,
7 registration under this paragraph does-not-apply-to is not
8 required for vehicles being operated by residents temporarily,
9 not exceeding ninety days. It is unlawful for a resident to
10 operate within the state an unregistered motor vehicle
11 required to be registered under this paragraph.

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

14 A dealer owning any vehicle of a type otherwise required to
15 be registered hereunder under this chapter may operate or move
16 the same vehicle upon the highways solely for purposes of
17 transporting, testing, demonstrating, or selling the same
18 vehicle without registering each-such the vehicle, upon
19 condition that any-such the vehicle display in the manner
20 prescribed in sections 321.37 and 321.38 a special plate
21 issued to such the owner as provided in sections 321.58 to
22 321.62. ~~In-addition-to-the-foregoing,-a~~ However, if the
23 vehicle is a motor vehicle the dealer shall maintain financial
24 liability coverage for the motor vehicle as required under
25 section 321.20B. A new car dealer or a used car dealer may
26 operate or move upon the highways any a new or used car or
27 trailer owned by the dealer for either private or business
28 purposes without registering ~~the-same-providing,-(1)-such it~~
29 if the new or used car or trailer is in the dealer's inventory
30 and is continuously offered for sale at retail, and ~~(2)~~ there
31 is displayed thereon on it a special plate issued to such the
32 dealer as provided in sections 321.58 to 321.62.

33 Sec. 6. Section 321.492, unnumbered paragraph 1, Code
34 1997, is amended to read as follows:

35 Any A peace officer is authorized to stop any a vehicle to

1 require exhibition of the driver's motor vehicle license, to
2 require exhibition of the proof of insurance card issued for
3 the vehicle if the vehicle is a motor vehicle registered in
4 this state, to serve a summons or memorandum of traffic
5 violation, to inspect the condition of the vehicle, to inspect
6 the vehicle with reference to size, weight, cargo, log book,
7 bills of lading or other manifest of employment, tires, and
8 safety equipment, or to inspect the registration certificate,
9 the compensation certificate, travel order, or permit of the
10 vehicle. A peace officer shall require the exhibition of the
11 proof of financial liability coverage card issued for a
12 vehicle if the vehicle is a motor vehicle registered in this
13 state and the vehicle has been stopped for the purpose of
14 issuing a citation for a traffic violation, the vehicle is
15 involved in a traffic accident, or the vehicle has been
16 stopped for the purpose of conducting a safety inspection.

17 Sec. 7. Section 321A.17, subsections 1 through 3, Code
18 1997, are amended to read as follows:

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

31 2. ~~Such~~ The license ~~and-registration~~ shall remain
32 suspended or revoked and shall not ~~at-any-time-thereafter~~ be
33 renewed nor shall ~~any~~ a license be ~~thereafter~~ issued to such
34 ~~the person, nor shall any motor vehicle be thereafter~~
35 ~~registered in the name of such person~~ until permitted under

1 the motor vehicle laws of this state and not then unless and
2 until the person ~~shall-give~~ gives and ~~thereafter-maintain~~
3 maintains proof of financial responsibility. The registration
4 shall remain suspended and a motor vehicle shall not be
5 registered in the name of the person until the person gives
6 and maintains proof of financial liability coverage, as
7 defined in section 321.1.

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

22 Sec. 8. Section 321A.24, subsection 1, Code 1997, is
23 amended to read as follows:

24 1. a. Proof of financial responsibility may be evidenced
25 by the bond of a surety company duly authorized to transact
26 business within this state, or a bond with at least two
27 individual sureties each owning real estate within this state,
28 and together having equities equal in value to at least twice
29 the amount of the bond, which real estate shall be scheduled
30 in the bond approved by a judge or clerk of a the district
31 court of-record, and which ~~said~~ bond shall be conditioned for
32 payment of the amounts specified in section 321A.1, subsection
33 10.

34 b. ~~Such~~ The bond shall be filed with the department and
35 ~~shall~~ is not be cancelable except after ten days' written

1 notice to the department. ~~Such~~ The director shall issue to
2 the person filing the bond a bond insurance card for each
3 motor vehicle registered by the person in the state. The bond
4 insurance card shall state the name and address of the person
5 and the motor vehicle registration number of the vehicle for
6 which the card is issued.

7 c. The bond shall-constitute constitutes a lien in favor
8 of the state upon the real estate so scheduled of any surety,
9 which lien ~~shall-exist~~ exists in favor of any holder of a
10 final judgment against the person who has filed ~~such~~ the bond,
11 for damages, including damages for care and loss of services,
12 because of bodily injury to or death of any person, or for
13 damage because of injury to or destruction of property,
14 including the loss of use ~~thereof~~ of the property, resulting
15 from the ownership, maintenance, use, or operation of a motor
16 vehicle after ~~such~~ the bond was filed, upon the filing of
17 notice to that effect by the department in the office of the
18 proper clerk of the district court of the county where ~~such~~
19 the real estate ~~shall-be~~ is located. ~~Any~~ An individual surety
20 ~~so~~ scheduling real estate security shall furnish satisfactory
21 evidence of title ~~thereto~~ to the property and the nature and
22 extent of all encumbrances ~~thereon~~ on the property and the
23 value of the surety's interest ~~therein~~ in the property, in
24 ~~such~~ the manner ~~as~~ the judge or clerk of the district court of
25 ~~record~~ approving the bond ~~may-require~~ requires. The notice
26 filed by the department shall contain, in addition to any
27 other matters deemed by the department to be pertinent,
28 ~~contain~~ a legal description of the real estate ~~so~~ scheduled,
29 the name of the holder of the record title, the amount for
30 which it stands as security, and the name of the person in
31 whose behalf proof is so being made. Upon the filing of ~~such~~
32 the notice the clerk of the district court ~~of-such-county~~
33 shall retain the ~~same~~ notice as part of the records of ~~such~~
34 the court and enter upon the encumbrance book the date and
35 hour of filing, the name of the surety, the name of the record

1 titleholder, the description of the real estate, and the
2 further notation that a lien is charged on such the real
3 estate pursuant to the filed notice ~~filed-hereunder~~. From and
4 after the entry of the foregoing notice upon the encumbrance
5 book all persons ~~whomsoever-shall-be~~ are charged with notice
6 thereof of it.

7 d. If the bond is canceled, the person who filed the bond
8 shall surrender to the director all bond insurance cards
9 issued to the person.

10 Sec. 9. Section 321A.25, subsection 1, Code 1997, is
11 amended to read as follows:

12 ~~1. With-respect-to-accidents-occurring-on-or-after-January~~
13 ~~17-1981, and before January 17, 1983, proof of financial~~
14 ~~responsibility may be evidenced by the certificate of the~~
15 ~~state treasurer that the person named in the certificate has~~
16 ~~deposited with the treasurer forty thousand dollars in cash,~~
17 ~~or securities such as may legally be purchased by a state bank~~
18 ~~or for trust funds of a market value of forty thousand~~
19 ~~dollars, and with respect to accidents occurring on or after~~
20 ~~January 17, 1983, proof~~ Proof of financial responsibility may
21 be evidenced by the certificate of the state treasurer of
22 state that the person named in the certificate has deposited
23 with the treasurer of state fifty-five thousand dollars in
24 cash, or securities such as which may legally be purchased by
25 a state bank or ~~for~~ trust funds of a market value of fifty-
26 five thousand dollars. The treasurer of state shall promptly
27 notify the director of transportation of the name and address
28 of the person to whom the certificate has been issued. Upon
29 receipt of the notification, the director of transportation
30 shall issue to the person a security insurance card for each
31 motor vehicle registered in this state by the person. The
32 security insurance card shall state the name and address of
33 the person and the registration number of the motor vehicle
34 for which the card is issued. The state treasurer of state
35 shall not accept a deposit and issue a certificate for it and

1 the department shall not accept the certificate unless
2 accompanied by evidence that there are no unsatisfied
3 judgments of any character against the depositor in the county
4 where the depositor resides.

5 Sec. 10. Section 321A.32, subsection 3, Code 1997, is
6 amended to read as follows:

7 3. Any A person who ~~shall-forge~~ forges or, without
8 authority, ~~sign-any~~ signs a notice provided for under section
9 321A.5 that a policy or bond is in effect, or any evidence of
10 ~~proof-of~~ financial responsibility, or any evidence of
11 financial liability coverage as defined in section 321.1, or
12 who files or offers for filing any such notice or evidence of
13 ~~proof~~ knowing or having reason to believe that it is forged or
14 signed without authority, ~~shall-be~~ is guilty of a serious
15 misdemeanor.

16 Sec. 11. Section 321A.34, subsections 2 and 3, Code 1997,
17 are amended to read as follows:

18 2. The department may, ~~in-the-department's-discretion,~~
19 upon the application of such a person, issue a certificate of
20 self-insurance ~~when~~ if the department is satisfied that ~~such~~
21 ~~the person is-possessed~~ has and will continue to ~~be-possessed~~
22 ~~of~~ have the ability to pay judgments obtained against ~~such the~~
23 person for damages arising out of the ownership, maintenance,
24 or use of any vehicle owned by ~~such the~~ person. The
25 department shall issue to each person who has in effect a
26 valid certificate of self-insurance, a self-insurance card for
27 each motor vehicle registered in this state by the person.
28 The card shall state the name and address of the person and
29 shall state the registration number of the motor vehicle for
30 which the card was issued.

31 3. Upon not less than five days' notice and a hearing
32 pursuant to ~~such the~~ notice, the department may upon
33 reasonable grounds cancel a certificate of self-insurance.
34 Failure to pay ~~any a~~ judgment for damages arising out of the
35 ownership, maintenance, or use of any vehicle owned by ~~such~~

1 the self-insurer within thirty days after such the judgment
2 ~~shall-have-become~~ becomes final ~~shall-constitute~~ constitutes a
3 reasonable ground for the cancellation of a certificate of
4 self-insurance. Upon the cancellation of a certificate of
5 self-insurance, the person who was issued the certificate
6 shall surrender to the director all self-insurance cards
7 issued to the person.

8 Sec. 12. Section 321J.21, Code 1997, is amended to read as
9 follows:

10 321J.21 DRIVING WHILE LICENSE DENIED OR REVOKED.

11 1. A person whose motor vehicle license or nonresident
12 operating privilege has been denied or revoked as provided in
13 this chapter and who drives a motor vehicle upon the highways
14 of this state while the license or privilege is denied or
15 revoked commits a serious misdemeanor, punishable as a
16 scheduled fine under section 805.8, subsection 2, paragraph
17 "ae", except that, notwithstanding section 805.12, the clerk
18 of the district court shall remit one-quarter of the fine to
19 the law enforcement agency of the peace officer making the
20 arrest. If the court determines that the defendant is guilty
21 of the offense but is unable to pay the fine, the court may
22 alternatively order the defendant to perform unpaid community
23 service instead of the fine.

24 2. The In addition to the imposition of the fine or
25 sentence of community service, the department, upon receiving
26 the record of the conviction of a person under this section
27 upon a charge of driving a motor vehicle while the license of
28 the person was revoked or denied, shall extend the period of
29 revocation or denial for an additional like period, and the
30 department shall not issue a new license during the additional
31 period.

32 Sec. 13. Section 326.25, Code 1997, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 4. Upon a determination that the motor
35 vehicle does not have financial liability coverage as required

1 under section 321.20B.

2 Sec. 14. Section 805.8, subsection 2, Code 1997, is
3 amended by adding the following new paragraph:

4 NEW PARAGRAPH. ad. If, in connection with a motor vehicle
5 accident, a person is charged and found guilty of a violation
6 of section 321.20B, subsection 1, the scheduled fine is five
7 hundred dollars, otherwise the scheduled fine for a violation
8 of section 321.20B, subsection 1, is two hundred fifty
9 dollars. If the violation is admitted and section 805.9
10 applies, the violation shall be chargeable upon uniform
11 citation and complaint, indictment, or county attorney's
12 information. If the violation is not admitted, the violation
13 shall be chargeable only upon indictment or county attorney's
14 information. In either case, if the defendant is convicted,
15 the conviction shall be of an indictable offense.

16 Notwithstanding section 805.12, fines collected pursuant to
17 this paragraph shall be submitted to the state court
18 administrator and distributed fifty percent to the victim
19 compensation fund established in section 912.14, twenty-five
20 percent to the county in which such fine is imposed, and
21 twenty-five percent to the general fund of the state.

22 Sec. 15. Section 805.8, subsection 2, Code 1997, is
23 amended by adding the following new paragraph:

24 NEW PARAGRAPH. ae. For violation of section 321J.21, the
25 scheduled fine is one thousand dollars. If the violation is
26 admitted and section 805.9 applies, the violation shall be
27 chargeable upon uniform citation and complaint, indictment, or
28 county attorney's information. If the violation is not
29 admitted, the violation shall be chargeable only upon
30 indictment or county attorney's information. In either case,
31 if the defendant is convicted, the conviction shall be of an
32 indictable offense.

33 Sec. 16. EFFECTIVE DATES -- RULES -- NOTIFICATION.

34 Sections 1 through 11 and 13 through 15 of this Act take
35 effect January 1, 1998. However, in order to implement this

1 Act, the insurance division of the department of commerce and
2 the director of transportation shall each adopt rules as
3 required under this Act which shall be effective by October 1,
4 1997. The treasurer of state shall notify the director of
5 transportation of the names and addresses of persons who are
6 issued valid certificates under section 321A.25, subsection 1,
7 Code 1997, by November 1, 1997, and after that date the
8 treasurer of state shall notify the director of transportation
9 as required under section 9 of this Act. Insurance carriers
10 authorized to do business in this state and the director of
11 transportation shall distribute proof of insurance cards as
12 required under this Act by December 1, 1997.

13 This section, being deemed of immediate importance, takes
14 effect upon enactment.

15 Sections 12 and 16 of this Act take effect July 1, 1997.

16 Sec. 17. CONDITIONAL EFFECTIVENESS PROVISION.

17 Notwithstanding section 17 of this Act, sections 1 through 11
18 and 13 through 15 of this Act shall not take effect unless an
19 appropriation is made in accordance with section 25B.2,
20 subsection 3.

21 EXPLANATION

22 This bill prohibits a person from driving a motor vehicle
23 registered in this state on the highways of this state unless
24 financial liability coverage is in effect for the motor
25 vehicle. A violation is subject to a \$500 fine if the
26 violation is in connection with a motor vehicle accident,
27 otherwise the scheduled fine is \$250. Pursuant to Article 1,
28 section 11, of the Constitution of the State of Iowa, because
29 the fine is greater than \$100, it must be treated as an
30 indictable offense. The bill provides that fines collected
31 are to be distributed by the state court administrator 50
32 percent to the victim compensation fund, 25 percent to the
33 county in which the fine is collected, and 25 percent to the
34 general fund of the state.

35 The driver of the motor vehicle is also subject to a

1 conviction for a violation if the driver does not have in the
2 motor vehicle a proof of financial liability coverage card
3 issued for the motor vehicle. However, a person charged with
4 not having in the motor vehicle a proof of financial liability
5 coverage card will not be convicted if the person produces in
6 court, within 30 days after being charged, proof that the
7 motor vehicle was covered by financial liability coverage at
8 the time of the driver's arrest. Under the bill, financial
9 liability coverage includes either liability insurance, the
10 filing of a bond, the deposit of money or securities, or a
11 certification of self-insurance.

12 The bill provides that if a peace officer stops a motor
13 vehicle and the driver is unable to provide proof of financial
14 liability coverage, the peace officer is to issue a warning
15 citation to the driver, issue a citation and remove the
16 license plates and registration from the motor vehicle which
17 has been operated on the highways of this state without
18 financial liability coverage being in effect for the motor
19 vehicle, and remove the license plates and registration from
20 any other vehicle registered to the person in violation of
21 this section for which the person is unable to show proof of
22 financial liability coverage, or issue a citation and impound
23 the motor vehicle. The bill provides for the return of the
24 license plates and registration, or vehicle upon the payment
25 of certain costs, including a \$15 administrative fee to the
26 county treasurer. A vehicle which is impounded and which is
27 not claimed is deemed abandoned. Any amount received from the
28 sale of the motor vehicle is to be retained by the law
29 enforcement agency impounding the vehicle.

30 Proof of financial liability coverage is not required for
31 issuance of a certificate of title.

32 The bill creates and internally cites new Code section
33 321.20B and new subsections 24A and 54A of Code section 321.1.

34 This bill provides for a scheduled fine of \$1,000 for
35 driving a motor vehicle when the defendant's license has been

1 revoked or denied for operating a motor vehicle while
2 intoxicated under Code chapter 321J. If the court determines
3 the defendant cannot afford to pay such a fine, the court may
4 alternatively sentence the defendant to perform community
5 service as determined by the court. One-quarter of the fine
6 amount shall be allocated by the court to the arresting
7 entity. Pursuant to Article 1, section 11, of the Iowa
8 Constitution, because the fine is greater than \$100, it must
9 be treated as an indictable offense.

10 The bill generally takes effect January 1, 1998, but
11 certain administrative actions are required prior to that date
12 to allow for the bill's implementation.

13 This bill may create a state mandate under chapter 25B.
14 The bill's effectiveness is conditioned upon an appropriation
15 being made in accordance with Code section 25B.2, which
16 provides that a political subdivision is not required to
17 perform a mandated activity unless the legislation specifies
18 the amount or proportion of the cost of the state mandate
19 which the state is to pay annually.

20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35