

FEB 11 2000
TRANSPORTATION

HOUSE FILE 2236
BY VAN FOSSEN

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

A BILL FOR

1 An Act relating to motor vehicle rental companies' liability for
2 damages caused by motor vehicles rented from the companies.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2236

1 Section 1. Section 321.493, subsection 1, paragraph a,
2 Code 1999, is amended to read as follows:

3 a. Subject to paragraph paragraphs "b" and "c", in all
4 cases where damage is done by any motor vehicle by reason of
5 negligence of the driver, and driven with the consent of the
6 owner, the owner of the motor vehicle shall be liable for such
7 damage. For purposes of this subsection, "owner" means the
8 person to whom the certificate of title for the vehicle has
9 been issued or assigned or to whom a manufacturer's or
10 importer's certificate of origin for the vehicle has been
11 delivered or assigned. However, if the vehicle is leased,
12 "owner" means the person to whom the vehicle is leased, not
13 the person to whom the certificate of title for the vehicle
14 has been issued or assigned or to whom the manufacturer's or
15 importer's certificate of origin for the vehicle has been
16 delivered or assigned. For purposes of this subsection,
17 "leased" means the transfer of the possession or right to
18 possession of a vehicle to a lessee for a valuable
19 consideration for a continuous period of twelve months or
20 more, pursuant to a written agreement.

21 Sec. 2. Section 321.493, subsection 1, Code 1999, is
22 amended by adding the following new paragraph:

23 NEW PARAGRAPH. c. If a vehicle is rented, "owner" means
24 the person to whom the vehicle is rented, not the person to
25 whom the certificate of title for the vehicle has been issued
26 or assigned or to whom the manufacturer's or importer's
27 certificate of origin for the vehicle has been delivered or
28 assigned. For purposes of this paragraph, "rented" means the
29 transfer of the possession or right to possession of a vehicle
30 to a renter for a valuable consideration by an owner, as
31 defined in paragraph "a", in the business of renting vehicles,
32 pursuant to a written agreement. A vehicle that is leased is
33 not rented for purposes of this paragraph.

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EXPLANATION

35 This bill amends Code section 321.493, relating to

1 liability for motor vehicle damage, to provide that an owner
2 of a motor vehicle who is in the business of renting motor
3 vehicles pursuant to written agreements is not liable for
4 damages caused by the driver of a motor vehicle rented from
5 the owner. The bill provides that the person to whom the
6 motor vehicle was rented is liable for such damages.

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