

FEB 15 2006
TRANSPORTATION

HOUSE FILE
BY SWAIM

2378

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

A BILL FOR

1 An Act to require proof of financial liability coverage upon
2 registration of a motor vehicle and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2378

1 Section 1. Section 321.20, Code Supplement 2005, is
2 amended to read as follows:

3 NEW SUBSECTION. 7. If the vehicle is a motor vehicle, the
4 owner shall certify that financial liability coverage is in
5 effect for the motor vehicle and provide a description of the
6 financial liability coverage as noted on the proof of
7 financial liability coverage card issued for the motor
8 vehicle. The owner shall notify the department when the
9 insurance carrier or other source of the financial liability
10 coverage changes within thirty days of obtaining the new
11 coverage. The application provided by the department shall
12 include a statement for the applicant to sign that
13 acknowledges the applicant's knowledge of the requirement to
14 notify the department of a financial liability coverage
15 change. A person who falsely certifies as to financial
16 liability coverage required under this section or section
17 321.40 commits a simple misdemeanor. A person who fails to
18 notify the county treasurer of a change in financial liability
19 coverage as required pursuant to this subsection commits a
20 simple misdemeanor if the person's motor vehicle is operated
21 on the highway after the thirty-day notification period has
22 lapsed.

23 Sec. 2. Section 321.30, Code 2005, is amended by adding
24 the following new subsection:

25 NEW SUBSECTION. 15. The department or the county
26 treasurer shall refuse registration of a motor vehicle if the
27 owner does not provide satisfactory certification that
28 financial liability coverage is in effect for the motor
29 vehicle.

30 Sec. 3. Section 321.40, unnumbered paragraph 2, Code
31 Supplement 2005, is amended to read as follows:

32 On or before the fifteenth day of the eleventh month of a
33 vehicle's registration year, the department shall create an
34 electronic file and the county treasurer shall send a
35 statement of fees due to the appropriate owner of record. A

1 form for certification of financial liability coverage shall
2 accompany each renewal statement sent to the owner of a motor
3 vehicle. After the department has generated the electronic
4 file used to produce statements for a registration month, and
5 before the fifteenth day of the month following expiration of
6 a vehicle's registration year, the department shall create a
7 subsequent electronic file and the county treasurer shall send
8 a statement of fees due to the appropriate owner of record for
9 any vehicle subsequently registered for that registration
10 month. The statement shall be mailed or electronically
11 transmitted to the most current address of record, showing
12 information sufficient to identify the vehicle and a listing
13 of the various fees as appropriate. Failure to receive a
14 statement shall have no effect upon the accrual of penalty at
15 the appropriate date.

16 EXPLANATION

17 This bill requires the owner of a motor vehicle to certify
18 that financial liability coverage is in effect for the vehicle
19 at the time the vehicle is registered and each time the
20 registration is renewed. If the insurance carrier or other
21 source of the financial liability coverage changes, the owner
22 of the motor vehicle has 30 days in which to notify the county
23 treasurer of the change in coverage. The owner of the motor
24 vehicle can be charged with a simple misdemeanor if the owner
25 fails to provide timely notification of a change in coverage
26 and the motor vehicle is operated on a highway. In addition,
27 a person who falsely certifies as to financial liability
28 coverage required for registration or renewal commits a simple
29 misdemeanor. A simple misdemeanor is punishable by
30 confinement for no more than 30 days or a fine of at least \$50
31 but not more than \$500 or by both.

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