

House Study Bill 500

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON HUSER)

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

A BILL FOR

1 An Act relating to the motor vehicle financial liability law and
2 dismissal of citations for drivers or owners who acquire
3 financial liability coverage.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5061YC 82
6 md/rj/8

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1 1 Section 1. Section 321.20B, subsection 4, Code Supplement
1 2 2007, is amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. d. (1) An owner or driver cited for a
1 4 violation of subsection 1 shall not be convicted of such
1 5 violation and the citation issued shall be dismissed by the
1 6 court if the driver of the motor vehicle had a valid driver's
1 7 license on the date the citation was issued, the owner or
1 8 driver has not been previously charged or convicted of a
1 9 violation of this section, and the owner or driver provides to
1 10 the clerk of court five days or more prior to the person's
1 11 court appearance, as indicated on the citation, proof of
1 12 financial liability coverage on the motor vehicle described on
1 13 the citation. The financial liability coverage must be valid
1 14 for a period of six months and must not be subject to
1 15 cancellation or termination, but may be transferred to another
1 16 motor vehicle if the motor vehicle is sold. Upon dismissal,
1 17 the court or clerk of court shall assess the costs of the
1 18 action against the person named on the citation and give a
1 19 receipt to the person indicating that proof of financial
1 20 liability coverage was provided.

1 21 (2) If the person is charged with a violation of
1 22 subsection 1 and issued a citation under paragraph "a",
1 23 subparagraph (3) or (4), the person shall provide a copy of
1 24 the receipt of proof of financial liability coverage to the
1 25 county treasurer of the county in which the motor vehicle is
1 26 registered and the person shall be assessed a fifteen dollar
1 27 administrative fee by the county treasurer who shall issue new
1 28 license plates and registration to the person after payment of
1 29 the fee.

EXPLANATION

1 31 Code section 321.20B requires all owners or drivers of
1 32 motor vehicles to have insurance coverage or other proof of
1 33 financial liability coverage for their motor vehicles. This
1 34 bill allows an owner or driver a one-time opportunity to
1 35 prepay insurance or secure other financial liability coverage
2 1 for a period of six months instead of being convicted of
2 2 failing to provide proof of financial liability coverage. The
2 3 six-month financial liability coverage must not be subject to
2 4 cancellation or termination. Proof of the financial liability
2 5 coverage must be given to the clerk of court five or more days
2 6 prior to the person's court appearance. The bill also
2 7 requires that to be eligible for dismissal of the citation the
2 8 driver of the motor vehicle must have a valid driver's license
2 9 on the date the citation was issued.

2 10 After dismissal of the citation, the court or clerk of
2 11 court will assess the costs of the action against the owner or
2 12 driver named on the citation and give a receipt to the person
2 13 indicating that proof of financial liability coverage was
2 14 provided. If the owner or driver is charged with a violation
2 15 and the motor vehicle's license plates and registration have
2 16 been removed by the peace officer under current law, the
2 17 person is required to provide a copy of the receipt to the

2 18 county treasurer of the county in which the motor vehicle is
2 19 registered and pay a \$15 administrative fee to the county
2 20 treasurer who will issue new license plates and registration
2 21 for the motor vehicle.
2 22 LSB 5061YC 82
2 23 md/rj/8.1