HOUSE FILE 2125 BY MOORE, ARNOLD, BYRNES, HEIN, and RASMUSSEN

## A BILL FOR

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

1 Section 1. Section 321.20, subsection 1, Code 2011, is 2 amended by adding the following new paragraph:

3 <u>NEW PARAGRAPH</u>. *g*. If the vehicle is a motor vehicle, the 4 owner shall certify on the application that financial liability 5 coverage is in effect for the motor vehicle and provide a copy 6 of the proof of financial liability coverage card issued for 7 the motor vehicle, a description of the financial liability 8 coverage as noted on the proof of financial liability coverage 9 card, or other documentation acceptable to the department. 10 This paragraph does not apply to a motor vehicle registered as 11 a "limited use" vehicle pursuant to sections 321.58 through 12 321.62 or section 321.115.

13 Sec. 2. Section 321.30, Code 2011, is amended by adding the 14 following new subsection:

NEW SUBSECTION. 4. The department or the county treasurer shall refuse registration of a motor vehicle if the owner does not provide satisfactory certification that financial liability scoverage is in effect for the motor vehicle. This subsection does not apply to a motor vehicle registered as a "limited use" vehicle pursuant to sections 321.58 through 321.62 or section 21 321.115.

22 Sec. 3. Section 321.40, subsection 1, Code 2011, is amended 23 to read as follows:

1. Application for renewal of a vehicle registration shall be made on or after the first day of the month prior to the month of expiration of registration and up to and including the last day of the month following the month of expiration of registration. The registration shall be renewed upon <u>receipt</u> by the county treasurer of certification of financial liability coverage as required under subsection 10 and payment of the appropriate annual registration fee. Application for renewal for a vehicle registered under chapter 326 shall be made on or after the first day of the month of expiration of registration and up to and including the last day of the month following the month of expiration of registration.

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1 Sec. 4. Section 321.40, Code 2011, is amended by adding the 2 following new subsection:

3 <u>NEW SUBSECTION</u>. 10. *a.* A form for certification of 4 financial liability coverage shall accompany each renewal 5 statement sent to the owner of a motor vehicle under this 6 section. The applicant shall complete the form certifying 7 that financial liability coverage is in effect for the vehicle 8 and provide a copy of the current proof of financial liability 9 coverage card issued for the motor vehicle, a description of 10 the financial liability coverage as noted on the proof of 11 financial liability coverage card, or other documentation 12 acceptable to the department. The completed certification and 13 any supporting documentation shall be returned to the county 14 treasurer along with the appropriate registration fee for the 15 vehicle.

b. Upon receipt of an application for renewal and payment of the appropriate vehicle registration fee that is not accompanied by satisfactory certification of financial pliability coverage, the county treasurer shall not renew the vehicle registration and shall send one notice to the applicant stating that the registration will not be renewed until the applicant submits the required certification of financial liability coverage. If the county treasurer does not receive satisfactory certification of financial liability coverage within thirty days after sending the notice or upon expiration of the vehicle registration, whichever is the earlier date, the county treasurer shall return the registration fee payment to the applicant without registration renewal.

29 c. This subsection does not apply to a motor vehicle 30 registered as a "limited use" vehicle pursuant to sections 31 321.58 through 321.62 or section 321.115. 32 EXPLANATION 33 This bill requires the owner of a motor vehicle to certify 34 that financial liability coverage is in effect for the

35 vehicle at the time the vehicle is registered and each time

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1 the registration is renewed. At the time of application
2 for initial registration of a motor vehicle, the owner is
3 required to provide a copy of the proof of financial liability
4 coverage card issued for the motor vehicle, a description of
5 the coverage as noted on the card, or other documentation
6 acceptable to the department of transportation. The department
7 or the county treasurer shall not register a motor vehicle
8 in the absence of satisfactory certification that financial
9 liability coverage is in effect for the vehicle.

10 The bill requires that the annual renewal statement sent ll by the county treasurer to the owner of a motor vehicle 12 shall be accompanied by a form for certification of financial 13 liability coverage. The county treasurer shall refuse to 14 renew the vehicle registration in the absence of satisfactory 15 certification that financial liability coverage is in effect 16 for the vehicle. If the county treasurer receives a payment of 17 registration fees without certification of financial liability 18 coverage, the county treasurer shall send one notice to the 19 applicant stating that the registration will not be renewed 20 until the certification is provided. If certification is not 21 received by the earlier of 30 days after the notice is sent 22 or upon expiration of the vehicle registration, the county 23 treasurer shall return the registration fee payment to the 24 applicant without renewing the vehicle registration. 25 Motor vehicles that are registered as "limited use"

26 vehicles, such as certain antique vehicles and vehicles in a 27 dealer's inventory, are exempt from the requirements under the 28 bill.

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