

**House File 2183 - Introduced**

HOUSE FILE 2183

BY BRINK

**A BILL FOR**

1 An Act relating to motor vehicle insurance, including requiring  
2 owners of registered motor vehicles to maintain financial  
3 liability coverage, establishing a motor vehicle insurance  
4 verification database, authorizing the use of automated  
5 registration plate reader systems, and authorizing county  
6 enforcement and diversion programs, establishing fees,  
7 providing penalties, and including effective date and  
8 applicability provisions.

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

1 Section 1. Section 321.11, subsection 3, Code 2020, is  
2 amended to read as follows:

3 3. Notwithstanding other provisions of **this section** to the  
4 contrary, the department shall not release personal information  
5 to a person, other than to an officer or employee of a law  
6 enforcement agency, an employee of a federal or state agency  
7 or political subdivision in the performance of the employee's  
8 official duties, a contract employee of the department of  
9 inspections and appeals in the conduct of an investigation, or  
10 a licensed private investigation agency or a licensed security  
11 service or a licensed employee of either, if the information is  
12 requested by the presentation of a registration plate number.  
13 However, the department may release personal information to the  
14 department's designated agent for the purposes of chapter 321B.  
15 In addition, an officer or employee of a law enforcement agency  
16 may release the name, address, and telephone number of a motor  
17 vehicle registrant to a person requesting the information by  
18 the presentation of a registration plate number if the officer  
19 or employee of the law enforcement agency believes that the  
20 release of the information is necessary in the performance of  
21 the officer's or employee's duties.

22 Sec. 2. Section 321.20B, subsection 1, paragraphs a and c,  
23 Code 2020, are amended to read as follows:

24 a. (1) Notwithstanding **chapter 321A**, which requires  
25 certain persons to maintain proof of financial responsibility,  
26 a person shall not drive a motor vehicle on the highways of  
27 this state unless financial liability coverage, ~~as defined~~  
28 ~~in **section 321.1, subsection 24B**,~~ is in effect for the motor  
29 vehicle and unless the driver has in the motor vehicle the  
30 proof of financial liability coverage card issued for the motor  
31 vehicle, or if the vehicle is registered in another state,  
32 other evidence that financial liability coverage is in effect  
33 for the motor vehicle. A proof of financial liability coverage  
34 card may be produced in paper or electronic format. Acceptable  
35 electronic formats include electronic images displayed on a

1 cellular telephone or any other portable electronic device that  
2 has a display screen with touch input or a miniature keyboard.

3 (2) Notwithstanding chapter 321A, which requires certain  
4 persons to maintain proof of financial responsibility, the  
5 owner of any motor vehicle registered under this chapter shall  
6 maintain financial liability coverage for the vehicle.

7 c. This subsection does not apply to the owner or operator  
8 of a motor vehicle owned by or leased to the United States,  
9 this state or another state, or any political subdivision of  
10 this state or of another state, or to a motor vehicle which is  
11 subject to [section 325A.6](#).

12 Sec. 3. NEW SECTION. 321B.1 **Definitions.**

13 As used in this chapter, unless the context otherwise  
14 requires:

15 1. "*Advisory council*" means the group established pursuant  
16 to section 321B.2, subsection 2.

17 2. "*Automatic registration plate reader system*" means  
18 a system of one or more fixed or mobile cameras that uses  
19 computer algorithms to convert images of motor vehicle  
20 registration plates into computer-readable data.

21 3. "*Database*" means the motor vehicle insurance verification  
22 database created under this chapter.

23 4. "*Department*" means the state department of  
24 transportation.

25 5. "*Designated agent*" means the position or positions  
26 designated within the department or the third party with which  
27 the department contracts under section 321B.2.

28 6. "*Financial institution*" means financial institution as  
29 defined in 18 U.S.C. §20.

30 7. "*Motor vehicle*" means the same as defined in section  
31 321.1.

32 8. "*Peace officer*" means the same as defined in section  
33 321.1.

34 9. "*Real-time internet services model*" means an electronic  
35 service established by insurers through the internet, the

1 world wide web, or a similar proprietary or common carrier  
2 electronic system that complies with the specifications and  
3 standards of the insurance industry committee on motor vehicle  
4 administration and that is available twenty-four hours per  
5 day, seven days per week, subject to reasonable allowances for  
6 scheduled maintenance or temporary system failures.

7 Sec. 4. NEW SECTION. **321B.2 Motor vehicle insurance**  
8 **verification program — advisory council.**

9 1. A motor vehicle insurance verification program is  
10 created within the department to be administered by the  
11 department. The purposes of the program include all of the  
12 following:

13 a. To establish a motor vehicle insurance verification  
14 database to verify compliance with the requirements of section  
15 321.20B.

16 b. To assist in reducing the number of uninsured motor  
17 vehicles on the highways of the state.

18 c. To assist in increasing compliance with motor vehicle  
19 insurance requirements and for other law enforcement purposes.

20 d. To assist in protecting the bona fide security interests  
21 of financial institutions in motor vehicles.

22 2. a. The department of transportation shall establish an  
23 advisory council, chaired by the director of the department or  
24 a representative of the department appointed by the director,  
25 consisting of six members including the director of the  
26 department or the representative of the department appointed  
27 by the director, a representative of the department of public  
28 safety, an insurance company representative appointed by the  
29 commissioner of insurance, an insurance agent appointed by  
30 the commissioner of insurance, a representative of a trade  
31 association of property and casualty insurers appointed by the  
32 commissioner of insurance, and a representative of a vendor  
33 with experience implementing real-time internet services  
34 models and databases similar to the database created under  
35 this chapter appointed by the director of the department of

1 transportation.

2 *b.* The advisory council shall do all of the following:

3 (1) Make recommendations to the department on the best  
4 methods and practices for implementing a real-time internet  
5 services model for insurance verification.

6 (2) Assist in the development of a guide for insurers  
7 detailing the data fields and other information necessary for  
8 compliance with this chapter.

9 (3) Provide an annual report to the department detailing the  
10 improvements and implementation efforts relating to insurance  
11 verification in other states for consideration in improving  
12 compliance and operations in this state.

13 3. The department shall either designate a position or  
14 positions within the department or, following the competitive  
15 bidding procedures as provided in chapter 8A, subchapter III,  
16 shall contract with a third party, to act as the department's  
17 designated agent for administration of this chapter. The  
18 designated agent shall establish and maintain a computer  
19 database containing all of the following information:

20 *a.* Information provided by insurers under section 321B.3.

21 *b.* Information provided by the department under subsection  
22 6.

23 *c.* Information obtained using a real-time internet services  
24 model.

25 *d.* Any other information provided by the department pursuant  
26 to this chapter.

27 4. The database shall be developed and maintained, and  
28 access to a real-time internet services model shall be  
29 provided, in accordance with guidelines established by the  
30 department by rule to allow authorized state and local law  
31 enforcement agencies and financial institutions to efficiently  
32 access the records of the database and real-time internet  
33 services model, including reports useful for the implementation  
34 of this chapter, twenty-four hours per day, seven days  
35 per week, subject to reasonable allowances for scheduled

1 maintenance or temporary system failures.

2     *a.* Database reports shall be in a form and contain  
3 information approved by the department.

4     *b.* Database reports may be made available through the  
5 department's internet site or through other electronic media  
6 if the department determines that sufficient security is  
7 provided to ensure compliance with the provisions of this  
8 chapter regarding limitations on disclosure of information in  
9 the database.

10     *c.* The department shall consult with the chief information  
11 officer appointed under section 8B.2 for the purpose of  
12 developing network security requirements for the database.

13     5. At least twice monthly, the designated agent shall do all  
14 of the following, using information provided by the department:

15     *a.* Update the database with motor vehicle insurance  
16 information provided by insurers in accordance with section  
17 321B.3.

18     *b.* Compare all current motor vehicle registrations against  
19 the database. If records in the database indicate that a  
20 registered motor vehicle is not covered under an owner's  
21 policy of liability insurance, the designated agent shall  
22 use a real-time internet services model to determine if the  
23 registered motor vehicle is covered under an owner's policy of  
24 liability insurance.

25     6. On or before the seventh day of each calendar month, the  
26 department shall provide the designated agent with the make,  
27 model, year, and vehicle identification number of each vehicle  
28 in the department's motor vehicle database, and the name and  
29 address of each person listed on each vehicle's registration.

30     7. The department shall adopt rules in accordance with  
31 chapter 17A establishing procedures for access to and the use  
32 of the department's motor vehicle database for the purposes of  
33 administering and enforcing this chapter.

34     8. *a.* The designated agent shall archive database files at  
35 least semiannually for auditing purposes.

1     *b.* The department shall audit the program at least annually.

2 The audit shall include verification of:

3     (1) Billings made by the designated agent, if any.

4     (2) The accuracy of the designated agent's matching of  
5 vehicle registration records with insurance data.

6     Sec. 5. NEW SECTION. 321B.3 **Motor vehicle insurance**  
7 **reporting by insurers — penalty.**

8     1. *a.* Except as provided in paragraph "b", each insurer  
9 that issues a policy to a motor vehicle owner in this state  
10 that includes motor vehicle liability coverage, uninsured  
11 motorist coverage, underinsured motorist coverage, or  
12 personal injury coverage shall, on or before the seventh  
13 and twenty-first days of each calendar month, submit to the  
14 department's designated agent a record of each motor vehicle  
15 insurance policy that was issued by the insurer and in effect  
16 for a vehicle registered or garaged in this state as of the  
17 date of the previous submission.

18     *b.* An insurer is not required to provide a record of a motor  
19 vehicle insurance policy under paragraph "a" if the policy  
20 covers a vehicle that is registered under chapter 326.

21     *c.* This subsection does not preclude more frequent  
22 reporting.

23     2. A record provided by an insurer under subsection 1,  
24 paragraph "a", shall include all of the following:

25     *a.* The name, date of birth, and driver's license number, if  
26 the insured provides a driver's license number to the insurer,  
27 of each insured owner or operator, and the address of the named  
28 insured.

29     *b.* The make, year, and vehicle identification number of each  
30 insured vehicle.

31     *c.* The policy number and effective date of each policy.

32     3. An insurer shall provide the information required under  
33 this section via electronic means or via another means the  
34 designated agent agrees to accept.

35     4. *a.* The department may assess a civil penalty of not more

1 than two hundred fifty dollars for each day an insurer fails to  
2 comply with this section.

3 *b.* If an insurer shows that the failure to comply with this  
4 section was inadvertent, accidental, or the result of excusable  
5 neglect, the department may waive the civil penalty.

6 *c.* An insurer that discloses records to the department's  
7 designated agent in a reasonable, good-faith effort to comply  
8 with the requirements of this section shall not be subject to a  
9 civil penalty under paragraph "a".

10 **Sec. 6. NEW SECTION. 321B.4 Disclosure of database**  
11 **information — penalty.**

12 1. Information provided to the designated agent and  
13 information contained in the database under this chapter are  
14 confidential and subject to the provisions and penalties of 18  
15 U.S.C. §2721. Such information shall not be disclosed, except  
16 as follows:

17 *a.* For the purpose of investigating, litigating, or  
18 enforcing the financial liability coverage requirements  
19 of section 321.20B, the designated agent shall provide an  
20 electronic record to a state or local government agency or  
21 court verifying motor vehicle financial liability coverage  
22 information.

23 *b.* For the purpose of investigating, litigating, or  
24 enforcing the financial liability coverage requirements of  
25 section 321.20B, the designated agent shall, upon request,  
26 issue to any state or local government agency or court a  
27 certificate documenting motor vehicle financial liability  
28 coverage, according to the database, of a specific individual  
29 or motor vehicle for the time period designated by the  
30 government agency or court.

31 *c.* Upon request, the department or its designated agent  
32 shall disclose whether an individual is covered under a motor  
33 vehicle insurance policy, proof of the insurance coverage  
34 policy, and the insurance company name to:

35 (1) The individual or, if the individual is deceased,



1 any person who is an interested party in the estate of the  
2 individual as provided under chapter 633.

3 (2) The parent or legal guardian of the individual if the  
4 individual is an unemancipated minor.

5 (3) The legal guardian of the individual if the individual  
6 is legally incapacitated.

7 (4) A person who has power of attorney for the individual.

8 (5) A person who submits a notarized release from the  
9 individual dated no more than ninety days before the date the  
10 request is made.

11 (6) A person suffering loss or injury in a motor vehicle  
12 accident in which the individual was involved, but only as part  
13 of an accident report as authorized in section 321.271 relating  
14 to access to accident reports.

15 *d.* For the purpose of investigating, enforcing, or  
16 prosecuting laws or issuing citations, information related to a  
17 motor vehicle owner or operator's financial liability coverage  
18 under section 321.20B may be provided to state or local law  
19 enforcement agencies.

20 *e.* Upon request of a peace officer acting in an official  
21 capacity under the provisions of paragraph "*d*", the department  
22 or the designated agent shall, upon request, disclose relevant  
23 information contained in the database.

24 *f.* For the purpose of the state auditor conducting audits  
25 of the program.

26 *g.* Upon request of a financial institution for the purpose  
27 of protecting the financial institution's bona fide security  
28 interest in a motor vehicle.

29 2. *a.* The department may allow the designated agent to  
30 prepare and deliver, upon request, a report on the insurance  
31 information of a person or motor vehicle in accordance with  
32 this section. The report may be in any of the following forms:

33 (1) A certified copy that is considered admissible in any  
34 court proceeding in the same manner as the original.

35 (2) Information accessible through the internet or through

1 another electronic medium if the department determines that  
2 sufficient security is provided to ensure compliance with this  
3 section.

4 *b.* The department may allow the designated agent to charge a  
5 fee established by the department for each of the following:

6 (1) Authenticating a document, including preparation and  
7 delivery of a certified copy.

8 (2) Accessing a record through the internet or through  
9 another electronic medium.

10 (3) Providing a record to a financial institution under  
11 subsection 1, paragraph "g".

12 3. The designated agent or any other person who knowingly  
13 releases or discloses information from the database for a  
14 purpose other than those authorized in this section or to a  
15 person who is not entitled to such information is guilty of a  
16 class "D" felony.

17 4. Neither the state nor the department's designated agent  
18 shall be liable to any person for gathering, managing, or  
19 using the information in the database in compliance with this  
20 chapter.

21 5. The designated agent shall be responsible for  
22 maintaining and securing the information in the database  
23 provided by the department and insurers under sections 321B.2  
24 and 321B.3.

25 6. An insurer acting in compliance with this chapter shall  
26 not be liable to any person for the disclosure of information  
27 supplied to the department or designated agent. The designated  
28 agent shall indemnify an insurer against any loss arising from  
29 the disclosure of information supplied to the department or  
30 designated agent, provided the insurer supplied the information  
31 to the department or designated agent in a manner that complies  
32 with this chapter and rules adopted pursuant to this chapter.  
33 Records provided by an insurer under this chapter shall be  
34 deemed evidence of insurance and not a guarantee of insurance.

35 **Sec. 7. NEW SECTION. 321B.5 Automated registration plate**

1 **reader systems — enforcement programs.**

2 1. *a.* A county attorney may implement and administer an  
3 uninsured vehicle enforcement program in the county attorney's  
4 county under which law enforcement agencies in the county may  
5 use an automated registration plate reader system utilizing  
6 individual automated registration plate reader system units to  
7 access and collect data for the enforcement of section 321.20B.

8 *b.* A county attorney or law enforcement agency may enter  
9 into a contractual agreement with an automated registration  
10 plate reader system provider for purposes of providing  
11 the necessary technology, equipment, and maintenance of an  
12 automated registration plate reader system.

13 *c.* A law enforcement agency using an automated registration  
14 plate reader system shall have access to the motor vehicle  
15 insurance verification database created under this chapter  
16 for purposes of determining whether a motor vehicle which has  
17 had its registration plate number recorded by the automated  
18 registration plate reader system is operating with financial  
19 liability coverage as required under section 321.20B.

20 2. *a.* Access to an automated registration plate reader  
21 system shall be restricted to authorized users of the law  
22 enforcement agency utilizing the system. However, any entity  
23 with which the agency or county attorney contracts to provide  
24 the necessary technology, equipment, and maintenance of the  
25 system shall be authorized, as necessary, to access the system  
26 for required maintenance or software updates.

27 *b.* Data collected by an automated registration plate reader  
28 system shall be retained by a law enforcement agency if the  
29 data is or will be used to establish a violation of section  
30 321.20B, as determined by the county attorney. Data collected  
31 by an automated registration plate reader system and retained  
32 by a law enforcement agency may be used in any court proceeding  
33 to establish a violation of section 321.20B. The data shall  
34 be deleted or destroyed if the data is no longer needed to  
35 establish a violation of section 321.20B.

1     *c.* A peace officer may verify by sworn affidavit that a  
2 photograph generated by an automated registration plate reader  
3 system identifies a particular motor vehicle operating or  
4 having operated on the public highways of the state, and that  
5 the motor vehicle insurance verification database indicates the  
6 motor vehicle was not in compliance with section 321.20B at the  
7 time of operation. The affidavit shall constitute probable  
8 cause for purposes of prosecution for a violation of section  
9 321.20B.

10    *d.* Data collected by an automated registration plate reader  
11 system shall not be used by any person for purposes other than  
12 to establish a violation of section 321.20B or as otherwise  
13 authorized under this section.

14    *e.* A law enforcement agency shall not sell data collected by  
15 an automated registration plate reader system for any purpose  
16 or share such data for any purpose not authorized by this  
17 section.

18     3. County attorneys who implement and administer an  
19 uninsured vehicle enforcement program shall, in association  
20 with the Iowa county attorneys association, collectively  
21 submit a report to the general assembly by September 1 of each  
22 year consisting of an evaluation of the uninsured vehicle  
23 enforcement programs in the state, including any information  
24 relating to or recommendations for improvement of the programs.

25     Sec. 8. NEW SECTION. 321B.6 **Diversion programs.**

26     1. A county attorney may implement and administer an  
27 uninsured vehicle enforcement diversion program in the  
28 county attorney's county for purposes of diverting complaints  
29 involving violations of section 321.20B by owners of motor  
30 vehicles from criminal court to the diversion program in  
31 order to enhance public safety and security through increased  
32 compliance with section 321.20B. Under a diversion program,  
33 the county attorney may, at the county attorney's discretion,  
34 defer a person's prosecution for a violation of section 321.20B  
35 and refer the person to the diversion program. In making the

1 determination, the county attorney shall consider all of the  
2 following factors:

3     *a.* Whether it is in the best interest of the person for the  
4 person to be referred to the diversion program.

5     *b.* Whether it is in the best interest of the public for the  
6 person to be referred to the diversion program.

7     *c.* Whether the person has previously received a warning  
8 memorandum or has been previously convicted of a violation of  
9 section 321.20B or a substantially similar statute of another  
10 state.

11     *d.* Whether the person has other criminal charges currently  
12 pending against the defendant, including the strength of the  
13 evidence on which such charges are based.

14     2. Upon referral to a diversion program, a notice of the  
15 referral shall be forwarded by mail to the last known address  
16 of the registered owner of the motor vehicle. The notice shall  
17 contain all of the following:

18     *a.* The date the alleged violation of section 321.20B  
19 occurred.

20     *b.* A statement of the penalties for a violation of section  
21 321.20B.

22     *c.* A statement that the records of the motor vehicle  
23 insurance verification database indicate that the person, as  
24 the registered owner of a motor vehicle, is not in compliance  
25 with section 321.20B and that the complaint against the owner  
26 has been referred to the diversion program.

27     *d.* The date before which the owner must contact the office  
28 of the county attorney concerning the complaint.

29     3. If the owner fails to comply with the notice, the county  
30 attorney may proceed with the prosecution of the owner as  
31 provided by law.

32     4. The county attorney may enter into a written agreement  
33 with the owner to defer prosecution on the complaint for a  
34 period to be determined by the county attorney, not to exceed  
35 two years. The conditions of an agreement to defer prosecution

1 shall include all of the following:

2     *a.* The owner shall provide proof of financial liability  
3 coverage currently in effect for the motor vehicle upon request  
4 of the county attorney.

5     *b.* The owner shall comply with section 321.20B for the full  
6 term of the agreement.

7     *c.* The owner shall not own or operate any vehicle in  
8 violation of section 321.20B during the full term of the  
9 agreement.

10     5. *a.* Each diversion agreement shall include a provision  
11 requiring the owner to pay to the county attorney's office a  
12 fee equal to the fine as provided in section 805.8A, subsection  
13 14, paragraph "f", for a violation of section 321.20B. This  
14 fee shall be deposited in a special county attorney fund with  
15 the county treasurer to be known as the uninsured vehicle  
16 enforcement diversion program fund.

17     *b.* The moneys deposited in the uninsured vehicle enforcement  
18 diversion program fund shall be used by the county attorney  
19 to pay for all expenses and costs of equipping, operating,  
20 and monitoring the uninsured vehicle enforcement program or  
21 the diversion program, or both, including but not limited  
22 to contractual payments to third-party entities providing  
23 essential services or equipment for detection of violations of  
24 section 321.20B, including automated registration plate reader  
25 systems, and payment of reasonable compensation to authorized  
26 and participating law enforcement agencies as may be agreed  
27 upon between the entities, law enforcement agencies, and the  
28 county attorney.

29     *c.* The county treasurer shall keep records of all moneys  
30 deposited in and disbursed from the uninsured vehicle  
31 enforcement diversion program fund. The records of the moneys  
32 shall be audited at the same time the records of the county  
33 treasurer are audited.

34     *d.* If the owner furnishes proof to the satisfaction of the  
35 county attorney that financial liability coverage was in effect

1 at the time of the alleged violation, no fee shall be required.

2 6. County attorneys who implement and administer an  
3 uninsured vehicle enforcement diversion program shall, in  
4 association with the Iowa county attorneys association,  
5 collectively submit a report to the general assembly by  
6 September 1 of each year consisting of an evaluation of the  
7 diversion programs in the state, including any information  
8 relating to or recommendations for improvement of the programs,  
9 and the amounts deposited in and disbursed from uninsured  
10 vehicle enforcement diversion program funds in the state.

11 Sec. 9. EFFECTIVE DATE. This Act takes effect July 1, 2021.

12 Sec. 10. APPLICABILITY. The following apply on and after  
13 the date on which the motor vehicle insurance verification  
14 database established in this Act contains information on at  
15 least ninety-five percent of the registered motor vehicles in  
16 the state, as determined by the department of transportation:

17 1. The section of this Act enacting section 321B.5.

18 2. The section of this Act enacting section 321B.6.

19

EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill relates to motor vehicle insurance.

23 FINANCIAL LIABILITY COVERAGE. Under current law, Code  
24 section 321.20B prohibits a person from driving a motor  
25 vehicle unless financial liability coverage is in effect for  
26 the vehicle and unless the driver has in the vehicle the  
27 proof of financial liability coverage card issued for the  
28 vehicle. The bill additionally requires the owner of any  
29 motor vehicle registered under Code chapter 321 to maintain  
30 financial liability coverage for the vehicle. A violation  
31 of Code section 321.20B is punishable by a scheduled fine of  
32 \$250, or \$500 in connection with a vehicle accident, removal  
33 of the vehicle's license plates and registration receipt, and  
34 impoundment, at the peace officer's discretion. By operation  
35 of law, the bill does not apply to certain motor vehicles not

1 subject to registration under Code section 321.18, a lienholder  
2 who has a security interest in a motor vehicle so long as the  
3 lienholder maintains financial liability coverage for any  
4 motor vehicle driven or moved by the lienholder in which the  
5 lienholder has an interest, or a motor vehicle owned by a  
6 licensed motor vehicle dealer or wholesaler.

7 INSURANCE VERIFICATION DATABASE. The bill establishes  
8 a motor vehicle insurance verification program within  
9 the department of transportation (DOT) for purposes of  
10 administering a motor vehicle insurance verification database.  
11 The bill requires the DOT to establish an advisory council  
12 with members as provided in the bill for purposes of making  
13 recommendations to, assisting, and reporting to the DOT on  
14 matters related to the database.

15 The bill requires the DOT to either designate a position  
16 within the DOT or, following competitive bidding procedures,  
17 contract with a third party to act as the DOT's designated  
18 agent for administering the database. The designated agent  
19 is required to update the database, compare information in  
20 the database, and archive database files as provided in the  
21 bill. The bill requires the DOT to audit the program at least  
22 annually.

23 The bill sets forth certain reporting requirements under  
24 which insurers must submit records to the designated agent.  
25 The bill authorizes the DOT to assess a civil penalty of not  
26 more than \$250 for each day an insurer fails to comply with the  
27 bill.

28 The bill sets forth certain limitations on the disclosure  
29 of information in the database. Such information may be  
30 disclosed to governmental agencies and courts for purposes  
31 of investigating, litigating, or enforcing motor vehicle  
32 financial liability requirements, and to certain other  
33 persons as described in the bill. The bill provides that the  
34 designated agent or any other person who knowingly discloses  
35 the information in violation of the bill is guilty of a class



1 "D" felony. A class "D" felony is punishable by confinement  
2 for no more than five years and a fine of at least \$750 but not  
3 more than \$7,500.

4 AUTOMATED REGISTRATION PLATE READER SYSTEMS. The bill  
5 authorizes a county attorney to implement and administer an  
6 uninsured vehicle enforcement program in the county attorney's  
7 county under which law enforcement agencies in the county may  
8 use an automated registration plate reader system (system) to  
9 access and collect data for the enforcement of Code section  
10 321.20B. The bill allows a county attorney or law enforcement  
11 agency to enter into a contractual agreement with a provider  
12 for purposes of providing the necessary technology, equipment,  
13 and maintenance of a system.

14 The bill provides that a law enforcement agency using  
15 a system shall have access to the motor vehicle insurance  
16 verification database for purposes of determining whether a  
17 motor vehicle which has had its registration plate number  
18 recorded by a system is operating with the required financial  
19 liability coverage.

20 The bill specifies the persons who may have access to  
21 a system, and provides for the collection, retention, and  
22 destruction of data.

23 The bill allows a peace officer to verify by sworn affidavit  
24 that a photograph generated by a system identifies a particular  
25 motor vehicle operating or having operated on the highways,  
26 and that the motor vehicle insurance verification database  
27 indicates the motor vehicle was not in compliance with Code  
28 section 321.20B at the time of operation. The affidavit  
29 constitutes probable cause for purposes of prosecution for a  
30 violation of Code section 321.20B.

31 The bill prohibits a law enforcement agency from selling  
32 data collected by a system or sharing such data for any purpose  
33 not authorized by the bill.

34 The bill requires county attorneys who implement and  
35 administer an uninsured vehicle enforcement program to,

1 in association with the Iowa county attorneys association,  
2 collectively submit a report to the general assembly by  
3 September 1 of each year consisting of an evaluation of the  
4 uninsured vehicle enforcement programs in the state, including  
5 any information relating to or recommendations for improvement  
6 of the programs.

7     DIVERSION PROGRAMS. The bill authorizes a county attorney  
8 to implement and administer an uninsured vehicle enforcement  
9 diversion program (diversion program) in the county attorney's  
10 county for purposes of diverting complaints involving  
11 violations of Code section 321.20B by owners of motor vehicles.  
12 The county attorney may, at the county attorney's discretion,  
13 defer a person's prosecution and refer the person to the  
14 diversion program. The bill specifies factors the county  
15 attorney must consider to make the determination.

16     The bill requires a notice to be mailed to a person upon  
17 referral to a diversion program. If the person fails to comply  
18 with the notice, the county attorney may proceed with the  
19 prosecution of the person as provided by law.

20     The bill allows a county attorney to enter into a written  
21 agreement with the person to defer prosecution on the complaint  
22 for a period to be determined by the county attorney, not to  
23 exceed two years. The bill specifies certain conditions that  
24 must be included in an agreement to defer prosecution.

25     Each diversion agreement must include a provision requiring  
26 the owner to pay to the county attorney's office a fee of  
27 between \$250 and \$500. The fees must be deposited in a special  
28 county attorney fund with the county treasurer to be known  
29 as the uninsured vehicle enforcement diversion program fund.  
30 The moneys deposited in the fund must be used by the county  
31 attorney to pay for all expenses and costs of equipping,  
32 operating, and monitoring the programs, including but not  
33 limited to contractual payments to third-party entities  
34 providing essential services or equipment for detection  
35 of violations of Code section 321.20B, including automated

1 registration plate reader systems, and payment of reasonable  
2 compensation to authorized and participating law enforcement  
3 agencies as may be agreed upon between the entities, law  
4 enforcement agencies, and the county attorney.

5 The county treasurer must keep records of all moneys  
6 deposited in and disbursed from the fund, and records of the  
7 moneys must be audited at the same time the records of the  
8 county treasurer are audited.

9 If a person furnishes proof to the satisfaction of the county  
10 attorney that financial liability coverage was in effect at the  
11 time of the alleged violation, no fee is required.

12 The bill requires county attorneys who implement and  
13 administer a diversion program to, in association with the Iowa  
14 county attorneys association, collectively submit a report to  
15 the general assembly by September 1 of each year consisting of  
16 an evaluation of the diversion programs in the state, including  
17 any information relating to or recommendations for improvement  
18 of the programs, and the amounts deposited in and disbursed  
19 from uninsured vehicle enforcement diversion program funds in  
20 the state.

21 EFFECTIVE DATE AND APPLICABILITY. The bill takes effect  
22 July 1, 2021. The provisions of the bill relating to automated  
23 registration plate reader systems and diversion programs apply  
24 on and after the date on which the motor vehicle insurance  
25 verification database contains information on at least 95  
26 percent of the registered motor vehicles in the state, as  
27 determined by the DOT.