

House File 496 - Introduced

HOUSE FILE 496

BY WILLS

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 2019, 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 2019, 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 shall establish an advisory council,
23 chaired by the director of the department or a representative
24 of the department appointed by the director, consisting of
25 six members including the director of the department or the
26 representative of the department appointed by the director,
27 a representative of the department of public safety, an
28 insurance company representative appointed by the commissioner
29 of insurance, an insurance agent appointed by the commissioner
30 of insurance, a representative of a trade association of
31 property and casualty insurers appointed by the commissioner
32 of insurance, and a representative of a vendor with experience
33 implementing real-time internet services models and databases
34 similar to the database created under this chapter appointed by
35 the director of the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 The audit shall include verification of:

- 2 (1) Billings made by the designated agent, if any.
3 (2) The accuracy of the designated agent's matching of
4 vehicle registration records with insurance data.

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

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

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

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

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

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

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

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

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

34 4. *a.* The department may assess a civil penalty of not more
35 than two hundred fifty dollars for each day an insurer fails to

1 comply with this section.

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

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

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

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

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

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

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

34 (1) The individual or, if the individual is deceased,
35 any person who is an interested party in the estate of the

1 individual as provided under chapter 633.

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

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

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

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

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

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

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

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

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

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

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

34 (2) Information accessible through the internet or through
35 another electronic medium if the department determines that

1 sufficient security is provided to ensure compliance with this
2 section.

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

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

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

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

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

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

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

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

34 Sec. 7. NEW SECTION. 321B.5 Automated registration plate
35 reader systems — enforcement programs.

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

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

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

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

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

35 *c.* A peace officer may verify by sworn affidavit that a

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

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

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

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

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

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

1 following factors:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 *d.* If the owner furnishes proof to the satisfaction of the
34 county attorney that financial liability coverage was in effect
35 at the time of the alleged violation, no fee shall be required.

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

10 Sec. 9. EFFECTIVE DATE. This Act takes effect July 1, 2020.

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

- 16 1. The section of this Act enacting section 321B.5.
17 2. The section of this Act enacting section 321B.6.

18 EXPLANATION

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

21 This bill relates to motor vehicle insurance.

22 FINANCIAL LIABILITY COVERAGE. Under current law, Code
23 section 321.20B prohibits a person from driving a motor
24 vehicle unless financial liability coverage is in effect for
25 the vehicle and unless the driver has in the vehicle the
26 proof of financial liability coverage card issued for the
27 vehicle. The bill additionally requires the owner of any
28 motor vehicle registered under Code chapter 321 to maintain
29 financial liability coverage for the vehicle. A violation
30 of Code section 321.20B is punishable by a scheduled fine of
31 \$250, or \$500 in connection with a vehicle accident, removal
32 of the vehicle's license plates and registration receipt, and
33 impoundment, at the peace officer's discretion. By operation
34 of law, the bill does not apply to certain motor vehicles not
35 subject to registration under Code section 321.18, a lienholder

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

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

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

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

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

1 for no more than five years and a fine of at least \$750 but not
2 more than \$7,500.

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

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

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

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

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

33 The bill requires county attorneys who implement and
34 administer an uninsured vehicle enforcement program to,
35 in association with the Iowa county attorneys association,

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

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

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

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

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

1 compensation to authorized and participating law enforcement
2 agencies as may be agreed upon between the entities, law
3 enforcement agencies, and the county attorney.

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

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

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

20 EFFECTIVE DATE AND APPLICABILITY. The bill takes effect
21 July 1, 2020. The provisions of the bill relating to automated
22 registration plate reader systems and diversion programs apply
23 on and after the date on which the motor vehicle insurance
24 verification database contains information on at least 95
25 percent of the registered motor vehicles in the state, as
26 determined by the DOT.