

House File 918 - Introduced

HOUSE FILE 918
BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HSB 172)

A BILL FOR

1 An Act relating to motor vehicle financial liability coverage,
2 and providing penalties.

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

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1 Section 1. Section 321.20, subsection 1, Code 2025, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. 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 pursuant to section
6 321.20B and provide a copy of the proof of financial liability
7 coverage card issued for the motor vehicle, a description of the
8 financial liability coverage as noted on the proof of financial
9 liability coverage card, or other documentation acceptable to the
10 department. This paragraph does not apply to a motor vehicle
11 excluded from the requirements of section 321.20B.

12 Sec. 2. Section 321.20B, subsection 4, paragraph a,
13 unnumbered paragraph 1, Code 2025, is amended to read as follows:

14 If a peace officer stops a motor vehicle registered in this
15 state and the driver is unable to provide proof of financial
16 liability coverage, the peace officer shall do one of the
17 following if the driver has not been convicted of a violation of
18 subsection 1 within the previous five-year period:

19 Sec. 3. Section 321.20B, subsection 4, paragraph c, Code
20 2025, is amended by striking the paragraph.

21 Sec. 4. Section 321.20B, subsection 5, unnumbered paragraph
22 1, Code 2025, is amended to read as follows:

23 If ~~the~~ a peace officer stops a motor vehicle is not registered
24 in this state and the driver is a nonresident and unable to
25 provide proof of financial liability coverage, the peace officer
26 shall do one of the following if the driver has not been
27 convicted of a violation of subsection 1 within the previous
28 five-year period:

29 Sec. 5. Section 321.20B, subsection 5, paragraph b, Code
30 2025, is amended by striking the paragraph and inserting in lieu
31 thereof the following:

32 b. Issue a citation to the driver.

33 Sec. 6. Section 321.20B, Code 2025, is amended by adding the
34 following new subsections:

35 NEW SUBSECTION. 5A. If a peace officer stops a motor vehicle

1 and the driver is unable to provide proof of financial liability
2 coverage and has been convicted of a violation of subsection 1
3 within the previous five-year period, the peace officer shall
4 arrest the driver.

5 a. If the motor vehicle is registered in this state, the
6 peace officer may remove the motor vehicle's registration plates
7 and registration receipt, in which case subsection 4, paragraph
8 "a", subparagraph (3), subparagraph division (a), applies.

9 b. The peace officer may impound the motor vehicle, in which
10 case subsection 4, paragraph "a", subparagraph (4), subparagraph
11 divisions (b) and (c), apply.

12 c. If the peace officer takes action under paragraph "a" or
13 "b", and the owner of the vehicle provides proof of financial
14 liability coverage to the clerk of court, subsection 4, paragraph
15 "b", subparagraph (1), applies.

16 NEW SUBSECTION. 5B. An owner or driver cited for or charged
17 with a violation of subsection 1 who produces to the clerk of
18 court prior to the date of the person's court appearance proof
19 that financial liability coverage was in effect for the motor
20 vehicle at the time the person was stopped, or if the driver
21 is not the owner of the motor vehicle, proof that financial
22 liability coverage was in effect for the driver with respect
23 to the motor vehicle being driven at the time the driver was
24 stopped in the same manner as if the motor vehicle were owned
25 by the driver, shall be given a receipt indicating that proof was
26 provided, and the citation or charge shall be dismissed by the
27 court. Upon dismissal, the court or clerk of court shall assess
28 the costs of the action against the defendant.

29 NEW SUBSECTION. 5C. a. Except as provided in paragraph "b",
30 a person convicted of a violation of subsection 1 is guilty of
31 a simple misdemeanor punishable as a scheduled violation under
32 section 805.8A, subsection 14, paragraph "f".

33 b. A person convicted of a second or subsequent violation of
34 subsection 1 within a five-year period is guilty of an aggravated
35 misdemeanor.

1 Sec. 7. Section 321.30, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 4. The department or the county treasurer
4 shall refuse registration of a motor vehicle if the owner
5 does not provide satisfactory proof that financial liability
6 coverage is in effect for the motor vehicle pursuant to section
7 321.20B. This subsection does not apply to a motor vehicle
8 excluded from the requirements of section 321.20B.

9 Sec. 8. Section 321.40, Code 2025, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 11. A form for certification of financial
12 liability coverage pursuant to section 321.20B shall accompany
13 each renewal statement sent to the owner of a motor vehicle under
14 this section. The county treasurer shall refuse to renew the
15 registration of a motor vehicle if the applicant does not submit
16 satisfactory proof of financial liability coverage in effect for
17 the motor vehicle pursuant to section 321.20B. This subsection
18 does not apply to a motor vehicle excluded from the requirements
19 of section 321.20B.

20 Sec. 9. Section 805.8A, subsection 14, paragraph f, Code
21 2025, is amended to read as follows:

22 *f. Proof of financial responsibility.* If, in connection with
23 a motor vehicle accident, a person is charged and found guilty
24 of a violation of section 321.20B, subsection 1, the scheduled
25 fine is six hundred forty-five dollars; otherwise, the scheduled
26 fine for a violation of section 321.20B, subsection 1, is three
27 hundred twenty-five dollars. Notwithstanding section 805.12,
28 fines collected pursuant to this paragraph shall be submitted
29 to the state court administrator and distributed fifty percent
30 to the victim compensation fund established in section 915.94,
31 twenty-five percent to the county in which such fine is imposed,
32 and twenty-five percent to the general fund of the state. This
33 paragraph does not apply to a person charged under section
34 321.20B, subsection 5C, paragraph "b".

35 EXPLANATION

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

3 This bill relates to motor vehicle financial liability
4 coverage.

5 The bill requires the owner of a motor vehicle to certify
6 that financial liability coverage is in effect for the vehicle
7 as required under Code section 321.20B at the time the vehicle
8 is registered and each time the registration is renewed. At
9 the time of application for registration of a motor vehicle,
10 the owner is required to provide a copy of the proof of
11 financial liability coverage card issued for the motor vehicle,
12 a description of the coverage as noted on the card, or other
13 documentation acceptable to the department of transportation
14 (DOT). The DOT or county treasurer cannot register a motor
15 vehicle or renew a registration in the absence of satisfactory
16 proof that financial liability coverage is in effect for the
17 vehicle. These provisions do not apply to motor vehicles
18 excluded from the requirements of Code section 321.20B.

19 Under current law, a person driving a motor vehicle on a
20 highway is required to have financial liability coverage in
21 effect for the motor vehicle and have the proof of financial
22 liability coverage card issued for the motor vehicle in the
23 motor vehicle, unless specifically excepted. For a violation
24 of these provisions, a peace officer is required to issue a
25 warning memorandum; issue a citation; issue a citation and remove
26 the motor vehicle's license plates and registration receipt; or
27 issue a citation, remove the motor vehicle's license plates and
28 registration receipt, and impound the motor vehicle, when the
29 officer stops a driver whose vehicle is registered in Iowa.
30 If the vehicle is not registered in Iowa and the driver is a
31 nonresident, the peace officer must issue a warning memorandum
32 or a citation. A person who does not have financial liability
33 coverage in effect for the vehicle or who does not carry proof
34 of such coverage in the vehicle commits a simple misdemeanor
35 punishable as a scheduled violation. If in connection with a

1 motor vehicle accident, the scheduled fine is \$645; otherwise,
2 the scheduled fine is \$325. A fine collected must be submitted
3 to the state court administrator and distributed 50 percent to
4 the victim compensation fund, 25 percent to the county in which
5 such fine is imposed, and 25 percent to the general fund of the
6 state.

7 The bill makes a second or subsequent violation of Code
8 section 321.20B(1) within five years an aggravated misdemeanor.
9 For the penalty enhancement, the bill does not distinguish
10 between vehicles registered in Iowa, or not, or drivers who are
11 residents of Iowa, or not. A peace officer is required to
12 arrest the driver if the driver cannot provide proof of financial
13 liability coverage and was previously convicted for the same
14 violation within five years. A peace officer may remove the
15 motor vehicle's registration plates and registration receipt, or
16 impound the motor vehicle, in which case associated procedures
17 under current law apply. In accordance with current law, a
18 person cited for a violation, including a person arrested for a
19 second or subsequent violation under the bill, may provide proof
20 that financial liability coverage was in effect at the time the
21 person was stopped and the court must dismiss the citation or
22 charge and assess costs to the person. An aggravated misdemeanor
23 is punishable by confinement for no more than two years and a
24 fine of at least \$855 but not more than \$8,540. The fine will be
25 collected by the clerk of the district court and submitted to the
26 state court administrator for distribution as provided in Code
27 section 602.8108.

28 Financial liability coverage is generally required to be in
29 effect for every motor vehicle driven on Iowa highways. However,
30 the requirement does not apply to vehicles owned by or leased
31 to the United States, Iowa, or another state, or any political
32 subdivision thereof; vehicles subject to Code section 325A.6
33 (motor carrier insurance); certain motor vehicles not subject to
34 registration (Code section 321.18); a lienholder with a security
35 interest in a motor vehicle that does not drive or move the

1 vehicle; and motor vehicles owned by a motor vehicle dealer or
2 wholesaler licensed pursuant to Code chapter 322.

3 The bill makes organizational changes to Code section 321.20B.

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