

House Study Bill 172 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON PUBLIC
SAFETY BILL BY CHAIRPERSON
VONDRAN)

A BILL FOR

- 1 An Act relating to the penalty for a second or subsequent
2 violation of motor vehicle financial liability coverage
3 requirements.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

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

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

8 Sec. 2. Section 321.20B, subsection 4, paragraph c, Code
9 2025, is amended by striking the paragraph.

10 Sec. 3. Section 321.20B, subsection 5, unnumbered paragraph
11 1, Code 2025, is amended to read as follows:

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

18 Sec. 4. Section 321.20B, subsection 5, paragraph b, Code
19 2025, is amended by striking the paragraph and inserting in lieu
20 thereof the following:

21 b. Issue a citation to the driver.

22 Sec. 5. Section 321.20B, Code 2025, is amended by adding the
23 following new subsections:

24 NEW SUBSECTION. 5A. If a peace officer stops a motor vehicle
25 and the driver is unable to provide proof of financial liability
26 coverage and has been convicted of a violation of subsection 1
27 within the previous five-year period, the peace officer shall
28 arrest the driver.

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

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

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

5 NEW SUBSECTION. 5B. An owner or driver cited for or charged
6 with a violation of subsection 1 who produces to the clerk of
7 court prior to the date of the person's court appearance proof
8 that financial liability coverage was in effect for the motor
9 vehicle at the time the person was stopped, or if the driver
10 is not the owner of the motor vehicle, proof that financial
11 liability coverage was in effect for the driver with respect
12 to the motor vehicle being driven at the time the driver was
13 stopped in the same manner as if the motor vehicle were owned
14 by the driver, shall be given a receipt indicating that proof was
15 provided, and the citation or charge shall be dismissed by the
16 court. Upon dismissal, the court or clerk of court shall assess
17 the costs of the action against the defendant.

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

22 b. A person convicted of a second or subsequent violation of
23 subsection 1 within a five-year period is guilty of a class "D"
24 felony.

25 Sec. 6. Section 805.8A, subsection 14, paragraph f, Code
26 2025, is amended to read as follows:

27 f. *Proof of financial responsibility.* If, in connection with
28 a motor vehicle accident, a person is charged and found guilty
29 of a violation of section 321.20B, subsection 1, the scheduled
30 fine is six hundred forty-five dollars; otherwise, the scheduled
31 fine for a violation of section 321.20B, subsection 1, is three
32 hundred twenty-five dollars. Notwithstanding section 805.12,
33 fines collected pursuant to this paragraph shall be submitted
34 to the state court administrator and distributed fifty percent
35 to the victim compensation fund established in section 915.94,

1 twenty-five percent to the county in which such fine is imposed,
2 and twenty-five percent to the general fund of the state. This
3 paragraph does not apply to a person charged under section
4 321.20B, subsection 5C, paragraph "b".

5 EXPLANATION

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

8 Under current law, a person driving a motor vehicle on a
9 highway is required to have financial liability coverage in
10 effect for the motor vehicle and have the proof of financial
11 liability coverage card issued for the motor vehicle in the
12 motor vehicle, unless specifically excepted. For a violation
13 of these provisions, a peace officer is required to issue a
14 warning memorandum; issue a citation; issue a citation and remove
15 the motor vehicle's license plates and registration receipt; or
16 issue a citation, remove the motor vehicle's license plates and
17 registration receipt, and impound the motor vehicle, when the
18 officer stops a driver whose vehicle is registered in Iowa.
19 If the vehicle is not registered in Iowa and the driver is a
20 nonresident, the peace officer must issue a warning memorandum
21 or a citation. A person who does not have financial liability
22 coverage in effect for the vehicle or who does not carry proof
23 of such coverage in the vehicle commits a simple misdemeanor
24 punishable as a scheduled violation. If in connection with a
25 motor vehicle accident, the scheduled fine is \$645; otherwise,
26 the scheduled fine is \$325. A fine collected must be submitted
27 to the state court administrator and distributed 50 percent to
28 the victim compensation fund, 25 percent to the county in which
29 such fine is imposed, and 25 percent to the general fund of the
30 state.

31 This bill makes a second or subsequent violation of Code
32 section 321.20B(1) within five years a class "D" felony. For
33 the penalty enhancement, the bill does not distinguish between
34 vehicles registered in Iowa, or not, or drivers who are residents
35 of Iowa, or not. A peace officer is required to arrest

1 the driver if the driver cannot provide proof of financial
2 liability coverage and was previously convicted for the same
3 violation within five years. A peace officer may remove the
4 motor vehicle's registration plates and registration receipt, or
5 impound the motor vehicle, in which case associated procedures
6 under current law apply. In accordance with current law, a
7 person cited for a violation, including a person arrested for a
8 second or subsequent violation under the bill, may provide proof
9 that financial liability coverage was in effect at the time the
10 person was stopped and the court must dismiss the citation or
11 charge and assess costs to the person. A class "D" felony is
12 punishable by confinement for no more than five years and a fine
13 of at least \$1,025 but not more than \$10,245. The fine will be
14 collected by the clerk of the district court and submitted to the
15 state court administrator for distribution as provided in Code
16 section 602.8108.

17 Financial liability coverage is generally required to be in
18 effect for every motor vehicle driven on Iowa highways. However,
19 the requirement does not apply to vehicles owned by or leased
20 to the United States, Iowa, or another state, or any political
21 subdivision thereof; vehicles subject to Code section 325A.6
22 (motor carrier insurance); certain motor vehicles not subject to
23 registration (Code section 321.18); a lienholder with a security
24 interest in a motor vehicle that does not drive or move the
25 vehicle; and motor vehicles owned by a motor vehicle dealer or
26 wholesaler licensed pursuant to Code chapter 322.

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