

**CHAPTER 136**  
**LIABILITY OF MOTOR VEHICLE OWNERS**  
*H.F. 504*

AN ACT relating to a motor vehicle owner's liability for damages caused by the driver.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 321.493, Code 1995, is amended to read as follows:  
 321.493 LIABILITY FOR DAMAGES.

1. In all cases where damage is done by any motor vehicle by reason of negligence of the driver, and driven with the consent of the owner, the owner of the motor vehicle shall be liable for such damage. For purposes of this subsection, "owner" means the person to whom the certificate of title for the vehicle has been issued or assigned or to whom a manufacturer's or importer's certificate of origin for the vehicle has been delivered or assigned. However, if the vehicle is leased, "owner" means the person to whom the vehicle is leased, not the person to whom the certificate of title for the vehicle has been issued or assigned or to whom the manufacturer's or importer's certificate of origin for the vehicle has been delivered or assigned. For purposes of this subsection, "leased" means the transfer of the possession or right to possession of a vehicle to a lessee for a valuable consideration for a continuous period of twelve months or more, pursuant to a written agreement.

2. A person who has made a bona fide sale or transfer of the person's right, title, or interest in or to a motor vehicle and who has delivered possession of ~~such~~ the motor vehicle to the purchaser or transferee shall not be liable for any damage thereafter resulting from negligent operation of ~~such~~ the motor vehicle by another, but the purchaser or transferee to whom possession was delivered shall be deemed the owner. The provisions of subsection 2 of section 321.45 shall not apply in determining, for the purpose of fixing liability ~~hereunder~~ under this subsection, whether such sale or transfer was made.

Sec. 2. Section 321A.1, subsection 8, Code 1995, is amended to read as follows:

8. OWNER. A "Owner" means a person who holds the legal title of a motor vehicle, ~~or in however, if the event~~ a motor vehicle is the subject of a security agreement with a right of possession in the debtor, then such the debtor shall be deemed the owner for ~~the purpose~~ purposes of this chapter or if the motor vehicle is leased as defined in section 321.493, the lessee shall be deemed the owner for purposes of this chapter.

Approved May 1, 1995

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**CHAPTER 137**  
**REMEDIES FOR DISHONOR OF FINANCIAL INSTRUMENTS**  
*H.F. 485*

AN ACT relating to remedies upon the dishonoring of a financial instrument and providing penalties.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 537.2501, subsection 1, paragraph g, Code 1995, is amended to read as follows:

g. A surcharge of not more than ~~ten~~ five percent of the amount of the face value of the payment instrument or twenty dollars, whichever is greater, for each dishonored payment