

FEB 18 2005
TRANSPORTATION

HOUSE FILE 350
BY DIX

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the liability of the owner of a rented motor
2 vehicle for damages caused by negligence of the driver of the
3 vehicle.

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

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HF 350

1 Section 1. Section 321.493, subsection 1, paragraph b,
2 Code 2005, is amended to read as follows:

3 b. The owner of a vehicle ~~with a gross vehicle weight~~
4 ~~rating of seven thousand five hundred pounds or more~~ who rents
5 the vehicle for less than a year under an agreement which
6 requires an insurance policy covering at least the minimum
7 levels of financial responsibility prescribed by law, shall
8 not be deemed to be the owner of the vehicle for the purpose
9 of determining financial responsibility for the operation of
10 the vehicle or for the acts of the operator in connection with
11 the vehicle's operation.

12 EXPLANATION

13 This bill amends Code section 321.493, which provides that
14 if a motor vehicle is driven with the owner's consent, the
15 owner is liable for damages for an accident caused by
16 negligence of the driver. The bill exempts the owner of a
17 vehicle who rents the vehicle for less than a year under an
18 agreement that requires the minimum amount of liability
19 coverage prescribed by law. Under current law, that exemption
20 only applies to owners of vehicles with a gross vehicle weight
21 rating of 7,500 pounds or more.

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