

MAR 6 2006
Place On Calendar

HOUSE FILE 2650
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 681)

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

A BILL FOR

1 An Act relating to impoundment of a motor vehicle driven by a
2 person whose driver's license is denied, canceled, suspended,
3 revoked, or barred.

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

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HF 2650

1 Section 1. Section 321.89, subsection 1, paragraph a,
2 subparagraph (4), Code Supplement 2005, is amended to read as
3 follows:

4 (4) A vehicle that has been legally impounded by order of
5 a police authority and has not been reclaimed for a period of
6 ten days, or for the period required under section 321.218B.
7 However, a police authority may declare the vehicle abandoned
8 ~~within-the-ten-day-period~~ sooner by commencing the
9 notification process in subsection 3.

10 Sec. 2. NEW SECTION. 321.218B DRIVING WITH SUSPENDED OR
11 REVOKED LICENSE -- MOTOR VEHICLE IMPOUNDMENT.

12 1. Notwithstanding any other provision of this chapter, if
13 a peace officer stops a motor vehicle and discovers that the
14 motor vehicle operator's driver's license or operating
15 privilege has been denied, canceled, suspended, revoked, or
16 barred, the peace officer shall immediately cause the motor
17 vehicle operated by the person to be impounded.

18 2. After the expiration of thirty days, the person or
19 agency having physical possession of an impounded motor
20 vehicle shall release the vehicle to the owner upon payment of
21 all towing costs, storage costs not in excess of fifteen
22 dollars per day, and administrative fees associated with
23 impoundment of the motor vehicle, if either of the following
24 applies:

25 a. The owner provides satisfactory evidence that the owner
26 was not the operator of the motor vehicle at the time the
27 impoundment occurred.

28 b. If the owner was the operator at the time the
29 impoundment occurred, the owner provides satisfactory proof to
30 the person or agency that the owner's driver's license or
31 operating privilege has been reinstated.

32 3. A rental company that owns a motor vehicle which is
33 impounded pursuant to this section shall be notified of the
34 impoundment by the agency or person taking custody of the
35 motor vehicle within seventy-two hours of the impoundment of

1 the motor vehicle and shall have the right to claim the motor
2 vehicle upon the payment of all fees, towing costs, and
3 storage costs not in excess of fifteen dollars per day.

4 4. Except as provided in subsection 2 or 3 or by court
5 order, a motor vehicle shall remain impounded under this
6 section until reinstatement of the motor vehicle operator's
7 driving privilege and payment of all towing costs, storage
8 costs not in excess of fifteen dollars per day, and
9 administrative fees associated with impoundment of the motor
10 vehicle.

11 5. The provisions of this section do not apply to a person
12 whose driver's license or operating privilege is denied,
13 revoked, suspended, or barred under chapter 321J.

14 EXPLANATION

15 This bill requires that if a peace officer stops a motor
16 vehicle and discovers that the operator's driver's license or
17 operating privilege is denied, canceled, suspended, revoked,
18 or barred, the peace officer shall immediately impound the
19 motor vehicle. The minimum period of impoundment is 30 days.
20 The owner of the motor vehicle can redeem the vehicle at the
21 end of that time by paying all fees, towing charges, and
22 storage costs, which are limited in total to \$15 per day. If
23 the owner was the operator of the vehicle at the time of
24 impoundment, the owner shall also provide proof of
25 reinstatement of the owner's driver's license or operating
26 privilege before the vehicle can be released. The bill
27 provides that a rental company which owns an impounded vehicle
28 must be notified within 72 hours of impoundment by the person
29 or agency taking custody of the vehicle, and the rental
30 company may then redeem the vehicle at any time by paying all
31 fees and the towing and storage costs. The period of
32 impoundment otherwise extends until reinstatement of the
33 driver's operating privileges. The bill does not apply to
34 persons sanctioned under Code chapter 321J, which provides for
35 impoundment of motor vehicles under circumstances relating to

1 driving under the influence of alcohol or controlled
2 substances.

3 The bill makes a corresponding amendment to the definition
4 of "abandoned vehicles", which currently provides that an
5 impounded vehicle is considered abandoned if it is not claimed
6 within 10 days, to allow for the longer impoundment periods
7 provided in the bill.

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HOUSE FILE 2650

H-8326

1 Amend the amendment, H-8180, to House File 2650 as
2 follows:

3 1. Page 1, by inserting after line 10 the
4 following:

5 "____. Page 2, by inserting after line 13 the
6 following:

7 "Sec. ____ Section 331.655, subsection 1, Code
8 2005, is amended by adding the following new
9 paragraph:

10 NEW PARAGRAPH. p. For serving notice of denial,
11 cancellation, suspension, disqualification, or bar of
12 a person's driver's license or operating privilege,
13 the fees provided pursuant to chapter 321 and this
14 section. The sheriff may refuse to serve any notice
15 of denial, cancellation, suspension, disqualification,
16 or bar until the fees and estimated mileage for
17 service have been paid.""

18 2. By renumbering as necessary.

By ALONS of Sioux

H-8326 FILED MARCH 21, 2006

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HOUSE FILE 2650

H-8180

1 Amend House File 2650 as follows:

2 1. Page 1, line 17, by inserting after the word
3 "impounded." the following: "For purposes of this
4 subsection, a person's driver's license or operating
5 privilege shall not be considered canceled, suspended,
6 revoked, or barred unless timely notice of the action
7 has been delivered by personal service as in civil
8 actions or by certified mail, return receipt
9 requested, or the driver's license held by the person
10 has been surrendered to the department or a court."

By R. OLSON of Polk

H-8180 FILED MARCH 13, 2006

HOUSE FILE 2650

H-8139

1 Amend House File 2650 as follows:

2 1. Page 1, line 33, by inserting after the word
3 "section" the following: "and the holder of a
4 security interest in such a motor vehicle, as
5 applicable,".
6 2. Page 2, line 3, by inserting after the word
7 "day." the following: "However, if the value of the
8 motor vehicle is less than the security interest in
9 the vehicle, all fees shall be divided equally between
10 the lienholder and the political subdivision
11 impounding the vehicle."

By HUTTER of Scott

H-8139 FILED MARCH 7, 2006

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2650 – Nonlicensed Drivers (LSB 6473 HV)

Analyst: Mary Beth Mellick (Phone: [515] 281-8223) (marybeth.mellick@legis.state.ia.us)

Fiscal Note Version – New

Description

House File 2650 requires that if a peace officer stops a motor vehicle and discovers that the operator's driver's license or operating privilege is denied, canceled, suspended, revoked, or barred, the peace officer shall immediately impound the motor vehicle. The minimum period of impoundment is 30 days. The owner of the motor vehicle can redeem the vehicle at the end of that time by paying all fees, towing charges, and storage costs, which are limited to \$15 per day. The Bill also requires the owner to provide proof of reinstatement of a driver's license or operating privilege before the vehicle can be released.

House File 2650 provides that a rental company which owns an impounded vehicle must be notified within 72 hours of impoundment by the person or agency taking custody of the vehicle, and the rental company may then redeem the vehicle at any time by paying all fees and the towing and storage costs. The period of impoundment otherwise extends until reinstatement of the driver's operating privileges.

The Bill does not apply to persons sanctioned under Code chapter 321J, Code of Iowa, which provides for impoundment of motor vehicles under circumstances relating to driving under the influence of alcohol or controlled substances.

The Bill amends the definition of "abandoned vehicles," which currently provides that an impounded vehicle is considered abandoned if it is not claimed within ten days, to allow for the longer impoundment periods provided in the Bill.

Assumptions

4. According to the Justice Data Warehouse, in FY 2005 there were 4,344 convictions for driving with a suspended, cancelled, or revoked license, of which 4,041 were for barred and habitual offenders. This does not include the number of convictions related to driving under the influence of alcohol or controlled substances.
5. The number of suspended, cancelled, or revoked licenses is not expected to change.
6. The total number of days that a vehicle would be impounded after the 30-day minimum is unknown.
7. Assuming State and local law enforcement use private entities for towing and storing an impounded vehicle, there will be no additional or new fees collected by State or local governments.
8. If the fees, towing charges, and storage costs exceed \$15 per day, the entity responsible for paying the excess costs is unknown. Such fees would be paid to the towing and storage facility. Storage facilities may realize additional revenues due to the 30-day minimum impoundment.
9. Additional administrative costs may be incurred by the peace officer relating to impoundment of the vehicle; however, those costs are unknown.
10. It is unknown if storage facilities would have enough space to hold vehicles for 30 days or more, or whether more space would be required.

Fiscal Impact

The fiscal impact of HF 2650 cannot be determined since the total number of days the vehicle will be impounded and the fees, towing charges, and storage costs associated with impounding the vehicle are unknown. Such fees would be owed to the towing and storage facility. Storage facilities may realize additional revenues due to the 30-day minimum impoundment. It is unknown if storage facilities would have enough space to hold vehicles for 30 days or more, or whether more space would be required. Assuming State and local law enforcement use private entities for towing and storing an impounded vehicle, there will be no additional or new fees collected by State or local governments.

The following information was provided by the Des Moines Police Department's Property and Impound Office: Approximately 9,000 vehicles are impounded per year in the city of Des Moines. The Office contracts out to two private companies for towing and storing impounded vehicles. Costs associated with impounding a vehicle include an administrative fee of \$20 and a towing fee of approximately \$45. Costs for storing the vehicle range from \$7 to \$10.50 for the first 24 hours, and from \$6 to \$9 per day for each day thereafter. All such costs are paid to the storage facility. Under current law, if the vehicle is not claimed within ten days, the storage facility may release the vehicle to law enforcement for sale at an auction.

Additional administrative costs may be incurred by the peace officer relating to the impoundment of the vehicle; however, those costs are unknown.

Sources

Department of Public Safety

Department of Human Rights, Criminal and Juvenile Justice Planning Division (CJJPD)

Dennis C Prouty

March 13, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

HSB 681

Hutter-Chair
Kautman
Wessel-Kroeschell

JUDICIARY

HOUSE FILE SE 10 2650 ed By
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON PAULSEN)

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