

## Red Tape Review Rule Report (Due: September 1, 2024)

<b>Department Name:</b>	Department of Transportation	<b>Date:</b>	4/12/24	<b>Total Rule Count:</b>	7
<b>IAC #:</b>	761	<b>Chapter/ SubChapter/ Rule(s):</b>	640	<b>Iowa Code Section Authorizing Rule:</b>	321A.2
<b>Contact Name:</b>	Kasey Lee	<b>Email:</b>	<a href="mailto:Kasey.lee@iowadot.us">Kasey.lee@iowadot.us</a>	<b>Phone:</b>	515-231-7509

**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

This rule chapter implements the Department’s explicit rulemaking authority provided in Iowa Code chapter 321A regarding Iowa’s financial responsibility law. The intended benefit of this chapter is to explain financial responsibility requirements following an accident involving an uninsured driver or vehicle, and how vehicle operators and owners can satisfy the requirements or meet an exception. The rules reduce the regulatory burden on vehicle owners and operators by offering additional options which provide increased flexibility to demonstrate lawful compliance to avoid or lift license and registration suspensions following an uninsured accident or a judgment filed against them.

Additionally, the benefit is to increase compliance with the financial responsibility law, which is intended to protect drivers and property owners from the financial and physical costs of uninsured vehicle owners and operators. The chapter aids individuals that have suffered injuries or incurred damage caused by another party in an accident by detailing financial requirements which must be met by the party that has caused the injury and/or damage in order to provide remedy, and subsequent consequences should the requirements remain unfulfilled.

**Is the benefit being achieved? Please provide evidence.**

The benefits are being achieved. The evidence for this benefit is demonstrated by the compliance of individuals subject to these financial responsibility requirements. In 2023, the Department received and processed documents that qualified as an exception to the requirement to provide security following an accident to satisfy and rescind 2,567 suspensions. Additional evidence is demonstrated by the compliance of insurance companies that provide insurance policies to individuals that fulfill these requirements. In 2023, the Department received and processed proof of financial responsibility documents to satisfy the requirement to provide security following an accident for 740 individuals that did not or could not provide proof at the time of the accident.

The chapter also aids the public, law enforcement, and other entities in better understanding the requirements for financial responsibility following an accident. The adherence to and enforcement of the outlined requirements demonstrates that the intended benefit is being achieved.

**What are the costs incurred by the public to comply with the rule?**

There is no cost to the public to comply with the rules. Any costs to comply with the rules are associated with the requirements of the underlying statute, such as the requirement to maintain and file with the

Department financial liability coverage and the requirement of insurers to issue financial responsibility coverage cards that comply with rules adopted by the Department.

Additionally, insurance companies are required by rules adopted by the Department to submit proof of financial responsibility by utilizing electronic submission processes. Insurance companies incur some costs to comply with this chapter; however, the electronic submission process reduces the administrative burden borne by the insurers and the Department to manually process proof of financial liability documents and, in turn, allows for faster processing of these documents which benefits the public.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

There are no costs to the Department to implement the rules beyond those that would otherwise be required to administer the statute.

**Do the costs justify the benefits achieved? Please explain.**

There are no costs to comply with the rules beyond those that would otherwise be required to administer the statute.

**Are there less restrictive alternatives to accomplish the benefit?  YES  NO**

**If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.**

The rules have been revised where possible to remove the statutory text or redundant language. The rules that will be re-promulgated have been determined to be necessary and reworded to provide clarity.

**Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]**

**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**640.1 General**

640.1(1): This subrule is revised because it is duplicative of statutory language.

640.1(2): This subrule is revised to remove unnecessary language.

640.1(3): This subrule is revised to remove unnecessary language.

**640.4 Security required following accident**

640.4(1): This subrule is revised to remove redundant language.

640.4(2): This subrule is deleted because it is unnecessary.

640.4(3): This subrule is revised to remove redundant language.

640.4(5): This subrule is revised because it is duplicative of statutory language.

**640.5 Judgments**

640.5(1): This subrule is revised to remove unnecessary language.

**640.6 Proof of financial responsibility** is amended to remove restrictive terms and language duplicative of 321A.29. Language is added to clarify a paper or electronic format is acceptable for providing proof of financial responsibility.

640.6(1): This subrule is revised because it is duplicative of statutory language.

640.6(2): This subrule is revised to remove outdated language.

640.6(3): This subrule is revised to remove unnecessary language.

640.6(4): This subrule is revised to remove language that is redundant.

640.6(5): This subrule is revised to remove outdated language.

640.6(6): This subrule is revised to remove language that is redundant.

640.6(7): This subrule is revised to remove unnecessary language.

640.6(8): This subrule is revised to remove outdated language.

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

None.

**RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):**

640.1

640.2

640.3

640.4

640.5

640.6

640.7

***\*For rules being re-promulgated with changes, you may attach a document with suggested changes.***

**METRICS**

<b>Total number of rules repealed:</b>	<b>0</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>434</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>77</b>

**ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?**

No.