

CHAPTER 1144**URBAN RENEWAL AREA REVENUE USE***H.F. 2327*

AN ACT relating to the use of certain revenues obtained from the transfer of property or taxes imposed in urban renewal areas for economic development purposes and providing an effective date.

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

Section 1. Section 403.8, Code 1987, is amended by adding the following new subsection:
NEW SUBSECTION. 5. Proceeds received by a municipality from the sale, lease, or other transfer of real property or an interest in real property acquired by it in an urban renewal area may be used by the municipality for economic development purposes outside the urban renewal area.

Sec. 2. Section 403.19, subsection 3, Code 1987, is amended to read as follows:

3. The portion of taxes mentioned in subsection 2 of this section and the special fund into which they shall be paid, may be irrevocably pledged by a municipality for the payment of the principal and interest on loans, advances, bonds issued under the authority of section 403.9, subsection 1, or indebtedness, incurred by a municipality to finance or refinance, in whole or in part, the urban renewal project. The portion of taxes mentioned in subsection 2 of this section may be pledged to pay the indebtedness of a municipality for a water supply and distribution system outside of the urban renewal area and the transfer is approved by each of the local taxing jurisdictions affected by the transfer.

Sec. 3. This Act is repealed effective December 31, 1989.

Sec. 4. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 2, 1988

CHAPTER 1145**TITLE GUARANTY AND HOUSING FINANCE PROGRAMS***H.F. 2407*

AN ACT relating to the Iowa housing finance authority, by modifying the title guaranty program requirements that participation fees be charged, that lenders be participants, that persons or lenders not receive a portion of the charge for title guaranty, and that financial institutions disclose the availability of the program, and by expanding the purposes of and renaming the commitment cost fund.

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

Section 1. Section 220.40, Code 1987, is amended to read as follows:

220.40 COMMITMENT COSTS HOUSING PROGRAM FUND.

A ~~commitment costs~~ housing program fund is created within the treasurer of state's office. The moneys shall be used by the authority ~~to~~ and are appropriated for the following purposes:

1. To cover initial commitment costs of authority bond issues and loans in order to facilitate and ensure equal access across the state to funds for programs for first time home buyers.
2. For the homeless grant program under section 220.100, subsection 2, paragraph "a".

3. For the home maintenance and repair program under section 220.100, subsection 2, paragraph "b".

4. For the rental rehabilitation program under section 220.100, subsection 2, paragraph "c".

5. For the home ownership incentive program under section 220.100, subsection 2, paragraph "d".

Moneys in the fund shall not revert to the general fund and interest on the moneys in the fund shall be retained as part of the fund and not accrue to the general fund.

Sec. 2. Section 220.91, subsection 1, Code Supplement 1987, is amended to read as follows:

1. The authority through the title guaranty division shall initiate and operate a program in which the division shall offer guaranties of real property titles in this state. The terms, conditions and form of the guaranty contract shall be forms approved by the division board. The division shall fix a charge for the guaranty in an amount sufficient to permit the program to operate on a self-sustaining basis, including payment of administrative costs and the maintenance of an adequate reserve against claims under the title guaranty program. A title guaranty fund is created in the office of the treasurer of state. Funds collected under this program shall be placed in the title guaranty fund and are available to pay all claims, necessary reserves and all administrative costs of the title guaranty program. Moneys in the fund shall not revert to the general fund and interest on the moneys in the fund shall be retained as a part of the fund and shall not accrue to the general fund. If the authority board in consultation with the division board determines that there are surplus funds in the title guaranty fund after providing for adequate reserves and operating expenses of the division, the surplus funds shall be transferred to the ~~commitment costs~~ housing program fund created pursuant to section 220.40.

Sec. 3. Section 220.91, subsection 4, Code Supplement 1987, is amended to read as follows:

4. Each participating ~~mortgage lender~~, attorney and abstractor ~~shall~~ may be required to pay an annual participation fee to be eligible to participate in the title guaranty program. The fee, if any, shall be set by the division, subject to the approval of the authority.

Sec. 4. Section 220.91, subsection 5, Code Supplement 1987, is amended to read as follows:

5. The participation of abstractors, and attorneys and lenders shall be in accordance with rules established by the division and adopted by the authority pursuant to chapter 17A. Each participant shall at all times maintain liability coverage in amounts approved by the division. Upon payment of a claim by the division, the division shall be subrogated to the rights of the claimant against all persons relating to the claim.

Sec. 5. Section 220.91, subsection 7, Code Supplement 1987, is amended to read as follows:

7. The attorney rendering a title opinion shall be authorized to issue a title guaranty certificate subject to the rules of the authority. ~~A person or mortgage lender participating in the title guaranty program shall not charge or receive any portion of the charge for the guaranty as a result of their participation in the title guaranty program.~~

Sec. 6. Section 535A.12, Code 1987, is repealed.

Approved May 3, 1988