

SENATE FILE 1226

By BLOUIN

FILED FEB 24 1974

Senate File 1226
Judiciary--
Kennedy, Chairman
Willits
Kelly

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

A BILL FOR

1 An Act providing for the extinction of mechanics' liens upon
2 property when that property is conveyed to a good faith
3 purchaser for personal or family residence, and providing
4 a penalty.

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

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1 Section 1. Chapter five hundred seventy-two (572), Code
2 1973, is amended by adding sections two (2) and three (3)
3 of this Act.

4 Sec. 2. NEW SECTION. EXTINCTION OF LIEN. A lien or lien
5 right acquired under this chapter is extinguished at the time
6 of the filing of record of a contract of sale or warranty deed
7 which conveys in fee property subject to that lien or lien
8 right if the purchaser, with or without notice of the lien or
9 lien right, acquires the property in good faith, for a valuable
10 consideration, and for the purchaser's personal or family
11 dwelling, and if there is recorded with the conveyance an
12 affidavit of the purchaser that the property is being acquired
13 for the purchaser's personal or family dwelling. The lien or
14 lien right is extinguished to the extent of all property con-
15 veyed.

16 Sec. 3. NEW SECTION. PENALTY FOR FALSE AFFIDAVIT OR FRAUD.
17 A person who is an owner as defined in subsection one (1) of
18 section five hundred seventy-two point one (572.1) of the
19 Code and who acquires an interest under section two (2) of this
20 Act with the intent to defraud a person entitled to a lien,
21 or a person who records a false affidavit under section two
22 (2) of this Act, is guilty of a misdemeanor and upon convic-
23 tion shall be fined not to exceed five thousand dollars or
24 imprisoned not to exceed two years or be subject to both
25 the fine and imprisonment.

26 EXPLANATION

27 This bill provides that a mechanics' lien under chapter
28 572 of the Code is extinguished when the property subject
29 to the lien is conveyed to a good faith purchaser for
30 value if the purchaser files an affidavit declaring that
31 the property will be used for his personal or family residence.
32 The bill also makes it a criminal offense for any person to
33 record a false affidavit, or for an owner to use a conveyance
34 to himself with the intent to defraud a lienholder.

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