



HOUSE FILE 2507

AN ACT

RELATING TO PRIORITY OF LABOR OR WAGE CLAIMS OVER OTHER DEBTS
WHEN AN EMPLOYER'S PROPERTY IS PLACED IN RECEIVERSHIP OR
OTHERWISE SEIZED BY CREDITORS.

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

Section 1. Section 626.69, Code 2005, is amended to read
as follows:

626.69 LABOR OR WAGE CLAIMS PREFERRED.

When the property of any company, corporation, firm, or
person shall be seized upon by any process of any court, or
placed in the hands of a receiver, trustee, or assignee, or
~~their-property-shall-be~~ seized by the action of creditors, for
the purpose of paying or securing the payment of the debts of
such company, corporation, firm, or person, the debts, or
wages as defined under section 91A.2, subsection 7, owing to
all laborers or employees other than officers of such
companies, for labor or work performed or services rendered
within the-ninety-days-next six months preceding the seizure
or transfer of such property, ~~to-an-amount-not-exceeding-one~~
~~hundred-dollars-to-each-person,~~ shall be considered and
treated as a preferred debt and paid in full, or if there is
~~not-sufficient~~ are insufficient funds realized from such
property to pay the same in full, then, after the payment of
costs, ratably out of the ~~fund~~ funds remaining.

Sec. 2. Section 626.73, Code 2005, is amended to read as
follows:

626.73 PRIORITY.

Claims of employees for labor or wages, if not contested,
or if allowed after contest, shall have priority, unless
otherwise stated in this chapter, over all claims against or

liens upon such property, except prior mechanics' liens for labor in opening or developing coal mines as allowed by law.

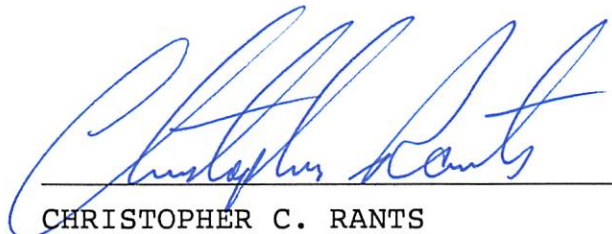
Sec. 3. Section 680.7, subsection 3, Code 2005, is amended to read as follows:

3. Debts owing to employees for labor or work performed or services rendered as ~~defined-by~~ provided in section 626.69.

Sec. 4. Section 680.8, Code 2005, is amended to read as follows:

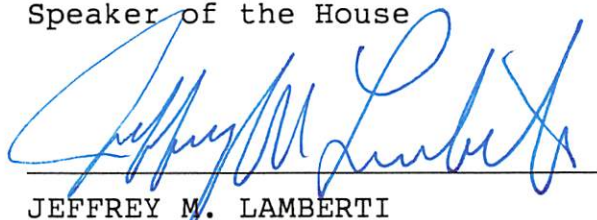
680.8 NONAPPLICABILITY.

The provisions of section 680.7 shall not apply to the receivership of state banks, as defined in section 524.105, trust companies, or private banks, and in the receivership of such state banks and trust companies, or private banks, no such preference or priority shall be allowed as is provided in ~~said the~~ section except for labor or wage claims as provided by statute.



CHRISTOPHER C. RANTS

Speaker of the House



JEFFREY M. LAMBERTI

President of the Senate

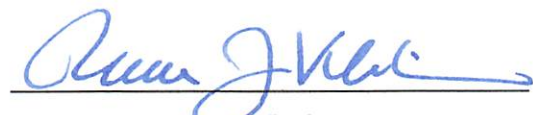
I hereby certify that this bill originated in the House and is known as House File 2507, Eighty-first General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved April 6, 2006



THOMAS J. VILSACK

Governor