



TERRY E. BRANSTAD  
GOVERNOR

**OFFICE OF THE GOVERNOR**

KIM REYNOLDS  
LT. GOVERNOR

April 27, 2012

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 675, an Act concerning mechanics' liens including the establishment of a state construction registry for residential construction property, and including effect date and applicability provisions.

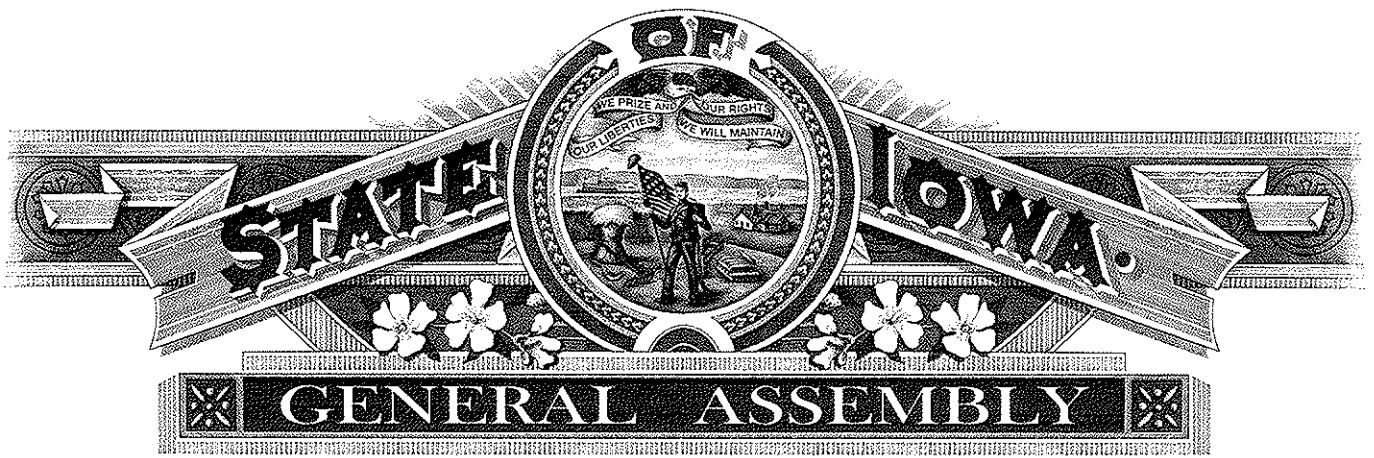
The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

Terry E. Branstad  
Governor

cc: Secretary of the Senate  
Clerk of the House



House File 675

AN ACT

CONCERNING MECHANICS' LIENS INCLUDING THE ESTABLISHMENT OF A STATE CONSTRUCTION REGISTRY FOR RESIDENTIAL CONSTRUCTION PROPERTY, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

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

Section 1. Section 207.23, subsection 1, Code 2011, is amended to read as follows:

1. Within six months after the completion of a project to restore, reclaim, abate, control, or prevent adverse effects of past coal mining practices on privately owned land, the division shall itemize the money expended on the project and may file a lien statement ~~in the manner provided in section 572.8~~ in the office of the district court clerk of each county in which a portion of the property affected by the project is located, together with a notarized appraisal by an independent appraiser of the value of the land before the restoration, reclamation, abatement, control, or prevention of adverse effects of past mining practices if the money so expended results in a significant increase in property value. A copy of the lien statement and the appraisal, if required, shall be served upon affected property owners in the manner provided for service of an original notice. The lien shall not exceed the amount determined by the appraiser to be the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of adverse effects of past coal mining practices. A lien shall not be filed in accordance with this subsection against the property

of a person who owned the surface prior to May 2, 1977, and who neither consented to, participated in, nor exercised control over the mining operation which necessitated the reclamation performed.

Sec. 2. Section 572.1, Code 2011, is amended to read as follows:

**572.1 Definitions and rules of construction.**

For the purpose of this chapter:

1. "Administrator" means the secretary of state.

~~1-~~ 2. "Building" shall be construed as if followed by the words "erection, or other improvement upon land".

3. "General contractor" includes every person who does work or furnishes materials by contract, express or implied, with an owner. "General contractor" does not include a person who does work or furnishes materials on contract with an owner-builder.

~~2-~~ 4. "Labor" means labor completed by the claimant.

~~3-~~ 5. "Material" shall, in addition to its ordinary meaning, ~~include~~ includes machinery, tools, fixtures, trees, evergreens, vines, plants, shrubs, tubers, bulbs, hedges, bushes, sod, soil, dirt, mulch, peat, fertilizer, fence wire, fence material, fence posts, tile, and the use of forms, accessories, and equipment furnished by the claimant.

~~4-~~ 6. "Owner" means the ~~record~~ legal or equitable titleholder and every person for whose use or benefit any building, erection, or other improvement is made, having the capacity to contract, including guardians of record.

~~5-~~ "Owner-occupied dwelling" means the homestead of an owner, as defined in section 561.1, and without respect to the value limitations in section 561.3, and actually occupied by the owner or the spouse of the owner, or both. "Owner-occupied dwelling" includes a newly constructed dwelling to be occupied by the owner as a homestead, or a dwelling that is under construction and being built by or for an owner who will occupy the dwelling as a homestead.

7. "Owner-builder" means the legal or equitable titleholder of record who furnishes material for or performs labor upon a building, erection, or other improvement, or who contracts with a subcontractor to furnish material for or perform labor upon a building, erection, or other improvement and who offers or intends to offer to sell the owner-builder's property without occupying or using the structures, properties, developments, or improvements for a period of more than one year from the date the structure, property, development, or improvement is

substantially completed or abandoned.

8. "Residential construction" means construction on single-family or two-family dwellings occupied or used, or intended to be occupied or used, primarily for residential purposes, and includes real property pursuant to chapter 499B.

9. "State construction registry" means a centralized computer database maintained on the internet by the administrator that provides a central repository for the submission and management of preliminary notices, notices of commencement of work on residential construction properties, and mechanics' liens on all construction properties.

10. "State construction registry number" means a number provided by the administrator for all residential construction properties posted to the state construction registry.

~~6.~~ 11. "Subcontractor" shall include every person furnishing material or performing labor upon any building, erection, or other improvement, except those having contracts directly with the owner. "Subcontractor" shall include those persons having contracts directly with an owner-builder.

Sec. 3. Section 572.2, Code 2011, is amended to read as follows:

**572.2 Persons entitled to lien.**

1. Every person who ~~shall furnish~~ furnishes any material or labor for, or ~~perform~~ performs any labor upon, any building or land for improvement, alteration, or repair thereof, including those engaged in the construction or repair of any work of internal or external improvement, and those engaged in grading, sodding, installing nursery stock, landscaping, sidewalk building, fencing on any land or lot, by virtue of any contract with the owner, owner-builder, general contractor, or subcontractor shall have a lien upon such building or improvement, and land belonging to the owner on which the same is situated or upon the land or lot so graded, landscaped, fenced, or otherwise improved, altered, or repaired, to secure payment for the material or labor furnished or labor performed.

2. If material is rented by a person to the owner, general contractor, or subcontractor, the person shall have a lien upon such building, improvement, or land to secure payment for the material rental. The lien is for the reasonable rental value during the period of actual use of the material and any reasonable periods of nonuse of the material taken into account in the rental agreement. The delivery of material to such building, improvement, or land, whether or not delivery is made

by the person, creates a presumption that the material was used in the course of alteration, construction, or repair of the building, improvement, or land. However, this presumption shall not pertain to recoveries sought under a surety bond.

3. An owner-builder is not entitled to a lien under this chapter as to work the owner-builder performs, or is contractually obligated to perform, prior to transferring title to the buyer.

Sec. 4. Section 572.8, Code 2011, is amended to read as follows:

**572.8 Perfection of lien.**

1. A person shall perfect a mechanic's lien by ~~filing with the clerk of the district court of the county in which the building, land, or improvement to be charged with the lien is situated~~ posting to the state construction registry internet website a verified statement of account of the demand due the person, after allowing all credits, setting forth:

a. The date when such material was first furnished or labor first performed, and the date on which the last of the material was furnished or the last of the labor was performed.

b. The legal description of the property to be charged with the lien.

c. The name and last known mailing address of the owner of the property.

d. The address of the property or a description of the location of the property if the property cannot be reasonably identified by an address.

e. The tax parcel identification number.

2. Upon ~~the filing~~ posting of the lien, the ~~clerk of court administrator~~ shall mail a copy of the lien to the owner. If the statement of the lien consists of more than one page, the ~~clerk~~ administrator may omit such pages as consist solely of an accounting of the material furnished or labor performed. In this case, the ~~clerk~~ administrator shall attach a notification that pages of accounting were omitted and may be inspected in ~~the clerk's office~~ on the state construction registry internet website.

3. A lien perfected under this section shall be limited to the county in which the building, land, or improvement to be charged with the lien is situated. The county identified on the state construction registry internet website at the time of posting the required notices pursuant to sections 572.13A and 572.13B shall be the only county in which the building, land,