

March 8, 1965.

Passed on File.

*judiciary 3/19 do pass 3/17*

Senate File 481

By SCHROEDER and O'MALLEY,  
(Gaudineer and Denato.)

Passed Senate, Date 7/5

Passed House, Date 4/19

Vote: Ayes 71 Nays 0

Vote: Ayes 104 Nays 2

Approved April 29, 1965

# A BILL FOR

*judiciary 4/19 substituted for HF 489-7/19*

An Act relating to the ownership of individual apartment units.

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

1 Section 1. Section two (2) of chapter two hundred ninety-three  
2 (293), Acts of the Sixtieth General Assembly, is hereby amended as  
3 follows:

4 1. By striking from lines four (4) and five (5) the words  
5 "but not the entire building".

6 2. By striking from line eight (8) the word "partnership".

7 3. By inserting in line eleven (11) after the word "building."  
8 the following:

9 "The business and affairs of the council of co-owners may be  
10 conducted by organizing a corporation not for pecuniary profit of  
11 which the co-owners are members."

12 4. By inserting in line twelve (12) after the word "elements"  
13 the words ", unless otherwise provided in the declaration or law-  
14 ful amendments thereto".

15 5. By striking from line twenty-five (25) the words "agreed  
16 upon by all the co-owners" and inserting in lieu thereof the words  
17 "specified in or determined under the declaration."

18 6. By striking from line twenty-six (26) the words "a certain  
19 number of" and inserting in lieu thereof the words "one (1) or  
20 more".

21 7. By adding thereto the following new subsection:

22 " 'Building' means and includes one (1) or more buildings,  
23 whether attached to one (1) or more buildings or unattached; pro-  
24 vided, however, that if there is more than one (1) building, all  
25 such buildings shall be described and included in the declaration,  
26 or an amendment thereto, and comprise an integral part of a single  
27 horizontal property regime."

1 Sec. 2. Section three (3) of chapter two hundred ninety-three  
2 (293), Acts of the Sixtieth General Assembly, is hereby amended  
3 by striking from line four (4) the words "is located a building"  
4 and inserting in lieu thereof the words "a building is located or  
5 to be constructed".

1 Sec. 3. Chapter two hundred ninety-three (293), Acts of the  
2 Sixtieth General Assembly, is hereby amended by adding thereto  
3 the following new sections:

4 1. "All sums assessed by the council of co-owners but unpaid  
5 for the share of the common expenses chargeable to any apartment  
6 shall constitute a lien on such apartment prior to all other  
7 liens except only 1) tax liens on the apartment in favor of any  
8 assessing unit and special district, and 2) all sums unpaid on a  
9 first mortgage of record. Such lien may be foreclosed by suit by  
10 the council of co-owners or the representatives thereof, acting  
11 on behalf of the apartment owners, in like manner as a mortgage  
12 of real property. In the event of any such foreclosure, the apart-  
13 ment owner shall be required to pay a reasonable rental for the  
14 apartment if so provided in the bylaws, and the plaintiff in such  
15 foreclosure shall be entitled to the appointment of a receiver  
16 to collect the same. The council of co-owners or the representa-

17 tives thereof, acting on behalf of the apartment owners, shall  
18 have power, unless prohibited by the declaration, to bid in the  
19 apartment at foreclosure sale, and to acquire and hold, lease,  
20 mortgage and convey the same. Suit to recover a money judgment  
21 for unpaid common expenses shall be maintainable without foreclos-  
22 ing or waiving the lien securing the same.”

23 2. “Where the mortgagee of a first mortgage of record or other  
24 purchaser of an apartment obtains title to the apartment as a  
25 result of foreclosure of the first mortgage, such acquirer of  
26 title, his successors and assigns, shall not be liable for the  
27 share of the common expenses or assessments by the council of  
28 co-owners chargeable to such apartment which became due prior to  
29 the acquisition of title to such apartment by such acquirer. Such  
30 unpaid share of common expenses or assessments shall be deemed to  
31 be common expenses collectible from all of the apartment owners  
32 including such acquirer, his successors and assigns.”

33 3. “In a voluntary conveyance the grantee of an apartment  
34 shall be jointly and severally liable with the grantor for all  
35 unpaid assessments against the latter for his share of the common  
36 expenses up to the time of the grant or conveyance, without preju-  
37 dice to the grantee’s right to recover from the grantor the  
38 amounts paid by the grantee therefor. However, any such grantee  
39 shall be entitled to a statement from the council of co-owners or  
40 its representatives, setting forth the amount of the unpaid assess-  
41 ments against the grantor and such grantee shall not be liable for,  
42 nor shall the apartment conveyed be subject to a lien for, any  
43 unpaid assessments against the grantor in excess of the amount  
44 therein set forth.”