

March 18, 1969

HOUSE FILE 595

State Government, *Pass 4-3, 2-10-70*  
*Sen. " 3/11, Pass per amendment 4/10*

By DOYLE

Passed House, Date *3-4-70* Passed Senate, Date *4-14-70*

Vote: Ayes *74* Nays *33* Vote: Ayes *54* Nays *0*

Approved .....

*Passed House as amended by Senate*  
*4-15-70*  
*aye 107, nays 2*

## A BILL FOR

- 1 An Act relating to the purchase of real estate by the state.
- 2 *Be It Enacted by the General Assembly of the State of Iowa:*
- 3 Section 1. Chapter eight (8), Code 1966, is hereby amended
- 4 by adding thereto the following new section:
- 5 "The purchase of real estate by any state department, by a
- 6 contract providing for payment over a period of years, shall
- 7 not be construed to constitute a debt of the state or of the
- 8 department if the legislature has specifically approved said
- 9 purchase and has made an appropriation of capital funds to make
- 10 a partial payment on said contract. Future payments on such
- 11 real estate contracts may be made from appropriated capital
- 12 funds, or other funds available for the purchase of real estate,
- 13 but payment shall not be made upon such contracts from appro-
- 14 priated operating funds."

### EXPLANATION OF HOUSE FILE 595

Many state departments have found that owners of real estate will sell the land only by contract spreading payment over a period of years because of the tax advantage to the seller. This bill will permit purchases in this situation, or in other situations where it is advantageous to the buyer to spread out the payments.

1 Amend House File 595 as follows:  
2 By striking from page 1, lines 5 through 14, inclusive, and in-  
3 serting in lieu thereof the following:  
4 Purchases of real estate as provided by law may be made by a  
5 state department on written contracts providing for payment over a  
6 period of years but the obligations thereon shall not constitute a  
7 debt or charge against the state of Iowa nor against the funds of  
8 the department for which said purchases are made. Purchase pay-  
9 ments may be made from appropriated capital funds, or from other  
10 funds lawfully available for that purpose and allocated therefor  
11 by the department, or from any combination of the foregoing, but  
12 not from appropriated operating funds. All state-appropriated  
13 capital funds used for any one purchase contract shall be taken  
14 entirely from a single capital appropriation and shall be set aside  
15 for that purpose. In event of default, the only remedy of the  
16 seller shall be against the property itself and the rents and  
17 profits thereof, and in no event shall any deficiency judgment be  
18 entered or enforced against the state of Iowa or the department for  
19 which the purchase was made.

Filed - *adopted 3-4*  
February 19, 1970

FREEMAN OF Buena Vista  
CRABB of Crawford  
JESSE of Polk

#### SENATE AMENDMENT TO HOUSE FILE 595

1 Amend House File 595 as follows:  
2 1. Line 10, by striking the word "may" and by inserting in lieu  
3 thereof the word "shall".  
4 2. By striking all of lines 11 through 14 and by inserting in lieu  
5 thereof the words "only capital funds appropriated for that purpose.  
6 All state appropriated".  
7 3. Line 18, by striking all after the word "itself" and all of lines  
8 19 through 21 and by inserting in lieu thereof the words "in rem,  
9 pursuant to chapter six hundred fifty-four (654) of the Code. In  
10 no event shall a deficiency judgment be entered or enforced against  
11 the state or the department making the purchase. **The provisions of**  
12 **chapter six hundred fifty-six (656) of the Code prescribing how**  
13 **real estate contract may be forfeited shall, in no event, be**  
14 **applicable. In a foreclosure proceeding pursuant to this Act and**  
15 **chapter six hundred fifty-four (654) of the Code, the department**  
16 **making the purchase and the attorney general shall be the only**  
17 **defendants who need be named and such department and the attorney**  
18 **general may be served personally or by restricted certified mail,**  
19 **The department and the attorney general shall have thirty days from**  
20 **the date of completed service in which to appear.'"**

*House  
concurred  
4/15*

Received from the Senate  
April 14, 1970

# Senate

1 Amend House File 595, as amended and passed by the  
2 House, as follows:  
3 1. Line 10, by striking the word "may" and by  
4 inserting in lieu thereof the word "shall".  
5 2. By striking all of lines 11 through 14, in-  
6 clusive, and by inserting in lieu thereof the words  
7 "only capital funds appropriated for that purpose.  
8 All state appropriated".  
9 3. Line 18, by striking all after the word  
10 "itself" and all of lines 19 through 21, inclusive,  
11 and by inserting in lieu thereof the words "in rem,  
12 pursuant to chapter six hundred fifty-four (654) of  
13 the Code. In no event shall a deficiency judgment be  
14 entered or enforced against the state or the department  
15 making the purchase. The provisions of chapter six-  
16 hundred fifty-six (656) of the Code prescribing how a  
17 real estate contract may be forfeited shall, in no event,  
18 be applicable. In the foreclosure proceeding pursuant to  
19 this Act and chapter six hundred fifty-four (654) of the  
20 Code, the department making the purchase and the Attorney  
21 general shall be the only defendants who need be named  
22 and such department and the attorney general may be  
23 served personally or by restricted certified mail.  
24 The department and the attorney general shall have  
25 thirty days from the date of completed service in  
26 which to appear."

Filed - *Adopted 7/14*  
April 10, 1970

By COMMITTEE ON STATE GOVERNMENT