

Referred Judiciary 3/22 Do pass per 5442 3/28 (p. 14)

House File 433 4/7
Judiciary and Law
Enforcement
Scheelhaase, chair 1 1977
Pelton
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HOUSE FILE 433

By PERKINS

Law Judiciary 5/15 Do pass per 5442 3/30

HOUSE FILE 433

Judiciary
Coleman, Chairperson
Ashcraft
Ramsey

Passed House, Date 5-17-77 (p. 2295) Passed Senate, Date 4-4-78 (p. 729)

Vote: Ayes 89 Nays 0 Vote: Ayes 42 Nays 0

Approved May 8, 1978

Repassed House 4-24-78 (p. 111)
78-6

A BILL FOR

1 An Act relating to the termination of a life estate in
2 agricultural land which has been leased.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5/17/78

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HOUSE FILE 433

H-4180

Amend House File 433 as follows:

1. Page 1, line 20, by striking the word "may" and inserting in lieu thereof the word "shall".
2. Page 1, by striking lines 21 through 27 and inserting in lieu thereof the following: "be entitled to a rental amount equal to the prevailing fair market rental amount in the area. If the parties cannot agree on a rental amount, either party may petition the district court for a declaratory judgment setting the rental amount. The costs of the action shall be divided equally between the parties."

H-4180 FILED *Adopted* BY COMMITTEE ON SIFTING
MAY 13, 1977 *5/17 (2294)* FITGERALD of Webster, Chair

700

1 Section 1. Chapter five hundred sixty-two (562), Code
2 1977, is amended by adding the following new section:

3 NEW SECTION. DEATH OF A LIFE TENANT. Upon the death of
4 a holder of a life estate as lessor, or upon termination
5 of a life estate otherwise, any farm tenancy shall continue
6 until notice of termination has been given by the holder or
7 holders of the successor interest in the time and in the
8 manner provided by section five hundred sixty-two point seven
9 (562.7) of the Code unless the lease is binding upon the
10 holders of the successor interest, whether remainderman,
11 reversioner or otherwise, by virtue of the provisions of a
12 trust or specific commitment by the holder or holders of the
13 successor interest, whereupon the lease shall terminate as
14 provided therein. Nothing in this section shall be construed
15 as an abrogation of the common law doctrine of emblements.

16 Sec. 2. Chapter five hundred sixty-two (562), Code 1977,
17 is amended by adding the following new section:

18 NEW SECTION. FAIR RENTAL. The holder of an interest
19 following a life interest who is required by section one (1)
20 of this Act to continue a tenancy for the following year may
21 sue in equity to have the rental amount agreed to between
22 the life estate holder and the farm tenant declared to be
23 significantly less than a fair market rental amount. If the
24 court finds that the rental amount is significantly less than
25 a fair market rental amount, the court shall set a fair market
26 rental amount to be paid by the farm tenant to the holder
27 of such interest following the life estate.

28 Sec. 3. This Act is effective January 1, 1978.

29 EXPLANATION

30 Section 1 of the bill provides that upon the termination
31 of a life estate, a farm tenancy whose lessor was the life
32 tenant shall continue until the holder of the succeeding
33 interest gives notice of termination of the farm tenancy as
34 presently provided in the Code. However, if the lease is
35 binding upon the holder of the succeeding interest by virtue

1 of the provisions of a trust or a commitment of the holder,
2 those provisions regarding termination of the tenancy shall
3 govern.

4 Section 2 provides that the holder of the succeeding
5 interest may sue in equity to have a fair market rent payed
6 if the court finds that rent is significantly less than a
7 fair market rent.

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LSB 1188H
dsb/rh/8A

S-5442

1 Amend House File 433 as amended and passed by the
2 House as follows:

3 1. By striking all after the enacting clause and
4 inserting in lieu thereof the following:

5 "Section 1. Chapter five hundred sixty-two (562),
6 Code 1977, is amended by adding the following new
7 section:

8 NEW SECTION. TERMINATION OF LIFE ESTATE--FARM
9 TENANCY. Upon the termination of a life estate, a
10 farm tenancy granted by the life tenant shall continue
11 until the following March first except that if the
12 life estate terminates between September first and
13 the following March first inclusively, then the farm
14 tenancy shall continue for that year as provided by
15 section five hundred sixty-two point six (562.6) of
16 the Code and continue until notice of termination
17 is given by the holder of the successor interest in
18 the manner provided by section five hundred sixty-
19 two point seven (562.7) of the Code. However, if
20 the lease is binding upon the holder of the successor
21 interest by the provision of a trust or by specific
22 commitment of the holder of the successor interest,
23 the lease shall terminate as provided by that provision
24 or commitment. This section shall not be construed
25 to abrogate the common law doctrine of emblements.

26 Sec. 2. Chapter five hundred sixty-two (562),
27 Code 1977, is amended by adding the following new
28 section:

29 NEW SECTION. TERMINATION OF LIFE ESTATE--NONFARM
30 TENANCY. Upon the termination of a life estate, a
31 tenancy granted by the life tenant which is not a
32 farm tenancy shall continue until one of the following
33 first occurs:

34 1. The date previously agreed upon for termination
35 of the tenancy without notice.

36 2. If the tenant is a tenant at will, upon the
37 expiration of the period provided by section five
38 hundred sixty-two point four (562.4) of the Code.

39 3. If the tenancy is for less than one year, sixty
40 days after the end of the month in which the life
41 estate terminated.

42 4. If the tenancy is for a year or more, one year
43 after the end of the month in which the life estate
44 terminated.

45 However, if the lease is binding upon the holder of
46 the successor interest by the provision of a trust
47 or by specific commitment of the holder of the
48 successor interest, the lease shall terminate as
49 provided by that provision or commitment.

50 Sec. 3. Chapter five hundred sixty-two (562),

1 Code 1977, is amended by adding the following new
2 section:

3 NEW SECTION. RENTAL VALUE. The holder of the
4 interest succeeding a life estate who is required
5 by sections one (1) or two (2) of this Act to continue
6 a tenancy shall be entitled to a rental amount equal
7 to the prevailing fair market rental amount in the
8 area. If the parties cannot agree on a rental amount,
9 either party may petition the district court for a
10 declaratory judgment setting the rental amount. The
11 costs of the action shall be divided equally between
12 the parties.

13 Sec. 4. This Act is effective January 1, 1979."

14 2. Amend the title, line 2, by striking the words
15 "agricultural land" and inserting in lieu thereof
16 the words "real property".

S-5442 FILED *Adopted 4/4 (p. 729)* BY COMMITTEE ON JUDICIARY
MARCH 30, 1978 GENE W. GLENN, CHAIRPERSON

1 Amend House File 433 as amended and passed by the
2 House as follows:

3 1. By striking all after the enacting clause and
4 inserting in lieu thereof the following:

5 "Section 1. Chapter five hundred sixty-two (562),
6 Code 1977, is amended by adding the following new
7 section:

8 NEW SECTION. TERMINATION OF LIFE ESTATE--FARM
9 TENANCY. Upon the termination of a life estate, a
10 farm tenancy granted by the life tenant shall continue
11 until the following March first except that if the
12 life estate terminates between September first and
13 the following March first inclusively, then the farm
14 tenancy shall continue for that year as provided by
15 section five hundred sixty-two point six (562.6) of
16 the Code and continue until notice of termination
17 is given by the holder of the successor interest in
18 the manner provided by section five hundred sixty-
19 two point seven (562.7) of the Code. However, if
20 the lease is binding upon the holder of the successor
21 interest by the provision of a trust or by specific
22 commitment of the holder of the successor interest,
23 the lease shall terminate as provided by that provision
24 or commitment. This section shall not be construed
25 to abrogate the common law doctrine of emblements.

26 Sec. 2. Chapter five hundred sixty-two (562),
27 Code 1977, is amended by adding the following new
28 section:

29 NEW SECTION. TERMINATION OF LIFE ESTATE--NONFARM
30 TENANCY. Upon the termination of a life estate, a
31 tenancy granted by the life tenant which is not a
32 farm tenancy shall continue until one of the following
33 first occurs:

34 1. The date previously agreed upon for termination
35 of the tenancy without notice.

36 2. If the tenant is a tenant at will, upon the
37 expiration of the period provided by section five
38 hundred sixty-two point four (562.4) of the Code.

39 3. If the tenancy is for less than one year, sixty
40 days after the end of the month in which the life
41 estate terminated.

42 4. If the tenancy is for a year or more, one year
43 after the end of the month in which the life estate
44 terminated.

45 However, if the lease is binding upon the holder of
46 the successor interest by the provision of a trust
47 or by specific commitment of the holder of the
48 successor interest, the lease shall terminate as
49 provided by that provision or commitment.

50 Sec. 3. Chapter five hundred sixty-two (562),

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Code 1977, is amended by adding the following new section:

NEW SECTION. RENTAL VALUE. The holder of the interest succeeding a life estate who is required by sections one (1) or two (2) of this Act to continue a tenancy shall be entitled to a rental amount equal to the prevailing fair market rental amount in the area. If the parties cannot agree on a rental amount, either party may petition the district court for a declaratory judgment setting the rental amount. The costs of the action shall be divided equally between the parties.

Sec. 4. This Act is effective January 1, 1979."

2. Amend the title, line 2, by striking the words "agricultural land" and inserting in lieu thereof the words "real property".

H-5929 FILED
RECEIVED FROM SENATE
APRIL 6, 1978

House concurred 4/21 (p.1791)

HOUSE FILE 433

AN ACT

RELATING TO THE TERMINATION OF A LIFE ESTATE IN REAL PROPERTY WHICH HAS BEEN LEASED.

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

Section 1. Chapter five hundred sixty-two (562), Code 1977, is amended by adding the following new section:

NEW SECTION. TERMINATION OF LIFE ESTATE--FARM TENANCY.

Upon the termination of a life estate, a farm tenancy granted by the life tenant shall continue until the following March first except that if the life estate terminates between September first and the following March first inclusively, then the farm tenancy shall continue for that year as provided by section five hundred sixty-two point six (562.6) of the Code and continue until notice of termination is given by the holder of the successor interest in the manner provided by section five hundred sixty-two point seven (562.7) of the Code. However, if the lease is binding upon the holder of the successor interest by the provision of a trust or by specific commitment of the holder of the successor interest, the lease shall terminate as provided by that provision or commitment. This section shall not be construed to abrogate the common law doctrine of emblements.

Sec. 2. Chapter five hundred sixty-two (562), Code 1977, is amended by adding the following new section:

NEW SECTION. TERMINATION OF LIFE ESTATE--NONFARM TENANCY.

Upon the termination of a life estate, a tenancy granted by the life tenant which is not a farm tenancy shall continue until one of the following first occurs:

1. The date previously agreed upon for termination of the tenancy without notice.
2. If the tenant is a tenant at will, upon the expiration of the period provided by section five hundred sixty-two point four (562.4) of the Code.

3. If the tenancy is for less than one year, sixty days after the end of the month in which the life estate terminated.

4. If the tenancy is for a year or more, one year after the end of the month in which the life estate terminated. However, if the lease is binding upon the holder of the successor interest by the provision of a trust or by specific commitment of the holder of the successor interest, the lease shall terminate as provided by that provision or commitment.

Sec. 3. Chapter five hundred sixty-two (562), Code 1977, is amended by adding the following new section:

NEW SECTION. RENTAL VALUE. The holder of the interest succeeding a life estate who is required by sections one (1) or two (2) of this Act to continue a tenancy shall be entitled to a rental amount equal to the prevailing fair market rental amount in the area. If the parties cannot agree on a rental amount, either party may petition the district court for a declaratory judgment setting the rental amount. The costs of the action shall be divided equally between the parties.

Sec. 4. This Act is effective January 1, 1979.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 433, Sixty-seventh General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved May 8, 1978

ROBERT D. RAY
Governor