

*Reprinted 4/10/81*

Ways and Means  
Lura, Chairperson  
Van Giist  
Ramsey

**1 MED FEB 11 1981**

SENATE FILE 217

BY RUSH

Passed Senate, Date 4-8-81 (3/11/71) Passed House, Date \_\_\_\_\_  
Vote: Ayes 41 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

### A BILL FOR

1 An Act to provide that transfers of property or interests in  
2 property pursuant to a decree of dissolution of marriage  
3 are not subject to the real estate transfer tax and the  
4 requirements relating to the filing of a declaration of  
5 value.

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

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1 Section 1. Section 428A.1, unnumbered paragraph 2, Code  
2 1981, is amended to read as follows:

3 At the time each deed, instrument, or writing by which  
4 any real property in this state ~~shall be~~ is granted, assigned,  
5 transferred, or otherwise conveyed is presented for recording  
6 to the county recorder, a declaration of value signed by at  
7 least one of the sellers or one of the buyers or their agents  
8 shall be submitted to the county recorder. A declaration  
9 of value ~~shall~~ is not be required for those instruments  
10 described in section 428A.2, subsections 2 to 13 and 16, or  
11 where any transfer is the result of acquisition of lands,  
12 whether by contract or condemnation, for public purposes  
13 through an exercise of the power of eminent domain. The  
14 declaration of value shall state the full consideration paid  
15 for the real property transferred. If agricultural land,  
16 as defined in section 172C.1, is purchased by a corporation,  
17 limited partnership, trust, alien or nonresident alien, the  
18 declaration of value shall include the name and address of  
19 the buyer, the name and address of the seller, a legal  
20 description of the agricultural land, and identify the buyer  
21 as a corporation, limited partnership, trust, alien, or  
22 nonresident alien. The county recorder shall not record the  
23 declaration of value, but shall enter on the declaration of  
24 value ~~such~~ information as the director of revenue ~~may require~~  
25 requires for the production of the sales/assessment ratio  
26 study and transmit all declarations of value to the city or  
27 county assessor in whose jurisdiction the property is located.  
28 The city or county assessor shall enter on the declaration  
29 of value ~~such~~ the information as the director of revenue ~~may~~  
30 ~~require~~ requires for the production of the sales/assessment  
31 ratio study and transmit all declarations of value to the  
32 director of revenue, at ~~such~~ times as directed by the director  
33 of revenue. The director of revenue shall, upon receipt of  
34 the information required to be filed under ~~the provisions~~  
35 ~~of~~ this chapter by the city or county assessor, send to the

1 office of the secretary of state that part of the declaration  
2 of value which identifies a corporation, limited partnership,  
3 trust, alien, or nonresident alien as a purchaser of  
4 agricultural land as defined in section 172C.1. The county  
5 recorder shall retain a copy of the declaration of value for  
6 the recorder's records, which shall be available for public  
7 inspection.

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8 Sec. 2. Section 428A.2, Code 1981, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 16. Deeds for the transfer of property  
11 or the transfer of an interest in property when the deed is  
12 executed between former spouses pursuant to a decree of  
13 dissolution of marriage.

14 EXPLANATION

15 The bill provides an exemption from the requirements of  
16 filing a declaration of value where the transfer of property  
17 or an interest in property is between former spouses pursuant  
18 to a decree for dissolution of marriage. The bill also exempts  
19 these transfers from the real estate transfer tax. The bill  
20 takes effect July 1 following enactment.

21 SENATE FILE 217  
22 FISCAL NOTE

23 REQUESTED BY SENATOR RUSH

24 In compliance with a written request there is hereby submitted a  
25 Fiscal Note for Senate File 217 pursuant to Joint Rule 16.

26 S.F. 217 exempts from the real estate transfer tax and its associated filing  
27 requirements, the transfer of property between former spouses pursuant to a  
28 decree for dissolution of marriage.

29 This exemption will reduce the revenues under the tax. No estimate is avail-  
30 able, however, the reduction is expected to be minimal. The reduction will  
31 impact both the state's and the county's general fund. Seventy-five percent  
32 of the receipts are remitted to the state and 25 percent is retained by the  
33 county.

34 RECEIVED BY THE SECRETARY OF THE SENATE, MARCH 18, 1981

35 FILED  
MARCH 20, 1981

BY GERRY D. RANKIN, DIRECTOR  
LEGISLATIVE FISCAL BUREAU

LSB 1074S 69  
bk/jw/5



DAILY  
HOUSE CLIP SHEET

FRIDAY  
February 12, 1982



SENATE FILE 217



H-5094

1 Amend Senate File 217 as amended, passed and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 2, line 12, by inserting after the word  
 4 "alone" the words "which is secured by the property  
 5 being transferred and which is not greater than the  
 6 fair market value of the property being transferred".  
 7 2. Page 2, by inserting after line 13 the  
 8 following:  
 9 "Sec. \_\_\_\_ . Section 428A.2, subsection 15, Code  
 10 1981, is amended to read as follows:  
 11 15. Deeds between a family corporation, partner-  
 12 ship, or limited partnership and its stockholders  
 13 or partners for the purpose of transferring real  
 14 property in an incorporation or corporate dissolution  
 15 or the organization or dissolution of a partnership  
 16 or limited partnership under the laws of this state,  
 17 where the deeds are given for no actual consideration  
 18 other than for shares of stock or for debt securities  
 19 of the corporation, partnership, or limited  
 20 partnership. For purposes of this subsection a family  
 21 corporation, partnership, or limited partnership is  
 22 a corporation, partnership, or limited  
 23 partnership where the majority of the voting stock  
 24 of the corporation, or of the ownership shares of  
 25 the partnership or limited partnership is held by  
 26 and the majority of the stockholders or partners are  
 27 persons related to each other as spouse, parent,  
 28 grandparent, lineal ascendants of grandparents or  
 29 their spouses and other lineal descendants of the  
 30 grandparents or their spouses, or persons acting in  
 31 a fiduciary capacity for persons so related and where  
 32 all of its stockholders or partners are natural persons  
 33 or persons acting in a fiduciary capacity for the  
 34 benefit of natural persons."

H-5094 FILED  
 FEBRUARY 11, 1982

BY COMMITTEE ON WAYS AND MEANS  
 SCHNEKLOTH, Chairperson

*Adopted 2/16 (p. 427)*



SIXTY-NINTH GENERAL ASSEMBLY  
1982 REGULAR SESSION

DAILY  
SENATE CLIP SHEET

FRIDAY, FEBRUARY 19, 1982

HOUSE AMENDMENT TO SENATE FILE 217

S-5113

1 Amend Senate File 217 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 2, line 12, by inserting after the word  
4 "alone" the words "which is secured by the property  
5 being transferred and which is not greater than the  
6 fair market value of the property being transferred".

7 2. Page 2, by inserting after line 13 the  
8 following:

9 "Sec. \_\_\_\_ . Section 428A.2, subsection 15, Code  
10 1981, is amended to read as follows:

11 15. Deeds between a family corporation, partner-  
12 ship, or limited partnership and its stockholders  
13 or partners for the purpose of transferring real  
14 property in an incorporation or corporate dissolution  
15 or the organization or dissolution of a partnership  
16 or limited partnership under the laws of this state,  
17 where the deeds are given for no actual consideration  
18 other than for shares ~~of stock~~ or for debt securities  
19 of the corporation, partnership, or limited  
20 partnership. For purposes of this subsection a family  
21 corporation, partnership, or limited partnership is  
22 a corporation, partnership, or limited partnership  
23 where the majority of the voting stock of the  
24 corporation, or of the ownership shares of the  
25 partnership or limited partnership is held by and  
26 the majority of the stockholders or partners are  
27 persons related to each other as spouse, parent,  
28 grandparent, lineal ascendants of grandparents or  
29 their spouses and other lineal descendants of the  
30 grandparents or their spouses, or persons acting in  
31 a fiduciary capacity for persons so related and where  
32 all of its stockholders or partners are natural persons  
33 or persons acting in a fiduciary capacity for the  
34 benefit of natural persons."

S-5113 FILED  
FEBRUARY 18, 1982

RECEIVED FROM THE HOUSE

*Senate concurred 3/1 (p. 539)*

SENATE FILE 217

S-3220

1 Amend Senate File 217 as follows:  
2 1. Page 2, by inserting after line 7 the  
3 following:  
4 "Sec. . Section 428A.2, subsection 11, Code 1981,  
5 is amended to read as follows:  
6 11. Deeds between husband and wife, or parent  
7 and child, without actual consideration. A cancellation  
8 of indebtedness alone is not actual consideration within  
9 the meaning of this subsection."

S-3220 FILED

BY JOHN S. MURRAY

MARCH 19, 1981

*Adopted 4/8/81 (p. 1171)*

SENATE FILE 217

S-3258

1 Amend Senate File 217 as follows:  
2 1. Page 1, line 10, by inserting after the figure  
3 "16" the word and figure "to 18".  
4 2. Page 2, lines 4 through 7, by striking the  
5 words "The county recorder shall retain a copy of  
6 the declaration of value for the recorder's records,  
7 which shall be available for public inspection." and  
8 inserting in lieu thereof the words "The county  
9 recorder shall retain a copy of the declaration of  
10 value for the recorder's records, which shall be  
11 available for public inspection."  
12 3. Page 2, line 9, by striking the word  
13 "subsection" and inserting in lieu thereof the word  
14 "subsections".  
15 4. Page 2, by inserting after line 13 the  
16 following:  
17 "NEW SUBSECTION. 17. Deeds transferring easements.  
18 NEW SUBSECTION. 18. Deeds giving back real  
19 property to lien holders in lieu of forfeitures or  
20 foreclosures."  
21 5. Amend the title, lines 1, 2, and 3, by striking  
22 the words "that transfers of property or interests in  
23 property pursuant to a decree of dissolution of  
24 marriage are not subject to" and inserting in lieu  
25 thereof the words "certain exemptions from".

S-3258 FILED

BY NORMAN J. GOODWIN

MARCH 26, 1981

BOB RUSH

*Adopted 4/8/81 (p. 1171)*

JAMES E. BRILES

SENATE FILE 217

REQUESTED BY SENATOR GOODWIN

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 217 pursuant to Joint Rule 16.

S-3258 amends S.F. 217 to also exempt from the real estate transfer tax deeds transferring easements and deeds giving back property to lien holders in lieu of forfeitures or foreclosures. The amendment also strikes the requirement that records of declaration of value be maintained by the county recorder.

The exemption of these two types of deeds will somewhat reduce revenues from the transfer tax. The reduction is not expected to be large. The elimination of the need of the county recorders to keep declaration of value records is expected to save the state general fund approximately \$3,500 annually. This savings is realized because the Department of Revenue currently provides a three-copy form to the counties. The amendment means only the county assessors and the department need to maintain the records, thus eliminating one copy of the form.

SOURCE: DEPARTMENT OF REVENUE

FILED  
APRIL 2, 1981

BY GERRY D. RANKIN, DIRECTOR  
LEGISLATIVE FISCAL BUREAU



1 Section 1. Section 428A.1, unnumbered paragraph 2, Code  
2 1981, is amended to read as follows:

3 At the time each deed, instrument, or writing by which  
4 any real property in this state ~~shall~~-be is granted, assigned,  
5 transferred, or otherwise conveyed is presented for recording  
6 to the county recorder, a declaration of value signed by at  
7 least one of the sellers or one of the buyers or their agents  
8 shall be submitted to the county recorder. A declaration  
9 of value ~~shall~~ is not be required for those instruments  
10 described in section 428A.2, subsections 2 to 13 and 16 to  
11 18, or where any transfer is the result of acquisition of  
12 ~~lands~~ lands, whether by contract or condemnation, for public purposes  
13 through an exercise of the power of eminent domain. The  
14 declaration of value shall state the full consideration paid  
15 for the real property transferred. If agricultural land,  
16 as defined in section 172C.1, is purchased by a corporation,  
17 limited partnership, trust, alien or nonresident alien, the  
18 declaration of value shall include the name and address of  
19 the buyer, the name and address of the seller, a legal  
20 description of the agricultural land, and identify the buyer  
21 as a corporation, limited partnership, trust, alien, or  
22 nonresident alien. The county recorder shall not record the  
23 declaration of value, but shall enter on the declaration of  
24 value ~~such~~ information as the director of revenue ~~may require~~  
25 requires for the production of the sales/assessment ratio  
26 study and transmit all declarations of value to the city or  
27 county assessor in whose jurisdiction the property is located.  
28 The city or county assessor shall enter on the declaration  
29 of value ~~such~~ the information as the director of revenue ~~may~~  
30 ~~require~~ requires for the production of the sales/assessment  
31 ratio study and transmit all declarations of value to the  
32 director of revenue, at ~~such~~ times as directed by the director  
33 of revenue. The director of revenue shall, upon receipt of  
34 the information required to be filed under ~~the provisions~~  
35 ~~of~~ this chapter by the city or county assessor, send to the

1 office of the secretary of state that part of the declaration  
2 of value which identifies a corporation, limited partnership,  
3 trust, alien, or nonresident alien as a purchaser of  
4 agricultural land as defined in section 172C.1. ~~The county~~  
5 ~~recorder shall retain a copy of the declaration of value for~~  
6 ~~the recorder's records, which shall be available for public~~  
7 ~~inspection.~~

8 Sec. 2. Section 428A.2, subsection 11, Code 1981, is  
9 amended to read as follows:

10 11. Deeds between husband and wife, or parent and child,  
11 without actual consideration. A cancellation of indebtedness  
12 alone is not actual consideration within the meaning of this  
13 subsection.

14 Sec. 3. Section 428A.2, Code 1981, is amended by adding  
15 the following new subsections:

16 NEW SUBSECTION. 16. Deeds for the transfer of property  
17 or the transfer of an interest in property when the deed is  
18 executed between former spouses pursuant to a decree of  
19 dissolution of marriage.

20 NEW SUBSECTION. 17. Deeds transferring easements.

21 NEW SUBSECTION. 18. Deeds giving back real property to  
22 lien holders in lieu of forfeitures or foreclosures.

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11. Deeds between husband and wife, or parent and child, without actual consideration. A cancellation of indebtedness alone which is secured by the property being transferred and which is not greater than the fair market value of the property being transferred is not actual consideration within the meaning of this subsection.

Sec. 3. Section 428A.2, subsection 15, Code 1981, is amended to read as follows:

15. Deeds between a family corporation, partnership, or limited partnership and its stockholders or partners for the purpose of transferring real property in an incorporation or corporate dissolution or the organization or dissolution of a partnership or limited partnership under the laws of this state, where the deeds are given for no actual consideration other than for shares ~~of stock~~ or for debt securities of the corporation, partnership, or limited partnership. For purposes of this subsection a family corporation, partnership, or limited partnership is a corporation, partnership, or limited partnership where the majority of the voting stock of the corporation, or of the ownership shares of the partnership or limited partnership is held by and the majority of the stockholders or partners are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related and where all of its stockholders or partners are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons.

Sec. 4. Section 428A.2, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. 16. Deeds for the transfer of property or the transfer of an interest in property when the deed is executed between former spouses pursuant to a decree of dissolution of marriage.

NEW SUBSECTION. 17. Deeds transferring easements.

NEW SUBSECTION. 18. Deeds giving back real property to lienholders in lieu of forfeitures or foreclosures.

\_\_\_\_\_  
TERRY R. BRANSTAD  
President of the Senate

\_\_\_\_\_  
DELWYN STROMER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 217, Sixty-ninth General Assembly.

\_\_\_\_\_  
K. MARIE THAYER  
Secretary of the Senate  
Approved March 11, 1982

\_\_\_\_\_  
ROBERT D. RAY  
Governor

SENATE FILE 217

AN ACT

TO PROVIDE CERTAIN EXEMPTIONS FROM THE REAL ESTATE TRANSFER TAX AND THE REQUIREMENTS RELATING TO THE FILING OF A DECLARATION OF VALUE.

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

Section 1. Section 428A.1, unnumbered paragraph 2, Code 1981, is amended to read as follows:

At the time each deed, instrument, or writing by which any real property in this state ~~shall be~~ is granted, assigned, transferred, or otherwise conveyed is presented for recording to the county recorder, a declaration of value signed by at least one of the sellers or one of the buyers or their agents shall be submitted to the county recorder. A declaration of value ~~shall~~ is not be required for those instruments described in section 428A.2, subsections 2 to 13 and 16 to

18, or where any transfer is the result of acquisition of lands, whether by contract or condemnation, for public purposes through an exercise of the power of eminent domain. The declaration of value shall state the full consideration paid for the real property transferred. If agricultural land, as defined in section 172C.1, is purchased by a corporation, limited partnership, trust, alien or nonresident alien, the declaration of value shall include the name and address of the buyer, the name and address of the seller, a legal description of the agricultural land, and identify the buyer as a corporation, limited partnership, trust, alien, or nonresident alien. The county recorder shall not record the declaration of value, but shall enter on the declaration of value ~~such~~ such information as the director of revenue ~~may require~~ requires for the production of the sales/assessment ratio study and transmit all declarations of value to the city or county assessor in whose jurisdiction the property is located. The city or county assessor shall enter on the declaration of value ~~such~~ the information as the director of revenue ~~may require~~ requires for the production of the sales/assessment ratio study and transmit all declarations of value to the director of revenue, at ~~such~~ such times as directed by the director of revenue. The director of revenue shall, upon receipt of the information required to be filed under ~~the provisions~~ of this chapter by the city or county assessor, send to the office of the secretary of state that part of the declaration of value which identifies a corporation, limited partnership, trust, alien, or nonresident alien as a purchaser of agricultural land as defined in section 172C.1. ~~The county recorder shall retain a copy of the declaration of value for the recorder's records, which shall be available for public inspection.~~

Sec. 2. Section 428A.2, subsection 11, Code 1981, is amended to read as follows: