

Reading 3/16 Do Pass 3/21 (p. 957)

FILE 2463

Judiciary
Rittsema, Chair
Coleman
Dieleman

6 1984

Place On Calendar

HOUSE FILE 2463

BY COMMITTEE ON JUDICIARY
AND LAW ENFORCEMENT

(Formerly Study Bill 680)

Passed House, Date 3-15-84 (p. 1060) Passed Senate, Date 3-27-84 (p. 1085)

Vote: Ayes 97 Nays 2 Vote: Ayes 46 Nays 4

Repassed House 4-3-84 (p. 1594) Approved May 7, 1984
93-4

A BILL FOR

- 1 An Act relating to the priority of construction mortgage liens.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2463

S-5464

- 1 Amend House File 2463 as passed by the House as
- 2 follows:
- 3 1. Page 1, line 13, by inserting after the words
- 4 "made to" the word "directly".

S-5464 FILED
MARCH 21, 1984

BY JOE J. WELSH
PATRICK J. DELUHERY

Adopted 3/27 (p. 1085)

SENATE AMENDMENT TO HOUSE FILE 2463

H-5967

- 1 Amend House File 2463 as passed by the House as
- 2 follows:
- 3 1. Page 1, line 13, by inserting after the words
- 4 "made to" the word "directly".

H-5967 FILED MARCH 29, 1984 RECEIVED FROM THE SENATE

House concurred 4/3 (p. 1594)

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1 Section 1. Section 572.18, Code 1983, is amended to read
2 as follows:

3 572.18 PRIORITY OVER OTHER LIENS. Mechanics' liens shall
4 be preferred to all other liens which may attach to or upon
5 any a building or improvement and to the land upon which it
6 is situated, except liens of record prior to the time of the
7 original commencement of the work or improvements~~†-but-the~~
8 However, construction mortgage liens shall be preferred to
9 all mechanics' liens of claimants who commenced their
10 particular work or improvement subsequent to the date of the
11 recording of the construction mortgage lien. For purposes
12 of this section, a lien is a "construction mortgage lien"
13 to the extent that it secures loans or advancements made to
14 finance work or improvements upon the real estate which secures
15 the lien. The rights of purchasers, encumbrancers, and other
16 persons who acquire interests in good faith and for a valuable
17 consideration, and without notice, after the expiration of
18 the time for filing claims for ~~such~~ mechanics' liens, shall
19 be are prior to the claims of all contractors or subcontractors
20 who have not, at the dates such rights and interests were
21 acquired, filed their claims for such liens.

22 EXPLANATION

23 This bill provides for the definition of "construction
24 mortgage liens" and their status as priority liens over certain
25 other mechanics' liens.

26 This bill takes effect July 1 following its enactment.

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dates such rights and interests were acquired, filed their claims for such liens.

HOUSE FILE 2463

AN ACT

RELATING TO THE PRIORITY OF CONSTRUCTION MORTGAGE LIENS.

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

Section 1. Section 572.18, Code 1983, is amended to read as follows:

572.18 PRIORITY OVER OTHER LIENS. Mechanics' liens shall be preferred to all other liens which may attach to or upon any a building or improvement and to the land upon which it is situated, except liens of record prior to the time of the original commencement of the work or improvements, ~~but the~~ However, construction mortgage liens shall be preferred to all mechanics' liens of claimants who commenced their particular work or improvement subsequent to the date of the recording of the construction mortgage lien. For purposes of this section, a lien is a "construction mortgage lien" to the extent that it secures loans or advancements made to directly finance work or improvements upon the real estate which secures the lien. The rights of purchasers, encumbrancers, and other persons who acquire interests in good faith and for a valuable consideration, and without notice, after the expiration of the time for filing claims for such mechanics' liens, shall be are prior to the claims of all contractors or subcontractors who have not, at the

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2463, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 7, 1984

TERRY E. BRANSTAD
Governor