

FILED MAR 4 1996

SENATE FILE **2425**
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 2321)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing certain registration and title plant
2 requirements for persons preparing abstracts of title to real
3 property, establishing a title plant board of examiners,
4 providing for fees and the use of those fees, and providing an
5 effective date.

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

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S.F. 2425

1 Section 1. NEW SECTION. 543E.1 ABSTRACT TITLE PLANT
2 BOARD OF EXAMINERS -- CERTIFICATE OF REGISTRATION -- FEE
3 ESTABLISHED.

4 1. An abstract title plant board of examiners is created
5 within the professional licensing and regulation division of
6 the department of commerce. The board consists of five
7 members appointed by the governor, subject to confirmation by
8 the senate. Three of the members appointed shall be actively
9 engaged in the business of preparing abstracts of title to
10 real property, real property title searches, or other similar
11 activities related to real property titles. Members of the
12 board shall serve three-year staggered terms as designated by
13 the governor and appointments to the board are subject to the
14 requirements of sections 69.16, 69.16A, and 69.19. Vacancies
15 shall be filled by the governor for the duration of the
16 unexpired term. Members of the abstract title plant board of
17 examiners are entitled to receive a per diem as specified in
18 section 7E.6 for each day spent in performance of duties as
19 members and shall be reimbursed for all actual and necessary
20 expenses incurred in the performance of duties as members.
21 Per diem and expenses shall be paid from the fees collected as
22 provided in this section.

23 2. A person shall not engage in the business of preparing
24 abstracts of title to real property, real property title
25 searches, or other similar activities related to real property
26 titles, unless the person has obtained an annual certificate
27 of registration from the abstract title plant board of
28 examiners. Upon application, the abstract title plant board
29 of examiners shall issue a certificate of registration to an
30 applicant who satisfies the requirements established in this
31 section and rules adopted pursuant to this section. A
32 certificate of registration or a conditional certificate of
33 registration issued pursuant to this section shall expire on
34 December 31 of each year.

35 3. A person engaged in the business of preparing abstracts

1 of title to real property, real property title searches, or
2 other similar activities related to real property titles in
3 this state, and desiring to continue to engage in such acts,
4 is required to own or lease, and maintain, an up-to-date
5 abstract title plant for each county or that portion of each
6 county in which abstracts of title to real property, real
7 property title searches, or other similar activities related
8 to real property titles are prepared. The abstract title
9 plant shall commence not less than forty years prior to the
10 effective date of the certification and contain reference to
11 applicable public records affecting real property in the
12 office of the county recorder within the most recent thirty
13 days.

14 4. The abstract title plant shall consist of tract indices
15 designated to include a geographical area of no more than one
16 block in the case of platted real estate, and no more than one
17 section in the case of unplatted real estate. The abstract
18 title plant shall also include miscellaneous alphabetical name
19 indices containing references to instruments, which affect
20 real property, that do not specifically describe the real
21 property affected.

22 5. If an abstract title plant of the county does not exist
23 or the owner of an abstract title plant who is registered
24 pursuant to this section refuses to provide such plant to
25 another person who wishes to apply for a certificate of
26 registration, the abstract title plant board of examiners may
27 grant a conditional certificate of registration to the
28 applicant subject to conditions deemed appropriate by the
29 abstract title plant board of examiners. The conditional
30 certificate of registration shall be granted for a period of
31 one year to permit the person to prepare abstracts of title,
32 real property searches, or other similar activities related to
33 real property titles, for the time period consistent with the
34 abstract title plant owned or leased by the person. A person
35 granted a conditional certificate of registration shall comply

1 with the provisions of subsection 3 within the one-year period
2 or cease the activities for which the certificate was granted.

3 6. Notwithstanding the provisions of this section, a
4 person continually engaged in the business of preparing
5 abstracts of title to real property, real property title
6 searches, or other similar activities related to real property
7 titles in this state from November 12, 1986, without the
8 benefit of an abstract title plant as required in subsection
9 3, may continue to engage in such activities, but is required
10 to commence and maintain an up-to-date abstract title plant
11 from January 1, 2000, and to annually add five previous years
12 of records, as defined in subsection 4, until the forty-year
13 abstract title plant is completed.

14 7. The abstract title plant board of examiners shall
15 administer the provisions of this section in accordance with
16 rules adopted by the board pursuant to chapter 17A. Rules
17 proposed and adopted pursuant to this section shall do all of
18 the following:

19 a. Establish minimum requirements which must be met by an
20 applicant prior to the issuance of a certificate of
21 registration or a conditional certificate of registration.

22 b. Establish a reasonable fee to be paid by an applicant
23 for a certificate of registration or a conditional certificate
24 of registration sufficient to pay for the costs of
25 administration of this section. Fees collected pursuant to
26 this section shall not be deposited in the general fund of the
27 state, but shall remain under the control of the professional
28 licensing and regulation division and are appropriated to be
29 used solely for the administration of this section.

30 Sec. 2. Section 546.10, subsection 1, Code 1995, is
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. f. The abstract title plant board of
33 examiners created pursuant to chapter 543E.

34 Sec. 3. INITIAL ABSTRACT TITLE PLANT BOARD OF EXAMINERS
35 APPOINTMENTS. The initial members of the abstract title plant

1 board of examiners shall be appointed to the following terms:

2 1. Two members shall be appointed for a term of three
3 years.

4 2. Two members shall be appointed for a term of two years.

5 3. One member shall be appointed for a term of one year.

6 Sec. 4. EFFECTIVE DATE. This Act takes effect January 1,
7 2000.

8 EXPLANATION

9 This bill creates the abstract title plant board of
10 examiners within the professional licensing and regulation
11 division of the department of commerce. The board is
12 authorized to issue a certificate of registration upon the
13 application of a person who engages in the business of
14 preparing abstracts of title to real property, real property
15 title searches, or other similar activities related to real
16 property titles. A person who prepares abstracts of title to
17 real property, real property title searches, or other forms of
18 real property title evidencing is required to own or lease,
19 and maintain, an up-to-date abstract title plant for each
20 county in which abstracts of title to real property, real
21 property title searches, or other similar activities related
22 to real property titles are prepared. The abstract title
23 plant board of examiners is to adopt rules for the
24 administration of this section.

25 The bill provides that a person continually engaged in the
26 business of preparing abstracts of title to real property,
27 real property title searches, or other similar activities
28 related to real property titles in this state from November
29 12, 1986, without the benefit of an abstract title plant, may
30 continue to engage in such activities. A person who has
31 engaged without the benefit of an abstract title plant must
32 commence and maintain an up-to-date abstract title plant from
33 January 1, 2000, and annually add five previous years of
34 records, until the 40-year abstract title plant is completed.
35 The board is to establish a reasonable fee to be paid by

1 applicants for a certificate of registration or conditional
2 certificate of registration sufficient to pay for the costs of
3 administering the section. The fees are to remain under the
4 control of the professional licensing and regulation division
5 and are not to be deposited in the general fund.

6 The bill takes effect January 1, 2000.

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Fraise
Giannetto
Uilsack
McKean
Redfern

SSB-2321
Judiciary
Succeeded By
SENATE FILE SF/HF 2425
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON GIANNETTO)

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