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SENATE FILE **2450**
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2425)

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
5 effective dates.

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

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S.F. 2450

1 Section 1. NEW SECTION. 543E.1 ABSTRACT TITLE PLANT
2 BOARD OF EXAMINERS -- DUTIES.

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

22 2. The abstract title plant board of examiners shall
23 administer the provisions of this chapter in accordance with
24 rules adopted by the board pursuant to chapter 17A. Rules
25 proposed and adopted pursuant to this section shall do all of
26 the following:

27 a. Establish minimum requirements which must be met by an
28 applicant prior to the issuance of a certificate of
29 registration or a conditional certificate of registration.

30 b. Establish a reasonable fee to be paid by an applicant
31 for a certificate of registration or a conditional certificate
32 of registration sufficient to pay for the costs of
33 administration of this chapter. Fees collected pursuant to
34 this section shall not be deposited in the general fund of the
35 state, but shall remain under the control of the professional

1 licensing and regulation division and are appropriated to be
2 used solely for the administration of this chapter.

3 Sec. 2. NEW SECTION. 543E.2 CERTIFICATE OF REGISTRATION
4 -- FEE ESTABLISHED.

5 1. A person shall not engage in the business of preparing
6 abstracts of title to real property, real property title
7 searches, or other similar activities related to real property
8 titles, unless the person has obtained an annual certificate
9 of registration from the abstract title plant board of
10 examiners. Upon application, the abstract title plant board
11 of examiners shall issue a certificate of registration to an
12 applicant who satisfies the requirements established in this
13 chapter and rules adopted pursuant to this chapter. A
14 certificate of registration or a conditional certificate of
15 registration issued pursuant to this section shall expire on
16 December 31 of each year.

17 2. A person engaged in the business of preparing abstracts
18 of title to real property, real property title searches, or
19 other similar activities related to real property titles in
20 this state, and desiring to continue to engage in such acts,
21 is required to own or lease, and maintain, an up-to-date
22 abstract title plant for each county or that portion of each
23 county in which abstracts of title to real property, real
24 property title searches, or other similar activities related
25 to real property titles are prepared. The abstract title
26 plant shall commence not less than forty years prior to the
27 effective date of the certification and contain reference to
28 applicable public records affecting real property in the
29 office of the county recorder within the most recent thirty
30 days.

31 3. The abstract title plant shall consist of tract indices
32 designated to include a geographical area of no more than one
33 block in the case of platted real estate, and no more than one
34 section in the case of unplatted real estate. The abstract
35 title plant shall also include miscellaneous alphabetical name

1 indices containing references to instruments, which affect
2 real property, that do not specifically describe the real
3 property affected.

4 4. If an abstract title plant of the county does not exist
5 or the owner of an abstract title plant who is registered
6 pursuant to this section refuses to provide real property
7 title evidence, the abstract title plant board of examiners
8 may grant a conditional certificate of registration to the
9 applicant subject to conditions deemed appropriate by the
10 abstract title plant board of examiners. The conditional
11 certificate of registration shall be granted for a period of
12 one year to permit the person to prepare abstracts of title,
13 real property searches, or other similar activities related to
14 real property titles, for the time period consistent with the
15 abstract title plant owned or leased by the person. A person
16 granted a conditional certificate of registration shall comply
17 with the provisions of subsection 2 within the one-year period
18 or cease the activities for which the certificate was granted.

19 Sec. 3. Section 546.10, subsection 1, Code 1995, is
20 amended by adding the following new paragraph:

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

23 Sec. 4. INITIAL ABSTRACT TITLE PLANT BOARD OF EXAMINERS
24 APPOINTMENTS. The initial members of the abstract title plant
25 board of examiners shall be appointed to the following terms:

26 1. Two members shall be appointed for a term of three
27 years.

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

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

30 Sec. 5. EFFECTIVE DATES.

31 1. Section 543E.1, as enacted in this Act, section 546.10,
32 subsection 1, paragraph "f", as enacted in this Act, and
33 section 4 of this Act take effect July 1, 1998.

34 2. Section 543E.2, as enacted in this Act, takes effect
35 January 1, 2000.

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EXPLANATION

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

The board is to establish a reasonable fee to be paid by applicants for a certificate of registration or conditional certificate of registration sufficient to pay for the costs of administering the section. The fees are to remain under the control of the professional licensing and regulation division and are not to be deposited in the general fund.

Section 543E.1, as enacted in this bill, takes effect July 1, 1998. Section 543E.2, as enacted in this bill, takes effect January 1, 2000.

SENATE FILE 2450

S-5437

1 Amend Senate File 2450 as follows:

- 2 1. Page 3, line 8, by striking the word "may" and
3 inserting the following: "shall".
4 2. Page 3, by striking lines 9 and 10 and
5 inserting the following: "applicant. An owner of an
6 abstract title plant may only be compensated for the
7 actual and necessary expenses incurred in providing
8 such plant to another person. The conditional".
9 3. Page 3, line 12, by striking the words "one
10 year" and inserting the following: "four years".
11 4. Page 3, by striking lines 15 through 18 and
12 inserting the following: "abstract title plant owned
13 or leased by the person."

By ALLEN BORLAUG

S-5437 FILED MARCH 20, 1996

SENATE FILE 2450

S-5388

1 Amend Senate File 2450 as follows:

- 2 1. Page 1, line 5, by striking the word "five"
3 and inserting the following: "nine".
4 2. Page 1, line 10, by inserting after the word
5 "titles" the following: ", one member shall be a real
6 estate broker, one member shall be a real estate
7 salesperson, two members shall be mortgage bankers,
8 and two members shall be members of the Iowa finance
9 authority board established in section 16.2".
10 3. Page 1, by striking lines 15 through 21 and
11 inserting the following: "unexpired term."
12 4. Page 3, line 26, by striking the word "Two"
13 and inserting the following: "Three".
14 5. Page 3, line 28, by striking the word "Two"
15 and inserting the following: "Three".
16 6. Page 3, line 29, by striking the words "One
17 member" and inserting the following: "Three members".

By MERLIN E. BARTZ

S-5388 FILED MARCH 18, 1996

SENATE FILE 2450

S-5504

- 1 Amend Senate File 2450 as follows:
2 1. Page 1, line 25, by striking the words "shall
3 do all" and inserting the following: "may do any".
4 2. Page 1, by striking line 32 and inserting the
5 following: "of registration to defray a portion of
6 the costs of".
7 3. Page 1, line 34, by striking the word "not".
8 4. By striking page 1, line 35, through page 2,
9 line 2, and inserting the following: "state."
By BRAD BANKS

S-5504 FILED MARCH 21, 1996

SENATE FILE 2450

S-5506

- 1 Amend Senate File 2450 as follows:
2 1. Page 2, line 13, by inserting after the words
3 "this chapter." the following: "The certificate shall
4 grant the registrant the authority to sell commercial
5 title insurance."
6 2. Page 3, by inserting after line 18 the
7 following:
8 "Sec. ____ . NEW SECTION. 543E.3 CONFLICTS
9 RESOLVED.
10 In the event of a conflict with any other provision
11 of law, this chapter shall control."
12 3. By renumbering as necessary.
By BRAD BANKS

S-5506 FILED MARCH 21, 1996

SENATE FILE 2450

S-5570

- 1 Amend Senate File 2450 as follows:
2 1. Page 1, line 5, by striking the word "five"
3 and inserting the following: "three".
4 2. Page 1, line 7, by striking the word "Three"
5 and inserting the following: "One".
6 3. Page 1, line 10, by inserting after the word
7 "titles" the following: ", one of the members
8 appointed shall be actively engaged in the business of
9 mortgage lending, and one of the members appointed
10 shall be a public member".
11 4. Page 3, line 26, by striking the words "Two
12 members" and inserting the following: "One member".
13 5. Page 3, line 28, by striking the words "Two
14 members" and inserting the following: "One member".
By MERLIN E. BARTZ

S-5570 FILED MARCH 27, 1996

SENATE FILE 2450

S-5507

1 Amend Senate File 2450 as follows:

2 1. Page 2, line 13, by inserting after the words
3 "this chapter." the following: "The certificate shall
4 grant the registrant the authority to offer guaranties
5 of real property titles in this state."

6 2. Page 3, by inserting after line 18 the
7 following:

8 "Sec. ____ . NEW SECTION. 543E.3 CONFLICTS
9 RESOLVED.

10 In the event of a conflict with any other provision
11 of law, this chapter shall control."

12 3. By renumbering as necessary.

By BRAD BANKS

S-5507 FILED MARCH 21, 1996

SENATE FILE 2450

S-5508

1 Amend Senate File 2450 as follows:

2 1. Page 3, by inserting after line 29 the
3 following:

4 "Sec. ____ . APPLICABILITY. Notwithstanding the
5 provisions of this Act, a person engaged in the
6 business of preparing abstracts of title to real
7 property, real property title searches, or other
8 similar activities related to real property titles in
9 this state without the benefit of an abstract title
10 plant as required may continue to engage in such
11 activities."

12 2. Page 3, line 33, by striking the figure "1998"
13 and inserting the following: "2001".

14 3. Page 3, line 35, by striking the figure "2000"
15 and inserting the following: "2006".

By BRAD BANKS

S-5508 FILED MARCH 21, 1996