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Calendar
4/29/97 Referred to Commerce
Reg. Comm

MAR 18 1997
Place On Calendar

HOUSE FILE **670**
BY COMMITTEE ON COMMERCE
AND REGULATION

(SUCCESSOR TO HF 381)
(COMPANION TO SF 367)

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

A BILL FOR

1 An Act relating to transfers of real property by providing that
2 certain disclosures regarding psychologically impacted
3 property are not required and by amending the definition of
4 transfer.

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

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HOUSE FILE 670

H-1345

1 Amend House File 670 as follows:
2 1. Page 2, line 25, by inserting after the words
3 "real estate" the following: ", unless such broker or
4 salesperson is informed in writing by the current
5 seller that the broker or salesperson is authorized to
6 disclose confidential information that the transferred
7 real estate is or might be psychologically impacted
8 real estate and fails to disclose such information".

By VAN FOSSEN of Scott

H-1345 FILED MARCH 25, 1997

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1 Section 1. Section 558A.1, subsection 4, Code 1997, is
2 amended to read as follows:

3 4. "Transfer" means the transfer or conveyance by sale,
4 exchange, real estate contract, or any other method by which
5 real estate and improvements are purchased, if the property
6 includes at least one but not more than four dwelling units.
7 However, a transfer does not include any of the following:

8 a. A transfer made pursuant to a court order, including
9 but not limited to a transfer under chapter 633, the execution
10 of a judgment, the foreclosure of a real estate mortgage
11 pursuant to chapter 654, the forfeiture of a real estate
12 contract under chapter 656, a transfer by a trustee in
13 bankruptcy, a transfer by eminent domain, ~~or~~ a transfer
14 resulting from a decree for specific performance, or a
15 transfer pursuant to writ of execution.

16 b. A transfer to a mortgagee by a mortgagor or successor
17 in interest who is in default, or a transfer by a mortgagee
18 who has acquired real property at a sale conducted pursuant to
19 chapter 654, a transfer back to a mortgagor exercising a right
20 of first refusal pursuant to section 654.16A, a nonjudicial
21 voluntary foreclosure procedure under section 654.18 or
22 chapter 655A, or a deed in lieu of foreclosure under section
23 654.19.

24 c. A transfer by a fiduciary in the course of the
25 administration of a decedent's estate, guardianship,
26 conservatorship, ~~or~~ trust, or power of attorney.

27 d. A transfer between joint tenants or tenants in common.

28 e. A transfer made to a spouse, or to a person in the
29 lineal line of consanguinity of a person making the transfer.

30 f. A transfer between spouses resulting from a decree of
31 dissolution of marriage, a decree of legal separation, or a
32 property settlement agreement which is incidental to the
33 decree, including a decree ordered pursuant to chapter 598.

34 g. A transfer to or from the state, a political
35 subdivision of the state, another state, or the United States.

1 h. A transfer by quitclaim deed.

2 i. A transfer of newly constructed residential real
3 property which has never been occupied.

4 Sec. 2. NEW SECTION. 558A.4A PSYCHOLOGICALLY IMPACTED
5 REAL ESTATE -- DISCLOSURE NOT MANDATED.

6 1. The fact that real estate, or any building or structure
7 on such real estate, may be, or is suspected to be,
8 psychologically impacted real estate, or may be in close
9 proximity to psychologically impacted real estate, is not a
10 material adverse fact that is required to be disclosed in a
11 sale, exchange, rental, or other transfer of such real estate.

12 2. a. For purposes of this section, "psychologically
13 impacted real estate" means real estate where an event has
14 occurred including, but not limited to, any of the following:

15 (1) The death or suicide of an individual.

16 (2) A forcible felony, as defined in section 702.11, which
17 is an assault, murder, robbery, or sexual abuse.

18 (3) A newsworthy event which impacts the property as a
19 result of the notoriety of the event.

20 b. "Psychologically impacted real estate" also includes
21 real estate which is allegedly haunted.

22 3. A cause of action shall not arise against a real estate
23 broker or salesperson for the failure to disclose to a buyer
24 or other transferee of real estate that the transferred real
25 estate is or might be psychologically impacted real estate.
26 This section shall not be construed to authorize or permit
27 such broker or salesperson to make any misrepresentation of
28 fact or false statement, or to fail to disclose a material
29 adverse fact.

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EXPLANATION

31 This bill creates new Code section 558A.4A, which
32 establishes a definition for psychologically impacted real
33 estate. The bill provides that the fact that real estate, or
34 any building or structure on such real estate, may be, or is
35 suspected to be psychologically impacted real estate, or may

1 be sited close to psychologically impacted real estate, is not
2 a material adverse fact that is required to be disclosed in a
3 sale, exchange, rental, or other transfer of such real estate.

4 Psychologically impacted real estate is defined as real
5 estate where an event has occurred including, but not limited
6 to, the following: an individual has died; a forcible felony
7 as defined in Code section 702.11, which is an assault,
8 murder, robbery, or sexual abuse, has occurred; a suicide has
9 occurred; or a newsworthy event has occurred which impacts the
10 property as a result of the notoriety of the event. The bill
11 provides that psychologically impacted real estate also
12 includes real estate which is allegedly haunted or rumored to
13 be haunted.

14 The bill also provides that a cause of action does not
15 arise against a real estate broker or salesperson for the
16 failure to disclose to a buyer or other transferee of real
17 estate that the transferred real estate is or might be
18 psychologically impacted real estate.

19 The bill also amends the definition of "transfer" for
20 purposes of disclosure requirements under Code chapter 558A,
21 to exclude a transfer pursuant to a writ of execution, a
22 transfer by a fiduciary in administering a decedent's power of
23 attorney, and a transfer of newly constructed residential real
24 property which has never been occupied.

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HOUSE FILE 670

H-1594

- 1 Amend House File 670 as follows:
 2 1. Page 2, line 5, by striking the word "NOT".
 3 2. Page 2, line 9, by striking the word "not".
 4 3. Page 2, by inserting after line 21 the
 5 following:
 6 "c. "Psychologically impacted real estate" also
 7 includes a permitted confinement feeding operation for
 8 swine as defined in section 455B.161."
 9 4. Page 2, line 22, by striking the words "shall
 10 not arise" and inserting the following: "arises".
 11 5. Title page, line 3, by striking the word
 12 "not".

By WEIGEL of Chickasaw

H-1594 FILED APRIL 8, 1997

HOUSE FILE 670

H-1602

- 1 Amend House File 670 as follows:
 2 1. Page 2, by striking lines 4 through 29.
 3 2. Title page, by striking lines 1 through 3 and
 4 inserting the following: "An Act relating to
 5 transfers of real property by amending the definition
 6 of".

By WEIGEL of Chickasaw

H-1602 FILED APRIL 8, 1997

HOUSE FILE 670

H-1603

- 1 Amend House File 670 as follows:
 2 1. Page 2, line 21, by striking the word
 3 "allegedly".

By DODERER of Johnson
 SHOULTZ of Black Hawk
 HOLVECK of Polk

KOENIGS of Mitchell
 FOEGE of Linn
 BUKTA of Clinton

H-1603 FILED APRIL 8, 1997

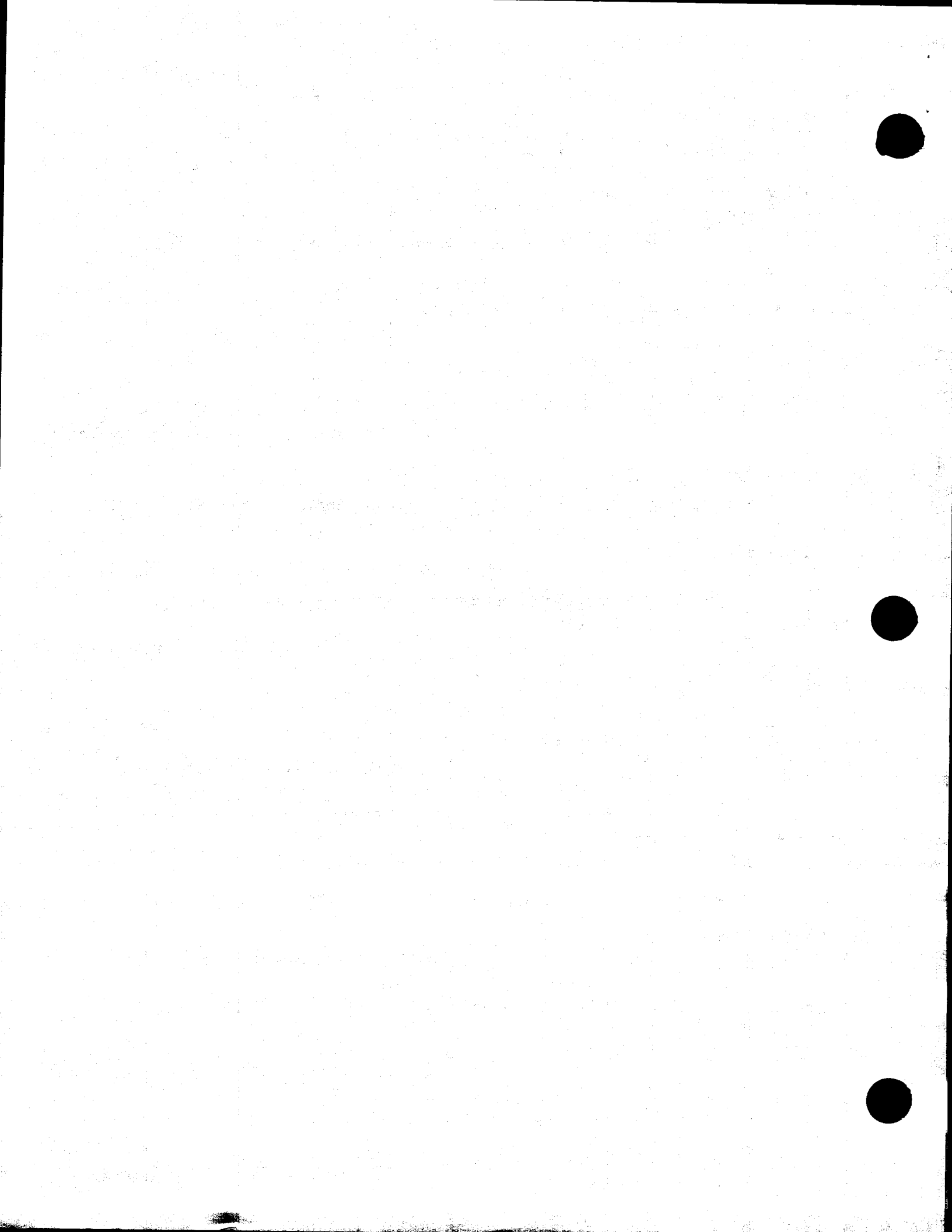
HOUSE FILE 670

H-1593

- 1 Amend House File 670 as follows:
 2 1. Page 2, by inserting after line 21 the
 3 following:
 4 "c. "Psychologically impacted real estate" does
 5 not include a permitted confinement feeding operation
 6 for swine as defined in section 455B.161."

By WEIGEL of Chickasaw

H-1593 FILED APRIL 8, 1997



HOUSE FILE 670

H-1844

1 Amend House File 670 as follows:

- 2 1. Page 2, line 4, by striking the words
3 "PSYCHOLOGICALLY IMPACTED" and inserting the
4 following: "STIGMATIZED".
- 5 2. Page 2, line 5, by striking the words "--
6 DISCLOSURE NOT MANDATED".
- 7 3. Page 2, line 8, by striking the words
8 "psychologically impacted" and inserting the
9 following: "stigmatized".
- 10 4. Page 2, line 9, by striking the words
11 "psychologically impacted" and inserting the
12 following: "stigmatized".
- 13 5. Page 2, by striking lines 10 and 11 and
14 inserting the following: "material adverse fact, but
15 is information required to be disclosed under section
16 558A.4, if the event which stigmatized the real estate
17 occurred during the period of ownership of the current
18 owner."
- 19 6. Page 2, line 12, by striking the word
20 "psychologically".
- 21 7. Page 2, line 13, by striking the word
22 "impacted" and inserting the following:
23 "stigmatized".
- 24 8. Page 2, line 20, by striking the words
25 "Psychologically impacted" and inserting the
26 following: "Stigmatized".
- 27 9. Page 2, line 21, by striking the word
28 "allegedly".
- 29 10. Page 2, line 22, by striking the words "A
30 cause" and inserting the following:
31 "Except when the broker or salesperson is working
32 solely as a buyer's agent and has knowledge about the
33 stigma, a cause".
- 34 11. Page 2, line 25, by striking the words
35 "psychologically impacted" and inserting the
36 following: "stigmatized".
- 37 12. Page 2, by inserting after line 29 the
38 following:
39 "Sec. ____ . EFFECTIVE DATE. Section 2 of this Act
40 takes effect January 1, 1998."
- 41 13. Title page, line 2, by striking the words
42 "psychologically impacted" and inserting the
43 following: "stigmatized".
- 44 14. Title page, line 4, by inserting after the
45 word "transfer" the following: "and providing an
46 effective date".

By VAN FOSSEN of Scott

H-1844 FILED APRIL 22, 1997