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SENATE FILE **396**
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 144)

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

A BILL FOR

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

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

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S.F. 396

1 Section 1. NEW SECTION. 91.1 ABSTRACT TITLE PLANT --
2 SECRETARY OF STATE -- DUTIES.

3 The secretary of state shall administer the provisions of
4 this chapter in accordance with rules adopted by the secretary
5 pursuant to chapter 17A. Rules proposed and adopted pursuant
6 to this section shall do all of the following:

7 a. Establish minimum requirements which must be met by an
8 applicant prior to the issuance of a certificate of
9 registration or a conditional certificate of registration.

10 b. Establish a reasonable fee to be paid by an applicant
11 for a certificate of registration or a conditional certificate
12 of registration sufficient to pay for the costs of
13 administration of this chapter.

14 Sec. 2. NEW SECTION. 91.2 CERTIFICATE OF REGISTRATION --
15 FEE ESTABLISHED.

16 1. A person shall not engage in the business of preparing
17 abstracts of title to real property or executing real property
18 title searches, unless the person has obtained a certificate
19 of registration from the secretary of state. Upon application
20 and payment of a fee established by the secretary, the
21 secretary shall issue a certificate of registration to an
22 applicant who satisfies the requirements established in this
23 chapter and the rules adopted pursuant to this chapter.

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

1 3. The abstract title plant shall consist of tract
2 indices, or a system, designated to include a geographical
3 area of no more than one block in the case of platted real
4 estate, and no more than one section in the case of unplatted
5 real estate. The abstract title plant shall also include
6 miscellaneous alphabetical name indices, or a system,
7 containing references to instruments, which affect real
8 property, that do not specifically describe the real property
9 affected.

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

24 Sec. 3. EFFECTIVE DATE. Section 9I.2, as enacted in this
25 Act, takes effect January 1, 2001.

26 EXPLANATION

27 This bill creates new Code chapter 9I and directs the
28 secretary of state to establish minimum requirements for the
29 issuance of a certificate of registration or conditional
30 certificate of registration to persons engaged in the business
31 of preparing abstracts of title to real property or executing
32 real property title searches. A person who prepares abstracts
33 of title to real property or real property title searches is
34 required to own or lease, and maintain, an up-to-date abstract
35 title plant for each county in which abstracts of title to

1 real property, real property title searches are prepared. The
2 secretary of state is to adopt rules for the administration of
3 this section including establishing a reasonable fee to be
4 paid by an applicant for a certificate of registration which
5 is sufficient to pay for the costs of administering the
6 chapter.

7 Code section 9I.2, as created in this bill, and which
8 requires certification prior to preparing abstracts or
9 executing title searches takes effect January 1, 2001.

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Lundby, Chair
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SSB 144
State Government
led By

SENATE FILE (SF) HF 396
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON LIND)

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

A BILL FOR

1 An Act establishing a real estate tract system and certain
2 registration requirements for persons preparing abstracts of
3 title to real property, establishing a 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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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 shall consist 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 or executing real property title searches.

10 Members of the board shall serve three-year staggered terms as
11 designated by the governor and appointments to the board are
12 subject to the requirements of sections 69.16, 69.16A, and
13 69.19. Vacancies shall be filled by the governor for the
14 duration of the unexpired term. Members of the abstract title
15 plant board of examiners are entitled to receive a per diem as
16 specified in section 7E.6 for each day spent in performance of
17 duties as members and shall be reimbursed for all actual and
18 necessary expenses incurred in the performance of duties as
19 members. Per diem and expenses shall be paid from the fees
20 collected as provided in this section.

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

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

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

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1 used solely for the administration of this chapter.

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

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

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

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

1 property, that do not specifically describe the real property
2 affected.

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

18 Sec. 3. Section 546.10, subsection 1, Code 1997, is
19 amended by adding the following new paragraph:

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

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

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

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

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

29 Sec. 5. EFFECTIVE DATES.

30 1. Section 543E.1, as enacted in this Act, section 546.10,
31 subsection 1, paragraph "f", as enacted in this Act, and
32 section 4 of this Act take effect July 1, 1999.

33 2. Section 543E.2, as enacted in this Act, takes effect
34 January 1, 2001.

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EXPLANATION

1 This bill creates the abstract title plant board of
 2 examiners within the professional licensing and regulation
 3 division of the department of commerce. The board is
 4 authorized to issue a certificate of registration upon the
 5 application of a person who engages in the business of
 6 preparing abstracts of title to real property or real property
 7 title searches. A person who prepares abstracts of title to
 8 real property or real property title searches is required to
 9 own or lease, and maintain, an up-to-date abstract title plant
 10 for each county in which abstracts of title to real property,
 11 real property title searches are prepared. The abstract title
 12 plant board of examiners is to adopt rules for the
 13 administration of this section.

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

20 The provision creating the abstract title plant board of
 21 examiners takes effect July 1, 1999. The provisions requiring
 22 certification take effect January 1, 2001.

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