

# Senate Study Bill 172

## Bill Text

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1 1 Section 1. Section [558A.1](#), subsection 4, Code 1997, is  
1 2 amended to read as follows:

1 3 4. "Transfer" means the transfer or conveyance by sale,  
1 4 exchange, real estate contract, or any other method by which  
1 5 real estate and improvements are purchased, if the property  
1 6 includes at least one but not more than four dwelling units.  
1 7 However, a transfer does not include any of the following:

1 8 a. A transfer made pursuant to a court order, including  
1 9 but not limited to a transfer under chapter 633, the execution  
1 10 of a judgment, the foreclosure of a real estate mortgage  
1 11 pursuant to chapter 654, the forfeiture of a real estate  
1 12 contract under chapter 656, a transfer by a trustee in  
1 13 bankruptcy, a transfer by eminent domain,

~~or~~

- a transfer  
1 14 resulting from a decree for specific performance, or a  
1 15 transfer pursuant to writ of execution.

1 16 b. A transfer to a mortgagee by a mortgagor or successor  
1 17 in interest who is in default, or a transfer by a mortgagee  
1 18 who has acquired real property at a sale conducted pursuant to  
1 19 chapter 654, a transfer back to a mortgagor exercising a right  
1 20 of first refusal pursuant to section 654.16A, a nonjudicial  
1 21 voluntary foreclosure procedure under section 654.18 or  
1 22 chapter 655A, or a deed in lieu of foreclosure under section  
1 23 654.19.

1 24 c. A transfer by a fiduciary in the course of the  
1 25 administration of a decedent's estate, guardianship,  
1 26 conservatorship,

~~or~~

- trust, or power of attorney.

1 27 d. A transfer between joint tenants or tenants in common.

1 28 e. A transfer made to a spouse, or to a person in the  
1 29 lineal line of consanguinity of a person making the transfer.

1 30 f. A transfer between spouses resulting from a decree of  
1 31 dissolution of marriage, a decree of legal separation, or a  
1 32 property settlement agreement which is incidental to the  
1 33 decree, including a decree ordered pursuant to chapter 598.

1 34 g. A transfer to or from the state, a political  
1 35 subdivision of the state, another state, or the United States.

2 1 h. A transfer by quitclaim deed.

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

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

2 6 1. The fact that real estate, or any building or structure  
2 7 on such real estate, may be, or is suspected to be,  
2 8 psychologically impacted real estate, or may be in close  
2 9 proximity to psychologically impacted real estate, is not a  
2 10 material adverse fact that is required to be disclosed in a  
2 11 sale, exchange, rental, or other transfer of such real estate.

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

2 15 (1) The death of an individual.

2 16 (2) A forcible felony as defined in section 702.11, or any  
2 17 other felony.  
2 18 (3) A suicide.  
2 19 (4) A newsworthy event which impacts the property as a  
2 20 result of the notoriety of the event.  
2 21 (5) An occupant of the real estate was infected with the  
2 22 human immunodeficiency virus, or diagnosed with acquired  
2 23 immune deficiency syndrome, or with some other disease which,  
2 24 as determined by medical evidence, would be highly unlikely to  
2 25 be transmitted as a result of occupying such real estate.  
2 26 b. "Psychologically impacted real estate" also includes  
2 27 real estate which is allegedly haunted.  
2 28 3. A cause of action shall not arise against a real estate  
2 29 broker or salesperson for the failure to disclose to a buyer  
2 30 or other transferee of real estate that the transferred real  
2 31 estate is or might be psychologically impacted real estate.  
2 32 This section shall not be construed to authorize or permit  
2 33 such broker or salesperson to make any misrepresentation of  
2 34 fact or false statement, or to fail to disclose a material  
2 35 adverse fact.

3 1 EXPLANATION

3 2 This bill creates new Code section 558A.4A, which  
3 3 establishes a definition for psychologically impacted real  
3 4 estate. The bill provides that the fact that real estate, or  
3 5 any building or structure on such real estate, may be, or is  
3 6 suspected to be psychologically impacted real estate, or may  
3 7 be sited close to psychologically impacted real estate, is not  
3 8 a material adverse fact that is required to be disclosed in a  
3 9 sale, exchange, rental, or other transfer of such real estate.

3 10 Psychologically impacted real estate is defined as real  
3 11 estate where an event has occurred or is alleged to have  
3 12 occurred including, but not limited to, the following: an  
3 13 individual has died; a forcible felony as defined in Code  
3 14 section 702.11, or any other felony, has occurred; a suicide  
3 15 has occurred; a newsworthy event has occurred which impacts  
3 16 the property as a result of the notoriety of the event; or an  
3 17 occupant of the real estate was infected with the human  
3 18 immunodeficiency virus, or diagnosed with acquired immune  
3 19 deficiency syndrome, or with some other disease which, as  
3 20 determined by medical evidence, would be highly unlikely to be  
3 21 transmitted as a result of occupying such real estate. The  
3 22 bill provides that psychologically impacted real estate also  
3 23 includes real estate which is allegedly haunted or rumored to  
3 24 be haunted.

3 25 The bill also provides that a cause of action does not  
3 26 arise against a real estate broker or salesperson for the  
3 27 failure to disclose to a buyer or other transferee of real  
3 28 estate that the transferred real estate is or might be  
3 29 psychologically impacted real estate.

3 30 The bill also amends the definition of "transfer" for  
3 31 purposes of disclosure requirements under Code chapter 558A,  
3 32 to exclude a transfer pursuant to a writ of execution, a  
3 33 transfer by a fiduciary in administering a decedent's power of  
3 34 attorney, and a transfer of newly constructed residential real  
3 35 property which has never been occupied.

4 1 LSB 1855SC 77

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