

Raecher, Chair
Sunderbruch
Painter

HOUSE FILE SF 2521 d By
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON LARSON)

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

A BILL FOR

1 An Act relating to mandatory mediation of certain farm disputes
2 prior to initiation of related litigation.

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

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1 Section 1. Section 654A.6, subsection 1, Code 1999, is
2 amended to read as follows:

3 1. a. A creditor subject to this chapter desiring to
4 initiate a proceeding to enforce a debt against agricultural
5 property which is real estate under chapter 654, to forfeit a
6 contract to purchase agricultural property under chapter 656,
7 to enforce a secured interest in agricultural property under
8 chapter 554, or to otherwise garnish, levy on, execute on,
9 seize, or attach agricultural property, shall file a request
10 for mediation with the farm mediation service. The creditor
11 shall not begin the proceeding subject to this chapter until
12 the creditor receives a mediation release, or until the court
13 determines after notice and hearing that the time delay
14 required for the mediation would cause the creditor to suffer
15 irreparable harm. Title to land that is agricultural property
16 is not affected by the failure of any creditor to receive a
17 mediation release regardless of its validity. The time period
18 for the notice of right to cure provided in section 654.2A
19 shall run concurrently with the time period for the mediation
20 period provided in this section and section 654A.10.

21 b. The requirements of paragraph "a" are jurisdictional
22 prerequisites to a creditor filing a civil action that
23 initiates a proceeding subject to this chapter.

24 Sec. 2. Section 654B.3, subsection 1, Code 1999, is
25 amended to read as follows:

26 1. a. A person who is a farm resident, or other party,
27 desiring to initiate a civil proceeding to resolve a dispute,
28 shall file a request for mediation with the farm mediation
29 service. The person shall not begin the proceeding until the
30 person receives a mediation release, or until the court
31 determines after notice and hearing that one of the following
32 applies:

33 a- (1) The time delay required for the mediation would
34 cause the person to suffer irreparable harm.

35 b- (2) The dispute involves a claim which has been brought

1 as a class action.

2 b. The requirements of paragraph "a" are jurisdictional
3 prerequisites to a creditor filing a civil action that
4 initiates a civil proceeding to resolve a dispute subject to
5 this chapter.

6 EXPLANATION

7 This bill amends the mandatory mediation provisions of two
8 Code sections relating to resolution of farm disputes. The
9 bill specifies that the mediation requirements in Code
10 sections 654A.6 and 654B.3 are jurisdictional prerequisites
11 that must be satisfied before a case can be filed under those
12 chapters. A 1999 federal district court ruling held that the
13 current Code language did not prevent the filing of a suit
14 under chapter 654B prior to mediation of the dispute.

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3/9/00 Judiciary

FEB 29 2000

REPRINTED

Place On Calendar

HOUSE FILE **2521**

BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 727)

Passed House, ^(p.625) Date 3/8/00 Passed Senate, ^(p.950) Date 3-30-00
 Vote: Ayes 93 Nays 0 Vote: Ayes 46 Nays 0
 Approved 4-20-00

A BILL FOR

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HOUSE FILE 2521

H-8121

1 Amend House File 2521 as follows:
 2 1. Page 2, line 3, by striking the word
 3 "creditor" and inserting the following: "person".
 By RAECKER of Polk

H-8121 FILED MARCH 1, 2000

adapted
3/8/00 (p.625)

HF 2521

1 Section 1. Section 654A.6, subsection 1, Code 1999, is
2 amended to read as follows:

3 1. a. A creditor subject to this chapter desiring to
4 initiate a proceeding to enforce a debt against agricultural
5 property which is real estate under chapter 654, to forfeit a
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17 mediation release regardless of its validity. The time period
18 for the notice of right to cure provided in section 654.2A
19 shall run concurrently with the time period for the mediation
20 period provided in this section and section 654A.10.

21 b. The requirements of paragraph "a" are jurisdictional
22 prerequisites to a creditor filing a civil action that
23 initiates a proceeding subject to this chapter.

24 Sec. 2. Section 654B.3, subsection 1, Code 1999, is
25 amended to read as follows:

26 1. a. A person who is a farm resident, or other party,
27 desiring to initiate a civil proceeding to resolve a dispute,
28 shall file a request for mediation with the farm mediation
29 service. The person shall not begin the proceeding until the
30 person receives a mediation release, or until the court
31 determines after notice and hearing that one of the following
32 applies:

33 a- (1) The time delay required for the mediation would
34 cause the person to suffer irreparable harm.

35 b- (2) The dispute involves a claim which has been brought

1 as a class action.

2 b. The requirements of paragraph "a" are jurisdictional
3 prerequisites to a creditor filing a civil action that
4 initiates a civil proceeding to resolve a dispute subject to
5 this chapter.

6 EXPLANATION

7 This bill amends the mandatory mediation provisions of two
8 Code sections relating to resolution of farm disputes. The
9 bill specifies that the mediation requirements in Code
10 sections 654A.6 and 654B.3 are jurisdictional prerequisites
11 that must be satisfied before a case can be filed under those
12 chapters. A 1999 federal district court ruling held that the
13 current Code language did not prevent the filing of a suit
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HOUSE FILE 2521
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 727)

(As Amended and Passed by the House, March 8, 2000)

Passed House, Date _____ Passed Senate, Date ^(P. 950) 3-30-00
Vote: Ayes _____ Nays _____ Vote: Ayes 46 Nays 0
Approved 4-20-00

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House Amendments _____

HF 2521

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24 Sec. 2. Section 654B.3, subsection 1, Code 1999, is
25 amended to read as follows:

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34 cause the person to suffer irreparable harm.

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2 b. The requirements of paragraph "a" are jurisdictional
3 prerequisites to a person filing a civil action that initiates
4 a civil proceeding to resolve a dispute subject to this
5 chapter.

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HOUSE FILE 2521

AN ACT

RELATING TO MANDATORY MEDIATION OF CERTAIN FARM DISPUTES PRIOR TO INITIATION OF RELATED LITIGATION.

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

Section 1. Section 654A.6, subsection 1, Code 1999, is amended to read as follows:

1. a. A creditor subject to this chapter desiring to initiate a proceeding to enforce a debt against agricultural property which is real estate under chapter 654, to forfeit a contract to purchase agricultural property under chapter 656, to enforce a secured interest in agricultural property under chapter 554, or to otherwise garnish, levy on, execute on, seize, or attach agricultural property, shall file a request for mediation with the farm mediation service. The creditor shall not begin the proceeding subject to this chapter until the creditor receives a mediation release, or until the court determines after notice and hearing that the time delay required for the mediation would cause the creditor to suffer irreparable harm. Title to land that is agricultural property is not affected by the failure of any creditor to receive a mediation release regardless of its validity. The time period for the notice of right to cure provided in section 654.2A shall run concurrently with the time period for the mediation period provided in this section and section 654A.10.

b. The requirements of paragraph "a" are jurisdictional prerequisites to a creditor filing a civil action that initiates a proceeding subject to this chapter.

Sec. 2. Section 654B.3, subsection 1, Code 1999, is amended to read as follows:

1. a. A person who is a farm resident, or other party, desiring to initiate a civil proceeding to resolve a dispute, shall file a request for mediation with the farm mediation service. The person shall not begin the proceeding until the

person receives a mediation release, or until the court determines after notice and hearing that one of the following applies:

- a. (1) The time delay required for the mediation would cause the person to suffer irreparable harm.
- b. (2) The dispute involves a claim which has been brought as a class action.

b. The requirements of paragraph "a" are jurisdictional prerequisites to a person filing a civil action that initiates a civil proceeding to resolve a dispute subject to this chapter.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2521, Seventy-eighth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved 4/20, 2000

THOMAS J. VILSACK
Governor