

H- 3-8-00 Judiciary
H- 3/14/00 Do. Pass
H- 3/23/00 Unfinished Business Calendar
FILED FEB 21 2000

SENATE FILE 2220
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SF 2099)

Passed Senate, Date ^(P.546) 3/7/00 Passed House, Date ^(P.1032) 3/28/00
Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 0
Approved 4/13/00
retired

A BILL FOR

1 An Act relating to forcible entry and detainer actions in small
2 claims court following a default on a contract for deed.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2220

1 Section 1. Section 631.1, subsection 2, Code Supplement
2 1999, is amended to read as follows:

3 2. The district court sitting in small claims shall have
4 concurrent jurisdiction of an action for forcible entry and
5 detainer which is based on those grounds set forth in section
6 648.1, subsections 1, 2, 3, and 5, and 7. When commenced
7 under this chapter, the action shall be a small claim for the
8 purposes of this chapter.

9 Sec. 2. Section 648.1, Code 1999, is amended by adding the
10 following new subsection:

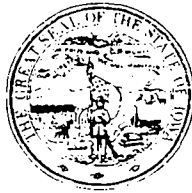
11 NEW SUBSECTION. 7. When the vendee forfeits or defaults
12 under the terms of a contract for deed.

13 EXPLANATION

14 This bill amends Code section 648.1 to allow for use of an
15 action for forcible entry and detainer when a seller of real
16 estate seeks to recover possession of the property when the
17 buyer of the real estate defaults or forfeits on the contract
18 for deed governing the sale.

19 The bill also amends Code section 631.1 to allow such
20 actions to be pursued as small claims actions in small claims
21 court.

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THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 13, 2000

RECEIVED

APR 14 2000

LEGISLATIVE SERVICE
BUREAU

Michael Marshall
Secretary of the Senate
State Capitol Building
LOCAL

Dear Mr. Marshall:

I hereby transmit Senate File 2220, an act relating to forcible entry and detainer actions in small claims court following a default on a contract for deed, pursuant to Article III, section 16, of the Constitution of Iowa.

I have a number of concerns with the impact of this legislation on Iowa consumers utilizing real estate contracts that compel me to disapprove it. This legislation is inconsistent with current practices regarding the involvement of the district courts in disputed forfeiture claims. I am not persuaded that changing current small claims court jurisdiction levels is appropriate. I feel that current requirements for a completed forfeiture action in real estate contract cases provides broader procedural protections for consumers than the provisions of this bill. As an example, the current forfeiture process allows those representing consumers in these cases to use a "discovery" process to obtain more information for their clients. Such would not be allowed under the provisions of Senate File 2220. In consultation with the Attorney General, I have also found that this legislation also could expose unwary Iowans to other unscrupulous practices which could result in some individuals losing both their equity and their homes. In short, this legislation proposes to reduce a number of current legal protections extended to Iowans who are purchasing real estate on contract.

For the above reasons, I hereby respectfully disapprove Senate File 2220.

Sincerely,

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of State
Chief Clerk of the House

NEW SUBSECTION. 7. When the vendee forfeits or defaults under the terms of a contract for deed.

SENATE FILE 2220

AN ACT

RELATING TO FORCIBLE ENTRY AND DETAINER ACTIONS IN SMALL CLAIMS COURT FOLLOWING A DEFAULT ON A CONTRACT FOR DEED.

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

Section 1. Section 631.1, subsection 2, Code Supplement 1999, is amended to read as follows:

2. The district court sitting in small claims shall have concurrent jurisdiction of an action for forcible entry and detainer which is based on those grounds set forth in section 648.1, subsections 1, 2, 3, and 5, and 7. When commenced under this chapter, the action shall be a small claim for the purposes of this chapter.

Sec. 2. Section 648.1, Code 1999, is amended by adding the following new subsection:

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2220, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Retired
Approved 4/13, 2000

THOMAS J. VILSACK
Governor