

Senate Study Bill 3049 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED IOWA FINANCE
AUTHORITY BILL)

A BILL FOR

1 An Act concerning the Iowa finance authority in regard to the
2 title guaranty program and private activity boards.

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

1

DIVISION I

2

TITLE GUARANTY

3 Section 1. Section 16.1, subsection 1, paragraph af,
4 subparagraph (7), Code 2014, is amended to read as follows:

5 (7) The Iowa title guaranty program.

6 Sec. 2. Section 16.2A, subsection 1, Code 2014, is amended
7 to read as follows:

8 1. A title guaranty division is created within the
9 authority. The division may also be referred to as Iowa title
10 guaranty. The powers of the division relating to the issuance
11 of title guaranties are vested in and shall be exercised by
12 a division board of five members appointed by the governor
13 subject to confirmation by the senate. The membership of
14 the board shall include an attorney, an abstractor, a real
15 estate broker, a representative of a mortgage lender, and
16 a representative of the housing development industry. The
17 executive director of the authority shall appoint an attorney
18 as director of the title guaranty division, who shall serve
19 as an ex officio member of the board. The appointment of and
20 compensation for the division director are exempt from the
21 merit system provisions of chapter 8A, subchapter IV.

22 Sec. 3. Section 16.91, subsections 1, 3, and 4, Code 2014,
23 are amended to read as follows:

24 1. The authority through the title guaranty division shall
25 initiate and operate a program in which the division shall
26 offer guaranties of real property titles in this state. The
27 terms, conditions, and form of the guaranty contract shall be
28 forms approved by the division board. The division shall fix
29 a charge for the guaranty in an amount sufficient to permit
30 the program to operate on a self-sustaining basis, including
31 payment of administrative costs and the maintenance of an
32 adequate reserve against claims under the Iowa title guaranty
33 program. A title guaranty fund is created in the office of
34 the treasurer of state. Funds collected under this program
35 shall be placed in the title guaranty fund and are available

1 to pay all claims, necessary reserves and all administrative
2 costs of the Iowa title guaranty program. Moneys in the fund
3 shall not revert to the general fund and interest on the
4 moneys in the fund shall be deposited in the housing trust
5 fund established in section 16.181 and shall not accrue to the
6 general fund. If the authority board in consultation with the
7 division board determines that there are surplus funds in the
8 title guaranty fund after providing for adequate reserves and
9 operating expenses of the division, the surplus funds shall be
10 transferred to the housing assistance fund created pursuant to
11 section 16.40.

12 3. With the approval of the authority board the division
13 and its board shall consult with the insurance division of
14 the department of commerce in developing a guaranty contract
15 acceptable to the secondary market and developing any other
16 feature of the program with which the insurance division may
17 have special expertise. The insurance division shall establish
18 the amount for a loss reserve fund. Except as provided in this
19 subsection, the Iowa title guaranty program is not subject to
20 the jurisdiction of or regulation by the insurance division or
21 the commissioner of insurance.

22 4. Each participating attorney and abstractor may be
23 required to pay an annual participation fee to be eligible to
24 participate in the Iowa title guaranty program. The fee, if
25 any, shall be set by the division, subject to the approval of
26 the authority.

27 Sec. 4. Section 16.91, subsection 5, paragraph a,
28 subparagraph (2), Code 2014, is amended to read as follows:
29 (2) Additionally, each participating abstractor is required
30 to own or lease, and maintain and use in the preparation of
31 abstracts, an up-to-date abstract title plant including tract
32 indices for real estate for each county in which abstracts are
33 prepared for real property titles guaranteed by the division.
34 The tract indices shall contain a reference to all instruments
35 affecting the real estate which are recorded in the office of

1 the county recorder, and shall commence not less than forty
2 years prior to the date the abstractor commences participation
3 in the Iowa title guaranty program. However, a participating
4 attorney providing abstract services continuously from November
5 12, 1986, to the date of application, either personally or
6 through persons under the attorney's supervision and control is
7 exempt from the requirements of this subparagraph.

8 Sec. 5. Section 16.91, subsection 8, Code 2014, is amended
9 to read as follows:

10 8. The authority shall adopt rules pursuant to chapter 17A
11 that are necessary for the implementation of the Iowa title
12 guaranty program as established by the division and that have
13 been approved by the authority.

14 Sec. 6. Section 16.92, subsection 1, paragraph i, Code 2014,
15 is amended to read as follows:

16 i. "*Participating abstractor*" means an abstractor
17 participating in the Iowa title guaranty program.

18 Sec. 7. Section 447.13, subsection 1, Code 2014, is amended
19 to read as follows:

20 1. The cost of serving the notice, including the cost of
21 sending certified mail notices, and the cost of publication
22 under section 447.10, if publication is required, shall be
23 added to the amount necessary to redeem. The cost of a record
24 search shall also be added to the amount necessary to redeem.
25 However, if the certificate holder is other than a county, the
26 search must be performed by an abstractor who is an active
27 participant in the Iowa title guaranty program under section
28 16.91 or by an attorney licensed to practice law in the state
29 of Iowa, and the amount of the cost of the record search that
30 may be added to the amount necessary to redeem shall not exceed
31 three hundred dollars.

32 DIVISION II

33 PRIVATE ACTIVITY BOND ALLOCATIONS

34 Sec. 8. Section 7C.4A, subsection 7, paragraph a, Code 2014,
35 is amended to read as follows:

1 a. The amount of the state ceiling which is not otherwise
2 allocated under subsections 1 through 5, and after June 30,
3 the amount of the state ceiling reserved under subsection 6
4 and not allocated, shall be allocated to all bonds requiring
5 an allocation under section 146 of the Internal Revenue Code
6 without priority for any type of bond over another, except
7 as otherwise provided in sections 7C.5 and 7C.11. A single
8 project allocated a portion of the state ceiling pursuant to
9 this subsection shall not receive an allocation in excess of
10 ten million dollars in any calendar year.

EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill concerns the Iowa finance authority.
15 Division I renames the title guaranty program as the Iowa
16 title guaranty program. The bill also allows the title
17 guaranty division to be referred to as Iowa title guaranty.
18 Division II concerns bond activity and the Iowa finance
19 authority. Code section 7C.4A(7), concerning the allocation of
20 the state ceiling on bonds which is not otherwise allocated, is
21 amended to eliminate the \$10 million yearly cap on the amount
22 any single project may receive from the unused allocation of
23 the state ceiling on bonds.