

Senate Study Bill 3134 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON HOGG)

A BILL FOR

1 An Act relating to the continued effect of terms, conditions,
2 covenants, and provisions contained in documents and
3 instruments creating or regulating multiple housing
4 cooperatives and horizontal property regimes and including
5 applicability provisions.

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

1 Section 1. NEW SECTION. 499A.23 Effect of documents and
2 instruments.

3 1. Unless amended or terminated by this chapter or by the
4 following documents or instruments, all terms, conditions,
5 covenants, and provisions contained in the following documents
6 or instruments shall remain in full force and effect as long as
7 the cooperative remains in existence:

8 a. The articles of incorporation of the cooperative and any
9 amendments thereto.

10 b. The bylaws of the cooperative and any amendments thereto.

11 c. Any proprietary leases, contracts, or other agreements
12 between the cooperative and a member of the cooperative or
13 between members of the cooperative.

14 d. Any property interests created by any documents or
15 instruments specified in paragraph "a", "b", or "c".

16 2. A document or instrument specified in subsection 1, and
17 any property interests created by such document or instrument,
18 shall not be extinguished, limited, or impaired by application
19 of section 558.68 or 614.24.

20 Sec. 2. NEW SECTION. 499B.21 Effect of documents and
21 instruments.

22 1. Unless amended or terminated by the following documents
23 or instruments, all terms, conditions, covenants, and
24 provisions contained in the following documents or instruments
25 shall remain in full force and effect as long as the horizontal
26 property regime remains in existence:

27 a. The declaration of the horizontal property regime and any
28 amendments thereto.

29 b. The articles of incorporation of the horizontal property
30 regime and any amendments thereto.

31 c. The bylaws of the horizontal property regime and any
32 amendments thereto.

33 d. Any property interests created by any documents or
34 instruments specified in paragraph "a", "b", or "c".

35 2. A document or instrument specified in subsection 1, and

1 any property interests created by such document or instrument,
2 shall not be extinguished, limited, or impaired by application
3 of section 558.68 or 614.24.

4 Sec. 3. Section 558.68, Code 2014, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 6. This section shall not extinguish,
7 limit, or impair the validity of a document or instrument
8 specified in section 499A.23 or 499B.21, or any property
9 interests created by such document or instrument.

10 Sec. 4. Section 614.24, Code 2014, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 4. This section shall not extinguish,
13 limit, or impair the validity of a document or instrument
14 specified in section 499A.23 or 499B.21, or any property
15 interests created by such document or instrument.

16 Sec. 5. APPLICABILITY. This Act applies to all multiple
17 housing cooperatives and horizontal property regimes created
18 prior to, and still in existence on, July 1, 2014, and created
19 on or after July 1, 2014.

20 EXPLANATION

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

23 This bill relates to the effect of terms, conditions,
24 covenants, and provisions contained in documents and
25 instruments creating or regulating multiple housing
26 cooperatives and horizontal property regimes.

27 The bill provides that unless amended or terminated by
28 Code chapter 499A (multiple housing cooperatives) or by the
29 following documents or instruments, all terms, conditions,
30 covenants, and provisions contained in the following documents
31 or instruments, and any property interests created by any such
32 documents or instruments, shall remain in full force and effect
33 as long as the cooperative remains in existence: the articles
34 of incorporation and the bylaws of the cooperative and any
35 amendments thereto and any proprietary leases, contracts, or

1 other agreements between the cooperative and a member of the
2 cooperative or between members of the cooperative.

3 The bill also provides that unless amended or terminated
4 by Code chapter 499B (horizontal property regimes) or by the
5 following documents or instruments, all terms, conditions,
6 covenants, and provisions contained in the following documents
7 or instruments, and any property interests created by any
8 such documents or instruments, shall remain in full force
9 and effect as long as the cooperative remains in existence:
10 the declaration of the horizontal property regime and any
11 amendments thereto and the articles of incorporation and the
12 bylaws of the horizontal property regime and any amendments
13 thereto.

14 The bill provides that the rule against perpetuities and
15 certain provisions relating to reversion or use restrictions on
16 land shall not impair the validity of a document or instrument
17 property interest specified in the bill.

18 The bill applies to all multiple housing cooperatives and
19 horizontal property regimes created prior to, and still in
20 existence on, July 1, 2014, and created on or after July 1,
21 2014.