

Senate File 245 - Introduced

SENATE FILE 245

BY JOCHUM

A BILL FOR

1 An Act relating to certain disclosure requirements for
2 the transfer of real estate involving limited liability
3 companies.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 489.407A, Code 2017, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 4. *a.* A transfer of an interest in
4 real estate involving a limited liability company or foreign
5 limited liability company as transferor or transferee, which
6 transfer is exempt from payment of a real estate transfer tax
7 under section 428A.2, shall include a market value disclosure
8 statement prepared by the transferor. The market value
9 disclosure statement shall reflect the actual or fair market
10 value of the real estate transferred, as determined by an
11 independent professional appraiser without regard to the amount
12 of the sale price or consideration stated on the instrument of
13 transfer.

14 *b.* The market value disclosure statement shall be included
15 with the instrument of transfer and filed with the recorder of
16 the county where the real estate is situated. For purposes
17 of this subsection, "*instrument of transfer*" means the deed,
18 real estate contract, lease, easement, mortgage, deed of trust,
19 or any other instrument used to effect the transfer of any
20 interest in real estate.

21 *c.* The value disclosed on a market value disclosure
22 statement required in this subsection shall not be used to
23 determine real estate transfer tax liability under chapter
24 428A.

25 EXPLANATION

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

28 This bill relates to real estate transfers involving limited
29 liability companies.

30 The bill requires a transfer of real estate involving a
31 limited liability company or foreign limited liability company
32 as transferor or transferee which is exempt from real estate
33 transfer tax to disclose the market value of the real estate
34 being transferred in a market value disclosure statement
35 prepared by the transferor. The statement shall reflect the

1 actual or fair market value of the real estate, as determined
2 by an independent professional appraiser. The market value
3 disclosure statement is to be included with the instrument of
4 transfer, as defined in the bill, and filed with the county
5 recorder where the real estate is located. The value disclosed
6 on the disclosure statement shall not be used to determine real
7 estate transfer tax liability under Code chapter 428A.