

**Senate File 6 - Introduced**

SENATE FILE 6  
BY LOFGREN

**A BILL FOR**

1 An Act relating to contractor warranties including by providing  
2 for the transfer of contractor warranties upon the passage  
3 of legal or equitable title in the property, requiring  
4 information relating to contractor warranties in real estate  
5 disclosure statements, making penalties applicable, and  
6 including applicability provisions.

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

1 Section 1. NEW SECTION. 558.73 Contractor warranties —  
2 transferability.

3 1. As used in this section, "contractor warranty" means  
4 an unexpired warranty provided by a contractor to an owner of  
5 real property in connection with the contractor's performance  
6 of any alteration, repair, addition, modification, or  
7 improvement to the owner's real property, whether express or  
8 implied. "Contractor warranty", in relation to residential  
9 property, includes any contractor warranty provided for  
10 home improvement work, including but not limited to the  
11 construction, painting or coating, installation, replacement  
12 or repair of driveways, sidewalks, swimming pools, unattached  
13 structures, porches, kitchens, bathrooms, chimneys, fireplaces,  
14 stoves, air conditioning or heating systems, hot water  
15 heaters, water treatment systems, electrical wiring or systems,  
16 plumbing fixtures or systems, doors, windows, roofs, gutters,  
17 downspouts, and siding.

18 2. A contractor warranty shall survive the passing of legal  
19 or equitable title in the real property to any subsequent owner  
20 of the real property for the duration to which the warranty is  
21 unexpired.

22 Sec. 2. Section 558A.4, subsection 1, Code 2019, is amended  
23 by adding the following new paragraph:

24 NEW PARAGRAPH. *Ob.* The disclosure statement shall include  
25 information relating to unexpired contractor warranties  
26 received by the transferor, as provided in rules which shall  
27 be adopted by the real estate commission pursuant to section  
28 543B.9. For purposes of this paragraph, "contractor warranty"  
29 means the same as defined in section 558.73.

30 Sec. 3. APPLICABILITY. The section of this Act enacting  
31 section 558A.4, subsection 1, paragraph "0b", applies to  
32 transfers of real property on or after the effective date of  
33 this Act.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill relates to contractor warranties.

3 The bill defines "contractor warranty" to mean an unexpired  
4 warranty provided by a contractor to an owner of real property  
5 in connection with the contractor's performance of any  
6 alteration, repair, addition, modification, or improvement to  
7 the real property, whether express or implied. "Contractor  
8 warranty", in relation to residential property, includes any  
9 contractor warranty for home improvement work, as described in  
10 the bill.

11 The bill provides that a contractor warranty shall survive  
12 the passing of legal or equitable title in the real property to  
13 any subsequent owner of the real property for the duration to  
14 which the warranty is unexpired.

15 Current law requires a person interested in transferring  
16 real property including at least one but not more than four  
17 dwelling units to deliver a written disclosure statement to  
18 a person interested in being transferred the real property,  
19 including information relating to the condition and important  
20 characteristics of the property. The bill requires that the  
21 written disclosure statement also include information relating  
22 to unexpired contractor warranties received by the transferor,  
23 as provided in rules adopted by the real estate commission.

24 Pursuant to Code section 558A.6, a transferor of real  
25 property who violates the disclosure statement requirements  
26 shall be liable for the amount of actual damages suffered by  
27 the transferee, unless the transferor had no actual knowledge  
28 of the inaccuracy or exercised ordinary care in obtaining  
29 the information. In addition, Code section 714.8 provides  
30 that a contract seller who intentionally provides inaccurate  
31 information is guilty of a fraudulent practice.

32 The bill specifies that the section of the bill requiring  
33 real estate disclosure statements to include information  
34 relating to contractor warranties applies to transfers of real  
35 property on or after the effective date of the bill.