

HOUSE REPUBLICAN STAFF ANALYSIS

Bill: House File 634 (formerly HSB 194)
Committee: Natural Resources
Floor Manager: Rep. Jeneary
Date: May 1, 2023
Staff: Lew Olson (1-3096)

House Committee: **PASSED** 3/2/2023 **20-0**
House Floor: **PASSED** 3/21/2023 **94-0**
Senate Floor: **PASSED** 4/19/2023 **50-0**
Governor:

Time of Transfer Inspection Fraud & Penalties

Senate Amendment Analysis H1273

H 1273 by the Senate removes the provision that the sellers of the property are responsible for a complete report as part of a real estate transaction.

Description of the bill--

House File 634 makes changes to the 'Time-of-Transfer' (ToT) inspections certification and administrative process specifications and imposes a civil penalty of up to \$5,000 and inspector's certification license suspension of 1-year for fraudulent filing of a time-of-transfer report with the Department of Natural Resources (DNR).

- Only certified inspectors may conduct a time-of-transfer inspections.
- Inspector's certification is considered current if the inspector if it meets certain Code specified requirements.
- DNR is to maintain a publicly available list of currently certified inspectors on the DNR internet site with the list displaying when an inspector first was certified and when their certification is set to expire.
- A certified inspector who fraudulent files a time-of-transfer report with DNR is subject to a civil penalty of up to \$5,000 and suspension of inspector's certification for one year.
- **This is the aspect of the bill the Senate amendment removes--**
Sellers of property subject to time-of-transfer inspection is responsible for a complete report as part of a real estate transaction. (Removed by Senate amendment H 1273)

Section by Section Analysis of Amendment

Section 1—Time-of-Transfer Inspector Certification, Fraud, & Penalties

Amends Section 455B.172, subsection 11, paragraph e, Code 2023 add a number of additional provisions and subdivides this paragraph. The new provisions clarify and provides that—

- Only certified inspectors may conduct a time-of-transfer inspections.
- Inspector's certification is considered current if the inspector if it meets certain Code specified requirements:
 - Inspector has paid initial and renewal fees required to maintain certification
 - Is up-to-date on continuing education units,
 - Is in good standing with DNR, and has not been decertified.
- DNR is to maintain a publicly available list of currently certified inspectors on the DNR internet site with the list displaying when an inspector first was certified and when their certification is set to expire.

- A certified inspector who fraudulent files a time-of-transfer report with DNR is subject to a civil penalty of up to \$5,000 and suspension of inspector's certification for one year.
- Sellers of property subject to time-of-transfer inspection is responsible for a complete report as part of a real estate transaction.