



**IOWA HOUSE
DEMOCRATS**

BILL SUMMARY

**Homestead Sale –
Mechanic’s Liens
SF 458**

Status of Bill: House Floor
Committee: Judiciary (19-0)
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Lead Democrat: Rep. Konfrst
Floor Manager: Rep. Jones

Background

On February 7, 2020, the Iowa Supreme Court decided Standard Water Control Systems v. Jones.

Under Iowa law, in a court action to enforce a mechanic’s lien a plaintiff that wins a case may be awarded reasonable attorney fees. The court first found that neither the homestead law nor the mechanic’s lien code included specific language on how to handle this conflict. The court found that in general homestead rights prevail over the attorney fees for a mechanic’s lien.

The court found legitimate policy reasons for not allowing attorney fees to be recovered in a mechanic’s lien forfeiture. The court pointed out that it was possible, and in fact the situation in the case before it, that the attorney fees could far exceed the amount of the underlying dispute giving rise to the mechanic’s lien. The court found that a legislature may not want homesteads to be put in jeopardy over attorney fees. The court also noted that attorney fees would still be recoverable on a nonhomestead mechanics lien, especially in cases where the attorney fees are less likely to be a disproportionate amount of the controversy.

The court concluded that the homestead exemption prohibits the recovery of attorney fees in mechanic’s lien foreclosure actions. The court found that when the legislature wants to create a remedy that supersedes the homestead exemption the burden is on the legislature to make “special declaration” that the legislature intends to do so.

Bill Summary

Allows a homestead to be sold to satisfy the debt of a mechanic’s lien, including principal, interest, attorney fees, and costs, that is for work done or material furnished exclusively for the improvement of the homestead. Under current law, a homestead may be sold to satisfy the debts incurred for work done or material furnished exclusively for the improvement of a homestead.

Amendment Summary

H-1134 by Judiciary Committee

Reorganizes and clarifies the provisions and specifies only reasonable attorney fees may be included.

H-1182 by Jones

Makes these changes effective upon enactment.