

CHAPTER 1252

RENTAL DEPOSITS

S. F. 1004

AN ACT relating to rental deposits, imposing liability and providing penalties for violations.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. NEW SECTION. Any deposit of money to secure the
2 performance of a residential rental agreement, other than a deposit
3 which is exclusively an advance payment of rent, shall be subject to
4 the provisions of this Act.

1 SEC. 2. NEW SECTION. All deposits of money shall be held by the
2 landlord for the tenant, who is a party to the agreement, in a bank or
3 savings and loan association which is insured by an agency of the fed-
4 eral government. Such deposits shall not be commingled with the
5 personal funds of the landlord. Notwithstanding the provisions of
6 chapter one hundred seventeen (117) of the Code, all such deposits of
7 money may be held in a trust account, which may be a common trust
8 account and which may be an interest bearing trust account. Any in-
9 terest earned on a deposit of money shall be the property of the land-
10 lord.

1 SEC. 3. NEW SECTION. A landlord shall, within thirty days from
2 the date of termination of the tenancy and receipt of the tenant's
3 mailing address or delivery instructions, return the deposit to the ten-
4 ant or furnish to the tenant a written statement showing the specific
5 reason for withholding of the deposit or any portion thereof. If the
6 deposit or any portion of the deposit is withheld for the restoration
7 of the premises, the statement shall specify the nature of the dam-
8 ages. The landlord may withhold from the deposit only such amounts
9 as are reasonably necessary for the following reasons:

10 1. To remedy a tenant's default in the payment of rent or of other
11 funds due to the landlord pursuant to an agreement.

12 2. To restore the premises to their condition at the commencement
13 of the tenancy, ordinary wear and tear excepted.

14 In an action concerning the deposit, the burden of proving, by a
15 preponderance of the evidence, the reason for withholding all or any
16 portion of the deposit shall be on the landlord.

1 SEC. 4. NEW SECTION. A landlord who fails to provide a written
2 statement within thirty days of termination of the tenancy and re-
3 ceipt of the tenant's mailing address or delivery instructions shall
4 forfeit all rights to withhold any portion of the deposit. If no mail-
5 ing address or instructions are provided to the landlord within one
6 year from the termination of the tenancy, the deposit shall revert to
7 the landlord and the tenant will be deemed to have forfeited all rights
8 to the deposit.

1 SEC. 5. NEW SECTION. Upon termination of a landlord's interest
2 in the premises, the landlord or his agent shall, within a reasonable
3 time, transfer the deposit, or any remainder after any lawful deduc-
4 tions to the landlord's successor in interest and notify the tenant of

5 the transfer and of the transferee's name and address or return the
6 deposit, or any remainder after any lawful deductions to the tenant.
7 Upon the termination of the landlord's interest in the premises and
8 compliance with the provisions of this section, he shall be relieved of
9 any further liability with respect to the deposit.

1 SEC. 6. NEW SECTION. Upon termination of the landlord's inter-
2 est in the premises, the landlord's successor in interest shall have all
3 the rights and obligations of the landlord with respect to such depos-
4 its, except that if the tenant does not object to the stated amount
5 within twenty days after written notice to the tenant of the amount
6 of deposit being transferred or assumed, the obligations of the land-
7 lord's successor to return the deposit shall be limited to the amount
8 contained in the notice. The notice shall contain a stamped envelope
9 addressed to landlord's successor and may be given by mail or by per-
10 sonal service.

1 SEC. 7. NEW SECTION. The bad faith retention of a deposit by
2 a landlord, or any portion of the deposit, in violation of this Act shall
3 subject the landlord to punitive damages not to exceed two hundred
4 dollars in addition to actual damages.

1 SEC. 8. NEW SECTION. Any attempted waiver of this Act by a
2 landlord and tenant shall be void and unenforceable.

1 SEC. 9. NEW SECTION. The provisions of this Act shall apply
2 only to tenancies commencing or renewed on or after July 1, 1974.
3 For the purposes of this section, estates at will shall be deemed to be
4 renewed at the commencement of each rental period.

Approved May 28, 1974

CHAPTER 1253

VISITATION RIGHTS OF GRANDPARENTS

S. F. 500

AN ACT relating to visitation rights.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. NEW SECTION. The grandparents of a child may peti-
2 tion the district court for grandchild visitation rights when:
3 1. The parents of the child are divorced, or
4 2. A petition for dissolution of marriage has been filed by one of the
5 parents of the child, or
6 3. The parent of the child, who is the child of the grandparents, has
7 died, or
8 4. The child has been placed in a foster home.
9 A petition for grandchild visitation rights shall be granted only
10 upon a finding that the visitation is in the best interests of the child.

Approved April 25, 1974