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SENATE FILE 449
BY KINLEY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to disputes between landlords and tenants.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 449

1 Section 1. Section 562A.6, Code 1991, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 562A.6 GENERAL DEFINITIONS.

5 Subject to additional definitions contained in subsequent
6 articles of this chapter which apply to specific articles or
7 its parts, and unless the context otherwise requires, in this
8 chapter:

9 1. "Building and housing codes" include a law, ordinance,
10 or governmental regulation concerning fitness for habitation,
11 or the construction, maintenance, operation, occupancy, use,
12 or appearance of a premise or dwelling unit.

13 2. "Business" includes a corporation, government,
14 governmental subdivision or agency, business trust, estate,
15 trust, partnership or association, two or more persons having
16 a joint or common interest, and any other legal or commercial
17 entity.

18 3. "Dwelling unit" means a structure or the part of a
19 structure that is used as a home, residence, or sleeping
20 place.

21 4. "Good faith" means honesty in fact in the conduct of
22 the transaction concerned.

23 5. "Landlord" means the owner, lessor, or sublessor of the
24 dwelling unit or the building of which it is a part, and it
25 also means a manager of the premises who fails to disclose as
26 required by section 562A.13.

27 6. "Major facility" in the case of a bathroom means
28 toilet, sink, or hand basin, a minimum of one electrical
29 outlet, either a bath or shower, and other necessary items,
30 and in the case of a kitchen means refrigerator, stove, or
31 sink.

32 7. "Owner" means one or more persons, jointly or
33 severally, in whom is vested:

34 a. All or part of the legal title to property; or

35 b. All or part of the beneficial ownership and a right to

1 present use and enjoyment of the premises, and the term
2 includes a mortgagee in possession.

3 8. "Premises" means a dwelling unit and the structure of
4 which it is a part and facilities and appurtenances of it and
5 grounds, areas and facilities held out for the use of tenants
6 generally or whose use is promised to the tenant.

7 9. "Reasonable attorney's fees" means fees determined by
8 the time reasonably expended by the attorney and not by the
9 amount of the recovery on behalf of the tenant or landlord.

10 10. "Rent" means a payment to be made to the landlord
11 under the rental agreement.

12 11. "Rental agreement" means an agreement written or oral,
13 and a valid rule, adopted under section 562A.18, embodying the
14 terms and conditions concerning the use and occupancy of a
15 dwelling unit and premises.

16 12. "Rental deposit" means a deposit of money to secure
17 performance of a residential rental agreement, other than a
18 deposit which is exclusively in advance payment of rent.

19 13. "Roomer" means a person occupying a dwelling unit that
20 lacks a major bathroom or kitchen facility, in a structure
21 where one or more major facilities are used in common by
22 occupants of the dwelling unit and other dwelling units.

23 14. "Single family residence" means a structure maintained
24 and used as a single dwelling unit. Notwithstanding that a
25 dwelling unit shares one or more walls with another dwelling
26 unit, it is a single family residence if it has direct access
27 to a street or thoroughfare and shares neither heating
28 facilities, hot water equipment, nor any other essential
29 facility or service with another dwelling unit.

30 15. "Tenant" means a person entitled under a rental
31 agreement to occupy a dwelling unit to the exclusion of
32 another.

33 Sec. 2. Section 562A.12, subsection 2, Code 1991, is
34 amended to read as follows:

35 2. All rental deposits shall be held by the landlord for

1 the tenant, who is a party to the agreement, in a bank or
2 savings and loan association or credit union which is insured
3 by an agency of the federal government. Rental deposits shall
4 not be commingled with the personal funds of the landlord.
5 Notwithstanding the provisions of chapter 117, all rental
6 deposits may be held in a trust account, which may be a common
7 trust account and which may be an interest bearing account.
8 Any interest earned on a rental deposit during the first five
9 years of a tenancy ~~shall be~~ is the property of the landlord.
10 Any interest earned after the first five years is the property
11 of the tenant.

12 Sec. 3. Section 562A.13, Code 1991, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 6. Each tenant, at the time of entering
15 into a rental agreement, shall be provided a copy of this
16 chapter by the landlord.

17 Sec. 4. NEW SECTION. 562A.38 MANDATORY MEDIATION.

18 1. The chief judge for each judicial district shall
19 appoint, from a list of interested persons, individuals to
20 serve on a mediation board to hear disputes, disagreements,
21 grievances, or complaints filed by a landlord or tenant. The
22 chief judge shall give preference to persons with a legal
23 background or knowledge of landlord and tenant law. Such
24 persons shall serve in a voluntary capacity and are not
25 employees of the district court, the county, or the state.

26 2. A complaint may be filed with the clerk of the district
27 court who shall refer such complaint to the mediation board
28 appointed pursuant to subsection 1. The clerk shall work with
29 the board and the parties to the dispute in setting a time for
30 a hearing before the board. The hearing shall be set as soon
31 as possible and the parties shall be afforded an opportunity
32 to appear and provide testimony to the board. After the
33 hearing, the board shall render a written decision within
34 thirty days and deliver that decision to the clerk of the
35 district court who shall send copies of such decision by

1 regular mail to the parties. Such decision is binding on the
2 parties unless either party files an action in the district
3 court for review of the board's decision.

4 EXPLANATION

5 This bill amends provisions of Iowa's landlord tenant law.
6 Section 1 redrafts the definition section and alphabetizes
7 existing definitions as well as adding a definition for "major
8 facility" with respect to bathrooms and kitchens. Section 2
9 provides that any interest earned on the tenant's deposit
10 after the first five years is the property of the tenant.
11 Section 3 requires the landlord to provide the tenant with a
12 copy of the landlord-tenant Act at the time the rental
13 agreement is entered into. Section 4 establishes a mandatory
14 mediation procedure and requires the chief judge of a judicial
15 district to appoint volunteers to serve on a mediation board.
16 The decision of the board is binding unless either party
17 brings an action in the district court to review the board's
18 decision.

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