

Senate Study Bill 348

Conference Committee Text

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1 1 Section 1. Section [562A.12](#), subsection 2, Code 1995, is
1 2 amended to read as follows:
1 3 2. All rental deposits shall be held by the landlord for
1 4 the tenant, who is a party to the agreement, in a bank,

~~or~~

1 5 savings and loan association, or credit union which is insured
1 6 by an agency of the federal government. Rental deposits shall
1 7 not be commingled with the personal funds of the landlord.
1 8 Notwithstanding the provisions of chapter 543B, all rental
1 9 deposits may be held in a trust account, which may be a common
1 10 trust account and which may be an interest bearing account.
1 11 Any interest earned on a rental deposit during the first five
1 12 years of a tenancy shall be the property of the landlord.
1 13 Rental deposits shall be held in an interest-bearing account
1 14 beginning with the sixth year of tenancy. Interest earned on
1 15 a rental deposit beginning the sixth year of tenancy shall be
1 16 the property of the tenant. For the purposes of this section,
1 17 "rental deposit" includes any interest owed the tenant under
1 18 this subsection.

1 19 Sec. 2. Section [562B.13](#), subsection 2, Code 1995, is
1 20 amended to read as follows:
1 21 2. All rental deposits shall be held by the landlord for
1 22 the tenant, who is a party to the agreement, in a bank,

~~credit~~

1 23

~~union or~~

- savings and loan association, or credit union which
1 24 is insured by an agency of the federal government. Rental
1 25 deposits shall not be commingled with the personal funds of
1 26 the landlord. All rental deposits may be held in a trust
1 27 account, which may be a common trust account and which may be
1 28 an interest bearing account. Any interest earned on a rental
1 29 deposit during the first five years of a tenancy shall be the
1 30 property of the landlord. Rental deposits shall be held in an
1 31 interest-bearing account beginning with the sixth year of
1 32 tenancy. Interest earned on a rental deposit beginning the
1 33 sixth year of tenancy shall be the property of the tenant.
1 34 For the purposes of this section, "rental deposit" includes
1 35 interest owed the tenant under this subsection.

EXPLANATION

2 1 This bill provides that rental deposits shall be held in
2 2 interest-bearing accounts starting with the sixth year of
2 3 tenancy and that the interest earned on a rental deposit
2 4 starting in the sixth year of tenancy shall be the property of
2 5 the tenant. The bill applies to both residential and mobile
2 6 home rental agreements.

2 8 LSB 2536SC 76

2 9 mk/jw/5