

FILED FEB 17 1998

COMMERCE

SENATE FILE 2247

BY McCOY

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to limits on prepaid rent.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2247

1 Section 1. Section 562A.12, subsection 1, Code 1997, is
2 amended to read as follows:

3 1. A landlord shall not demand or receive as a-security
4 rental deposit and prepaid rent an amount or value in excess
5 of two months' rent.

6 Sec. 2. Section 562A.21, subsection 4, Code 1997, is
7 amended to read as follows:

8 4. If the rental agreement is terminated, the landlord
9 shall return all prepaid rent and security the rental deposit
10 recoverable by the tenant under section 562A.12.

11 Sec. 3. Section 562A.22, subsection 1, paragraph a, Code
12 1997, is amended to read as follows:

13 a. Upon at least five days' written notice to the
14 landlord, terminate the rental agreement and upon termination
15 the landlord shall return all prepaid rent and security the
16 rental deposit; or

17 Sec. 4. Section 562A.25, subsection 2, Code 1997, is
18 amended to read as follows:

19 2. If the rental agreement is terminated, the landlord
20 shall return all prepaid rent and security the rental deposit
21 recoverable under section 562A.12. Accounting for rent in the
22 event of termination or apportionment is to occur as of the
23 date of the casualty.

24 Sec. 5. Section 562A.26, Code 1997, is amended to read as
25 follows:

26 562A.26 TENANT'S REMEDIES FOR LANDLORD'S UNLAWFUL OUSTER,
27 EXCLUSION, OR DIMINUTION OF SERVICE.

28 If the landlord unlawfully removes or excludes the tenant
29 from the premises or willfully diminishes services to the
30 tenant by interrupting or causing the interruption of
31 electric, gas, water or other essential service to the tenant,
32 the tenant may recover possession or terminate the rental
33 agreement and, in either case, recover the actual damages
34 sustained by the tenant and reasonable attorney's fees. If
35 the rental agreement is terminated, the landlord shall return

1 all prepaid rent and security the rental deposit.

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EXPLANATION

This bill limits the amount of prepaid rent a landlord under Code chapter 562A may demand to an amount or value not in excess of two months' rent. The bill makes conforming amendments by changing the term "security" to the term "rental deposit".