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COMMERCE, REGULATION & LABOR

HOUSE FILE

174

BY SHOULTZ

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to minimum energy efficiency standards for rental
2 units, authorizing an inspection fee, and including civil
3 penalties.

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

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HC-174

1 Section 1. NEW SECTION. 103A.8B RENTAL UNIT ENERGY
2 EFFICIENCY.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Dwelling unit" means a building or that part of a
6 building which is used as a home or residence.

7 b. "Energy conservation measure" means any measure which
8 increases the energy efficiency of a rental unit, including
9 the installation of caulking, weather stripping, insulation,
10 and storm windows.

11 c. "Inspector" means a person certified to conduct
12 inspections under subsection 2, paragraph "c".

13 d. "Owner" means a person having a legal or equitable
14 interest in a rental unit.

15 e. "Rental unit" means a rented dwelling unit. "Rental
16 unit" does not include any of the following:

17 (1) A building containing up to four dwelling units, one
18 of which is occupied by an owner.

19 (2) A building containing one or two dwelling units.

20 (3) A building where the dwelling units consist entirely
21 of condominiums.

22 f. "Thermal performance" means the gross heat loss from a
23 building.

24 g. "Transfer" means a conveyance of an ownership interest
25 in a rental unit by deed, land contract, or judgment, or
26 conveyance of an interest in a lease in excess of one year.

27 2. The commissioner shall do all of the following:

28 a. Adopt by rule a code of minimum energy efficiency
29 standards for the attics, sill boxes, heat and plumbing supply
30 systems in unheated crawl spaces, showerheads, furnaces,
31 boilers, air conditioners, appliances, lighting systems, and
32 storm windows and doors of rental units. The standards shall
33 include a standard that establishes a maximum air infiltration
34 rate of the thermal envelope, as defined by the commissioner.

35 At the request of an owner, the commissioner shall apply the

1 maximum air filtration rate standard in lieu of the standard
2 for storm windows and doors. The standards shall require
3 installation of specified energy conservation measures. The
4 present value benefits of each energy conservation measure, in
5 terms of saved energy over a five-year period after
6 installation, shall be more than the total present value cost
7 of installing the measures. The commissioner may adopt a
8 separate standard based on thermal performance.

9 b. Adopt by rule standards for inspections and
10 certifications under subsection 4.

11 c. Adopt rules for the certification, including provisions
12 for the suspension and revocation of certification, of
13 inspectors for the purpose of inspecting rental units subject
14 to the provisions of this section. The rules shall include a
15 maximum fee schedule for inspection and certification of
16 rental units by inspectors not employed by the commissioner.

17 d. Provide training, assistance, and information services
18 to any inspector or person seeking to be certified as an
19 inspector.

20 e. Review the rules adopted under this subsection at least
21 once every five years and determine whether new energy
22 conservation technologies meet the standards of this
23 subsection and whether the rules require the use of those
24 technologies.

25 f. Enforce compliance with the standards adopted pursuant
26 to this section.

27 3. The commissioner may do any of the following:

28 a. Incorporate nationally recognized energy efficiency
29 standards into the code of minimum energy efficiency standards
30 for rental units and vary such standards for any of the
31 following:

32 (1) Classes of energy use systems, including building
33 envelopes; heating, ventilating, and air-conditioning systems;
34 lighting systems; appliances; and other fixtures which consume
35 energy resources.

1 (2) Climatic regions.

2 b. Hold hearings on any matter relating to this section.

3 c. Enforce stipulations entered into pursuant to
4 subsection 4, paragraph "c".

5 4. a. Except as provided under paragraphs "b" and "c", an
6 owner shall not transfer a rental unit unless an inspector has
7 inspected the unit and has issued a certificate stating that
8 the unit satisfies applicable standards.

9 b. The commissioner or an inspector employed by the
10 political subdivision within which a rental unit which is
11 scheduled for demolition within two years is located may issue
12 a written waiver of the requirements of paragraph "a". The
13 waiver shall be conditioned on demolition of the rental unit
14 within two years of the date of the waiver. If demolition
15 does not take place within two years, the commissioner or the
16 political subdivision may do one of the following:

17 (1) Order demolition of the rental unit not sooner than
18 ninety days after the order.

19 (2) Withdraw any certificate of occupancy.

20 (3) Order energy conservation measures necessary to bring
21 the rental unit into compliance with applicable standards.

22 c. The transferee of a rental unit may present a
23 stipulation signed by the transferee and by the commissioner
24 or by the political subdivision within which the rental unit
25 is located stating that the transferee will bring the rental
26 unit into compliance with applicable standards not later than
27 one year after the date of the transfer of the rental unit.
28 The commissioner or the political subdivision shall keep a
29 copy of the stipulation and shall conduct an inspection of the
30 rental unit not later than one hundred eighty days after the
31 stipulated compliance date.

32 5. An owner of a rental unit may request that an inspector
33 inspect the owner's rental unit for the purpose of determining
34 whether to issue a certificate under subsection 4. If an
35 owner, after reasonable effort, is unable to procure an

1 inspection, the commissioner, within fourteen days after
2 receipt of a request by the owner, shall perform the
3 inspection and determine whether to issue a certificate. The
4 commissioner may establish a special fee for an inspection.
5 If an inspector or the commissioner determines not to issue a
6 certificate, the inspector or the commissioner shall specify
7 in writing the energy conservation measures necessary to make
8 the rental unit comply with applicable standards.

9 6. A deed or other document of transfer of real estate
10 which includes a rental unit shall not be recorded unless a
11 certificate, waiver, or stipulation required under subsection
12 4 accompanies the deed or other document.

13 7. On or before December 31 of each year, the commissioner
14 shall submit a report to the general assembly regarding the
15 requirements and impact of the requirements of this section.

16 8. A political subdivision shall not enforce a code of
17 minimum energy efficiency standards for rental units different
18 from the standards adopted under this section unless the code
19 of the political subdivision is at least as restrictive as the
20 requirements of this section.

21 9. a. An inspector falsifying a certificate issued
22 pursuant to subsection 4 shall have the inspector
23 certification revoked and shall be subject to a civil penalty
24 of not more than five hundred dollars per rental unit for
25 which the fraudulent certificate has been issued.

26 b. A person who offers documents evidencing a transfer of
27 ownership of property for recordation and who, with intent to
28 evade the requirements of this section, falsely states that
29 the property involved does not include a rental unit shall be
30 subject to a civil penalty of not more than five hundred
31 dollars per dwelling unit in the rental unit being
32 transferred.

33 c. A person who fails to comply with the requirements of a
34 waiver issued under subsection 4 shall be subject to a civil
35 penalty of not more than five hundred dollars per dwelling

1 unit in the rental unit for which the waiver is issued.

2 d. A person who fails to comply with the requirements of a
3 stipulation under subsection 4 shall be subject to a civil
4 penalty of not more than five hundred dollars per dwelling
5 unit in the rental unit for which a stipulation was signed.

6 EXPLANATION

7 This bill relates to minimum energy efficiency standards
8 for rental units.

9 The bill requires the state building code commissioner to
10 adopt by rule a code of minimum energy efficiency standards
11 for the attics, sill boxes, heat and plumbing supply systems
12 in unheated crawl spaces, showerheads, furnaces, boilers, air
13 conditioners, appliances, lighting systems, and storm windows
14 and doors of rental units. The bill requires that the rules
15 include a standard that establishes a maximum air infiltration
16 rate of the thermal envelope, as defined by the commissioner.
17 The bill provides that, at the request of an owner, the
18 commissioner shall apply the maximum air filtration rate
19 standard in lieu of the standard for storm windows and doors.
20 The bill requires the installation of specified energy
21 conservation measures. The bill requires that the present
22 value benefits of each energy measure, in terms of saved
23 energy over a five-year period after installation, shall be
24 more than the total present value cost of installing the
25 measures. The bill allows the commissioner to adopt a
26 separate standard based on thermal performance.

27 The bill requires the commissioner to adopt rules for the
28 certification, including provisions for the suspension and
29 revocation of certification, of inspectors for the purpose of
30 inspecting rental units subject to the minimum energy
31 efficiency standards for rental units. The bill requires the
32 commissioner to provide training, assistance, and information
33 services to any inspector or person seeking to be certified as
34 an inspector.

35 The bill requires the commissioner to review the minimum

1 energy efficiency standards at least once every five years and
2 determine whether new energy conservation technologies meet
3 the standards and whether the rules require the use of those
4 technologies.

5 The bill allows the commissioner to incorporate nationally
6 recognized energy efficiency standards, hold hearings on any
7 matter relating to minimum energy efficiency standards, and
8 enforce stipulations.

9 Unless a waiver or stipulation is granted, the bill
10 prohibits an owner from transferring a rental unit unless an
11 inspector has inspected the unit and has issued a certificate
12 stating that the unit satisfies applicable standards. The
13 bill allows the commissioner or an inspector employed by the
14 political subdivision within which a rental unit which is
15 scheduled for demolition within two years is located to issue
16 a written waiver of the certification requirements. The bill
17 provides that the waiver shall be conditioned on demolition of
18 the rental unit within two years of the date of the waiver.
19 The bill allows a transferee of a rental unit to present a
20 stipulation signed by the transferee and by the commissioner
21 or by the political subdivision within which the rental unit
22 is located stating that the transferee of the rental unit will
23 bring the rental unit into compliance with applicable
24 standards not later than one year after the date of the
25 transfer of the rental unit.

26 The bill provides that an owner of a rental unit may
27 request that an inspector inspect the owner's rental unit for
28 the purpose of determining whether to issue a certificate.
29 The bill provides that if an owner, after reasonable effort,
30 is unable to procure an inspection, the commissioner, within
31 14 days after receipt of a request by the owner, shall perform
32 the inspection and determine whether to issue a certificate.
33 The bill allows the commissioner to establish a special fee
34 for an inspection.

35 The bill provides that a deed or other document of transfer

1 of real estate which includes a rental unit shall not be
2 recorded unless a certificate, waiver, or stipulation
3 accompanies the deed or other document.

4 The bill provides that, on or before December 31 of each
5 year, the commissioner shall submit a report to the general
6 assembly regarding the minimum energy efficiency standards
7 requirements and impact of the requirements.

8 The bill prohibits a political subdivision from enforcing a
9 code of minimum energy efficiency standards for rental units
10 different from the standards required by the commissioner
11 unless the code is at least as restrictive as the
12 commissioner's requirements.

13 The bill provides that a number of types of violations
14 shall be subject to civil penalties of not more than \$500 per
15 dwelling unit or rental unit, depending on the type of
16 violation. The violations include an inspector falsifying a
17 certificate, a person offering documents evidencing a transfer
18 of ownership for recordation when the person does so with
19 intent to evade the requirements of this bill and falsely
20 states that the property involved does not include a rental
21 unit, a person failing to comply with the requirements of a
22 waiver, and a person failing to comply with the requirements
23 of a stipulation.

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