

MAR 22 2006
Place On Calendar

HOUSE FILE 2765
BY COMMITTEE ON GOVERNMENT
OVERSIGHT

(SUCCESSOR TO HSB 772)

Passed House, Date 4-24-06 Passed Senate, Date 5/3/06
Vote: Ayes 96 Nays 0 Vote: Ayes 49 Nays 0
Approved 5/30/06

A BILL FOR

1 An Act concerning the military division of the department of
2 public defense.

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

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HF 2765

1 Section 1. Section 29A.99, Code 2005, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 29A.99 MAXIMUM RATE OF INTEREST.

5 1. An obligation or liability bearing interest at a rate
6 in excess of six percent per year that is incurred by a
7 service member either individually or jointly with the service
8 member's spouse before the service member enters military
9 service shall not bear interest at a rate in excess of six
10 percent per year during the service member's period of
11 military service. Interest that would otherwise be incurred
12 but for the prohibition in this section is forgiven. The
13 amount of any periodic payment due from a service member under
14 the terms of the instrument that created an obligation or
15 liability covered by this section shall be reduced by the
16 amount of the interest forgiven under this section that is
17 allocable to the period for which such payment is made.

18 2. In order for an obligation or liability of a service
19 member to be subject to the interest rate limitation in this
20 section, the service member shall provide to the creditor
21 written notice and a copy of the military orders calling the
22 service member to military service and any orders further
23 extending military service, not later than one hundred eighty
24 days after the date of the service member's termination or
25 release from military service. Upon receipt of written notice
26 and a copy of orders calling a service member to military
27 service, the creditor shall treat the debt in accordance with
28 this section, effective as of the date on which the service
29 member is called to military service.

30 3. A court may grant a creditor relief from the
31 limitations of this section if, in the opinion of the court,
32 the ability of the service member to pay interest upon the
33 obligation or liability at a rate in excess of six percent per
34 year is not materially affected by reason of the service
35 member's military service.

1 4. As used in this section, the term "interest" includes
2 service charges, renewal charges, fees, or any other charges,
3 except for bona fide insurance, with respect to an obligation
4 or liability.

5 Sec. 2. Section 29A.101A, Code 2005, is amended by
6 striking the section and inserting in lieu thereof the
7 following:

8 29A.101A TERMINATION OF LEASE BY SERVICE MEMBER --
9 PENALTY.

10 1. For purposes of this section, unless the context
11 otherwise requires:

12 a. "Premises lease" means a lease of premises occupied, or
13 intended to be occupied, by a service member or a service
14 member's dependents for a residential, professional, business,
15 agricultural, or similar purpose if either of the following
16 applies:

17 (1) The lease is executed by or on behalf of a person who
18 thereafter and during the term of the lease enters military
19 service.

20 (2) The service member, while in military service,
21 executes the lease and thereafter receives military orders for
22 a permanent change of station or to deploy with a military
23 unit, or as an individual in support of a military operation,
24 for a period of not less than ninety days.

25 b. "Vehicle lease" means a lease of a motor vehicle used,
26 or intended to be used, by a service member or a service
27 member's dependents for personal or business transportation if
28 either of the following applies:

29 (1) The lease is executed by or on behalf of a person who
30 thereafter and during the term of the lease enters military
31 service under a call or order specifying a period of service
32 of not less than ninety days, or who enters military service
33 under a call or order specifying a period of ninety days of
34 service or less and who, without a break in service, receives
35 orders extending the period of military service to a period of

1 not less than ninety days.

2 (2) The service member, while in military service,
3 executes the lease and thereafter receives military orders to
4 deploy with a military unit, or as an individual in support of
5 a military operation, for a period of not less than ninety
6 days.

7 2. A service member may terminate a premises lease or
8 vehicle lease pursuant to the requirements of this section.
9 Termination of a premises lease or vehicle lease shall be made
10 as follows:

11 a. By delivery by the lessee of written notice of such
12 termination, and a copy of the service member's military
13 orders, to the lessor or the lessor's grantee, or to the
14 lessor's agent or the agent's grantee. A lessee's termination
15 of a lease pursuant to this subsection shall terminate any
16 obligation a dependent of the lessee may have under the lease.
17 For purposes of this paragraph, written notice may be
18 accomplished by hand delivery, by private business carrier, or
19 by placing the written notice in an envelope with sufficient
20 postage and with return receipt requested, and addressed as
21 designated by the lessor or the lessor's grantee or to the
22 lessor's agent or the agent's grantee, and depositing the
23 written notice in the United States mail.

24 b. In the case of a vehicle lease, by return of the motor
25 vehicle by the lessee to the lessor or the lessor's grantee,
26 or to the lessor's agent or the agent's grantee, not later
27 than fifteen days after the date of the delivery of written
28 notice under paragraph "a". A lessee's termination of a lease
29 pursuant to this subsection shall terminate any obligation a
30 dependent of the lessee may have under the lease.

31 3. In the case of a premises lease that provides for
32 monthly payment of rent, termination of the lease is effective
33 thirty days after the first date on which the next rental
34 payment is due and payable after the date on which the notice
35 is delivered. In the case of any other premises lease,

1 termination of the lease is effective on the last day of the
2 month following the month in which the notice is delivered.

3 4. In the case of a vehicle lease, termination of the
4 lease is effective on the day on which the vehicle is
5 delivered to the lessor or the lessor's grantee.

6 5. Rents or lease amounts unpaid for the period preceding
7 the effective date of the lease termination shall be paid on a
8 prorated basis. In the case of a vehicle lease, the lessor
9 may not impose an early termination charge, but any taxes,
10 summonses, and title and registration fees and any other
11 obligation and liability of the lessee in accordance with the
12 terms of the lease, including reasonable charges to the lessee
13 for excess wear, use, and mileage, that are due and unpaid at
14 the time of termination of the lease shall be paid by the
15 lessee.

16 6. Rents or lease amounts paid in advance for a period
17 after the effective date of the termination of the lease shall
18 be refunded to the lessee by the lessor or the lessor's
19 assignee or the assignee's agent within thirty days of the
20 effective date of the termination of the lease.

21 7. Upon application by the lessor to a court before the
22 termination date provided in the written notice, relief
23 granted by this section to a service member may be modified as
24 justice and equity require.

25 8. a. Any person who knowingly seizes, holds, or detains
26 the personal effects, security deposit, or other property of a
27 service member or a service member's dependent who lawfully
28 terminates a lease covered by this section, or who knowingly
29 interferes with the removal of such property from premises
30 covered by such lease, for the purpose of subjecting or
31 attempting to subject any of such property to a claim for rent
32 accruing subsequent to the date of termination of such lease,
33 or attempts to do so, commits a simple misdemeanor.

34 b. The remedy and rights provided under this section are
35 in addition to and do not preclude any remedy for wrongful

1 conversion otherwise available under law to the person
2 claiming relief under this section.

3 EXPLANATION

4 The Iowa national guard civil relief provisions of Code
5 chapter 29A are amended by the bill. Code section 29A.99,
6 regarding the maximum rate of interest that may be charged on
7 preservice obligations, is rewritten by the bill. The bill
8 provides that the interest protection provided by the section
9 applies to joint obligations of a service member and the
10 service member's spouse and that any interest over 6 percent
11 is forgiven.

12 Code section 29A.101A, regarding termination of preservice
13 leases, is also rewritten by the bill. The rewritten section
14 provides that the lease termination provisions currently
15 applicable to real property leases also apply to motor vehicle
16 leases. The section sets out the notice and termination
17 requirements for each type of lease and provides that for
18 vehicle leases, the vehicle must be returned. The current
19 simple misdemeanor penalty for interference with a service
20 member or dependent in the exercise of rights under the
21 section is retained in the rewritten section.

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HOUSE FILE 2765

H-8411

1 Amend House File 2765 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 29A.57, subsection 3,
5 paragraph d, Code 2005, is amended to read as follows:

6 d. Grant a temporary or permanent easement with or
7 without monetary consideration for utility, ~~or~~ public
8 highway, or other purposes if granting the easement
9 will not adversely affect use of the real estate for
10 military purposes."

11 2. Page 5, by inserting after line 2 the
12 following:

13 "Sec. ____ . Section 29A.102, subsection 1, Code
14 2005, is amended to read as follows:

15 1. The creditor of a service member who, prior to
16 entry into military service, has entered into an
17 installment contract for the purchase or lease of real
18 or personal property, including a motor vehicle, shall
19 not terminate the contract or repossess the property
20 for nonpayment or for any breach occurring during
21 military service without an order from a court of
22 competent jurisdiction."

23 3. By renumbering as necessary.

By ALONS of Sioux

H-8411 FILED MARCH 28, 2006

HOUSE FILE 2765
BY COMMITTEE ON GOVERNMENT
OVERSIGHT

(SUCCESSOR TO HSB 772)

(As Amended and Passed by the House April 24, 2006)

Passed House, Date _____ Passed Senate, Date 5-3-06
Vote: Ayes _____ Nays _____ Vote: Ayes 49 Nays 0
Approved _____

A BILL FOR

1 An Act concerning the military division of the department of
2 public defense.

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

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House Amendments _____

1 Section 1. Section 29A.57, subsection 3, paragraph d, Code
2 2005, is amended to read as follows:

3 d. Grant a temporary or permanent easement with or without
4 monetary consideration for utility, or public highway, or
5 other purposes if granting the easement will not adversely
6 affect use of the real estate for military purposes.

7 Sec. 2. Section 29A.99, Code 2005, is amended by striking
8 the section and inserting in lieu thereof the following:

9 29A.99 MAXIMUM RATE OF INTEREST.

10 1. An obligation or liability bearing interest at a rate
11 in excess of six percent per year that is incurred by a
12 service member either individually or jointly with the service
13 member's spouse before the service member enters military
14 service shall not bear interest at a rate in excess of six
15 percent per year during the service member's period of
16 military service. Interest that would otherwise be incurred
17 but for the prohibition in this section is forgiven. The
18 amount of any periodic payment due from a service member under
19 the terms of the instrument that created an obligation or
20 liability covered by this section shall be reduced by the
21 amount of the interest forgiven under this section that is
22 allocable to the period for which such payment is made.

23 2. In order for an obligation or liability of a service
24 member to be subject to the interest rate limitation in this
25 section, the service member shall provide to the creditor
26 written notice and a copy of the military orders calling the
27 service member to military service and any orders further
28 extending military service, not later than one hundred eighty
29 days after the date of the service member's termination or
30 release from military service. Upon receipt of written notice
31 and a copy of orders calling a service member to military
32 service, the creditor shall treat the debt in accordance with
33 this section, effective as of the date on which the service
34 member is called to military service.

35 3. A court may grant a creditor relief from the

1 limitations of this section if, in the opinion of the court,
2 the ability of the service member to pay interest upon the
3 obligation or liability at a rate in excess of six percent per
4 year is not materially affected by reason of the service
5 member's military service.

6 4. As used in this section, the term "interest" includes
7 service charges, renewal charges, fees, or any other charges,
8 except for bona fide insurance, with respect to an obligation
9 or liability.

10 Sec. 3. Section 29A.101A, Code 2005, is amended by
11 striking the section and inserting in lieu thereof the
12 following:

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18 intended to be occupied, by a service member or a service
19 member's dependents for a residential, professional, business,
20 agricultural, or similar purpose if either of the following
21 applies:

22 (1) The lease is executed by or on behalf of a person who
23 thereafter and during the term of the lease enters military
24 service.

25 (2) The service member, while in military service,
26 executes the lease and thereafter receives military orders for
27 a permanent change of station or to deploy with a military
28 unit, or as an individual in support of a military operation,
29 for a period of not less than ninety days.

30 b. "Vehicle lease" means a lease of a motor vehicle used,
31 or intended to be used, by a service member or a service
32 member's dependents for personal or business transportation if
33 either of the following applies:

34 (1) The lease is executed by or on behalf of a person who
35 thereafter and during the term of the lease enters military

1 service under a call or order specifying a period of service
2 of not less than ninety days, or who enters military service
3 under a call or order specifying a period of ninety days of
4 service or less and who, without a break in service, receives
5 orders extending the period of military service to a period of
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13 vehicle lease pursuant to the requirements of this section.
14 Termination of a premises lease or vehicle lease shall be made
15 as follows:

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17 termination, and a copy of the service member's military
18 orders, to the lessor or the lessor's grantee, or to the
19 lessor's agent or the agent's grantee. A lessee's termination
20 of a lease pursuant to this subsection shall terminate any
21 obligation a dependent of the lessee may have under the lease.
22 For purposes of this paragraph, written notice may be
23 accomplished by hand delivery, by private business carrier, or
24 by placing the written notice in an envelope with sufficient
25 postage and with return receipt requested, and addressed as
26 designated by the lessor or the lessor's grantee or to the
27 lessor's agent or the agent's grantee, and depositing the
28 written notice in the United States mail.

29 b. In the case of a vehicle lease, by return of the motor
30 vehicle by the lessee to the lessor or the lessor's grantee,
31 or to the lessor's agent or the agent's grantee, not later
32 than fifteen days after the date of the delivery of written
33 notice under paragraph "a". A lessee's termination of a lease
34 pursuant to this subsection shall terminate any obligation a
35 dependent of the lessee may have under the lease.

1 3. In the case of a premises lease that provides for
2 monthly payment of rent, termination of the lease is effective
3 thirty days after the first date on which the next rental
4 payment is due and payable after the date on which the notice
5 is delivered. In the case of any other premises lease,
6 termination of the lease is effective on the last day of the
7 month following the month in which the notice is delivered.

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17 terms of the lease, including reasonable charges to the lessee
18 for excess wear, use, and mileage, that are due and unpaid at
19 the time of termination of the lease shall be paid by the
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21 6. Rents or lease amounts paid in advance for a period
22 after the effective date of the termination of the lease shall
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24 assignee or the assignee's agent within thirty days of the
25 effective date of the termination of the lease.

26 7. Upon application by the lessor to a court before the
27 termination date provided in the written notice, relief
28 granted by this section to a service member may be modified as
29 justice and equity require.

30 8. a. Any person who knowingly seizes, holds, or detains
31 the personal effects, security deposit, or other property of a
32 service member or a service member's dependent who lawfully
33 terminates a lease covered by this section, or who knowingly
34 interferes with the removal of such property from premises
35 covered by such lease, for the purpose of subjecting or

1 attempting to subject any of such property to a claim for rent
2 accruing subsequent to the date of termination of such lease,
3 or attempts to do so, commits a simple misdemeanor.

4 b. The remedy and rights provided under this section are
5 in addition to and do not preclude any remedy for wrongful
6 conversion otherwise available under law to the person
7 claiming relief under this section.

8 Sec. 4. Section 29A.102, subsection 1, Code 2005, is
9 amended to read as follows:

10 1. The creditor of a service member who, prior to entry
11 into military service, has entered into an installment
12 contract for the purchase or lease of real or personal
13 property, including a motor vehicle, shall not terminate the
14 contract or repossess the property for nonpayment or for any
15 breach occurring during military service without an order from
16 a court of competent jurisdiction.

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HSB 772

OVERSIGHT

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
GOVERNMENT OVERSIGHT BILL
BY CHAIRPERSON ALONS)

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

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

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HOUSE FILE 2765

AN ACT

CONCERNING THE MILITARY DIVISION OF THE DEPARTMENT OF PUBLIC DEFENSE.

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

Section 1. Section 29A.57, subsection 3, paragraph d, Code 2005, is amended to read as follows:

d. Grant a temporary or permanent easement with or without monetary consideration for utility, or public highway, or other purposes if granting the easement will not adversely affect use of the real estate for military purposes.

Sec. 2. Section 29A.99, Code 2005, is amended by striking the section and inserting in lieu thereof the following:

29A.99 MAXIMUM RATE OF INTEREST.

1. An obligation or liability bearing interest at a rate in excess of six percent per year that is incurred by a service member either individually or jointly with the service member's spouse before the service member enters military

service shall not bear interest at a rate in excess of six percent per year during the service member's period of military service. Interest that would otherwise be incurred but for the prohibition in this section is forgiven. The amount of any periodic payment due from a service member under the terms of the instrument that created an obligation or liability covered by this section shall be reduced by the amount of the interest forgiven under this section that is allocable to the period for which such payment is made.

2. In order for an obligation or liability of a service member to be subject to the interest rate limitation in this section, the service member shall provide to the creditor written notice and a copy of the military orders calling the service member to military service and any orders further extending military service, not later than one hundred eighty days after the date of the service member's termination or release from military service. Upon receipt of written notice and a copy of orders calling a service member to military service, the creditor shall treat the debt in accordance with this section, effective as of the date on which the service member is called to military service.

3. A court may grant a creditor relief from the limitations of this section if, in the opinion of the court, the ability of the service member to pay interest upon the obligation or liability at a rate in excess of six percent per year is not materially affected by reason of the service member's military service.

4. As used in this section, the term "interest" includes service charges, renewal charges, fees, or any other charges, except for bona fide insurance, with respect to an obligation or liability.

Sec. 3. Section 29A.101A, Code 2005, is amended by striking the section and inserting in lieu thereof the following:

29A.101A TERMINATION OF LEASE BY SERVICE MEMBER --
PENALTY.

1. For purposes of this section, unless the context otherwise requires:

a. "Premises lease" means a lease of premises occupied, or intended to be occupied, by a service member or a service member's dependents for a residential, professional, business, agricultural, or similar purpose if either of the following applies:

(1) The lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service.

(2) The service member, while in military service, executes the lease and thereafter receives military orders for a permanent change of station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than ninety days.

b. "Vehicle lease" means a lease of a motor vehicle used, or intended to be used, by a service member or a service member's dependents for personal or business transportation if either of the following applies:

(1) The lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service under a call or order specifying a period of service of not less than ninety days, or who enters military service under a call or order specifying a period of ninety days of service or less and who, without a break in service, receives orders extending the period of military service to a period of not less than ninety days.

(2) The service member, while in military service, executes the lease and thereafter receives military orders to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than ninety days.

2. A service member may terminate a premises lease or vehicle lease pursuant to the requirements of this section. Termination of a premises lease or vehicle lease shall be made as follows:

a. By delivery by the lessee of written notice of such termination, and a copy of the service member's military orders, to the lessor or the lessor's grantee, or to the lessor's agent or the agent's grantee. A lessee's termination of a lease pursuant to this subsection shall terminate any obligation a dependent of the lessee may have under the lease. For purposes of this paragraph, written notice may be accomplished by hand delivery, by private business carrier, or by placing the written notice in an envelope with sufficient postage and with return receipt requested, and addressed as designated by the lessor or the lessor's grantee or to the lessor's agent or the agent's grantee, and depositing the written notice in the United States mail.

b. In the case of a vehicle lease, by return of the motor vehicle by the lessee to the lessor or the lessor's grantee, or to the lessor's agent or the agent's grantee, not later than fifteen days after the date of the delivery of written notice under paragraph "a". A lessee's termination of a lease pursuant to this subsection shall terminate any obligation a dependent of the lessee may have under the lease.

3. In the case of a premises lease that provides for monthly payment of rent, termination of the lease is effective thirty days after the first date on which the next rental payment is due and payable after the date on which the notice is delivered. In the case of any other premises lease, termination of the lease is effective on the last day of the month following the month in which the notice is delivered.

4. In the case of a vehicle lease, termination of the lease is effective on the day on which the vehicle is delivered to the lessor or the lessor's grantee.

5. Rents or lease amounts unpaid for the period preceding the effective date of the lease termination shall be paid on a prorated basis. In the case of a vehicle lease, the lessor may not impose an early termination charge, but any taxes, summonses, and title and registration fees and any other obligation and liability of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, use, and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

6. Rents or lease amounts paid in advance for a period after the effective date of the termination of the lease shall be refunded to the lessee by the lessor or the lessor's assignee or the assignee's agent within thirty days of the effective date of the termination of the lease.

7. Upon application by the lessor to a court before the termination date provided in the written notice, relief granted by this section to a service member may be modified as justice and equity require.

8. a. Any person who knowingly seizes, holds, or detains the personal effects, security deposit, or other property of a service member or a service member's dependent who lawfully terminates a lease covered by this section, or who knowingly interferes with the removal of such property from premises covered by such lease, for the purpose of subjecting or attempting to subject any of such property to a claim for rent accruing subsequent to the date of termination of such lease, or attempts to do so, commits a simple misdemeanor.

b. The remedy and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section.

Sec. 4. Section 29A.102, subsection 1, Code 2005, is amended to read as follows:

1. The creditor of a service member who, prior to entry into military service, has entered into an installment contract for the purchase or lease of real or personal property, including a motor vehicle, shall not terminate the contract or repossess the property for nonpayment or for any breach occurring during military service without an order from a court of competent jurisdiction.

CHRISTOPHER C. RANTS
Speaker of the House

JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2765, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved May 30, 2006

THOMAS J. VILSACK
Governor