

House File 423 - Introduced

HOUSE FILE _____
BY BELL

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

A BILL FOR

1 An Act relating to landlord and tenant law by modifying
2 requirements related to rental deposits, providing for the
3 establishment of a landlord=tenant relations review board, and
4 requiring certain premises to have an on=site manager.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2386HH 83
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1 1 Section 1. Section 543B.8, Code 2009, is amended by adding
1 2 the following new unnumbered paragraph:
1 3 NEW UNNUMBERED PARAGRAPH. A landlord=tenant relations
1 4 review board is established in the department of commerce
1 5 within the real estate commission. The landlord=tenant
1 6 relations review board shall carry out duties specified in
1 7 sections 562A.12A and 562A.35A. The commission shall provide
1 8 staff assistance and administrative support to the
1 9 landlord=tenant relations review board.

1 10 Sec. 2. Section 562A.12, subsection 3, unnumbered
1 11 paragraph 1, Code 2009, is amended to read as follows:
1 12 A landlord shall, within thirty days from the date of
1 13 termination of the tenancy and receipt of the tenant's mailing
1 14 address or delivery instructions, return the rental deposit to
1 15 the tenant or furnish to the tenant a written statement
1 16 showing the specific reason for withholding of the rental
1 17 deposit or any portion thereof. If the rental deposit or any
1 18 portion of the rental deposit is withheld for the restoration
1 19 of the dwelling unit, the statement shall specify the nature
1 20 of the damages. In addition to a written statement of the
1 21 reasons for withholding a rental deposit, the landlord shall
1 22 provide photographic documentation of any damage described in
1 23 the written statement and provide copies of all documentation
1 24 related to any inspection conducted following termination of
1 25 the tenancy. The landlord may withhold from the rental
1 26 deposit only such amounts as are reasonably necessary for the
1 27 following reasons:

1 28 Sec. 3. Section 562A.12, subsection 3, unnumbered
1 29 paragraph 2, Code 2009, is amended to read as follows:
1 30 In ~~an~~ a court action, or in a proceeding pursuant to
1 31 section 562A.35A, subsection 5, concerning the rental deposit,
1 32 the burden of proving, by a preponderance of the evidence, the
1 33 reason for withholding all or any portion of the rental
1 34 deposit shall be on the landlord.

1 35 Sec. 4. NEW SECTION. 562A.12A LANDLORD RENTAL DEPOSIT
2 1 REPORTS.

2 2 The landlord of a premises having twenty=five or more
2 3 rental dwelling units shall file an annual landlord rental
2 4 deposit report for the previous calendar year with the
2 5 landlord=tenant relations review board on or before February
2 6 1. Each report shall provide the reasons for each rental
2 7 deposit, or portion thereof, withheld by the landlord, the
2 8 original rental deposit amount, and the amount withheld. The
2 9 real estate commission, in consultation with the
2 10 landlord=tenant relations review board, shall prescribe a
2 11 standardized form for reports required under this section.

2 12 Sec. 5. Section 562A.13, Code 2009, is amended by adding
2 13 the following new subsection:

2 14 NEW SUBSECTION. 7. The landlord or a person authorized to
2 15 enter into a rental agreement on behalf of the landlord shall
2 16 provide to the tenant at or before the commencement of the
2 17 tenancy all of the following:

2 18 a. A written statement of all damage to the dwelling unit

2 19 caused by the previous tenant.
2 20 b. Photographs of the dwelling unit taken during the
2 21 inspection conducted at the expiration of the previous
2 22 tenancy.
2 23 c. A written statement of all restoration or repairs made
2 24 following the expiration of the previous tenancy.
2 25 Sec. 6. Section 562A.15, Code 2009, is amended by adding
2 26 the following new subsection:
2 27 NEW SUBSECTION. 5. The landlord of a premises having
2 28 twenty-five or more rental dwelling units is required to
2 29 employ an on-site manager. The on-site manager may either
2 30 reside on the premises or operate an office on the premises
2 31 during normal business hours. A landlord may serve as an
2 32 on-site manager.
2 33 Sec. 7. NEW SECTION. 562A.35A LANDLORD-TENANT RELATIONS
2 34 REVIEW BOARD.
2 35 1. The landlord-tenant relations review board is
3 1 established in the department of commerce within the real
3 2 estate commission. The landlord-tenant relations review board
3 3 shall consist of three members. Members of the board shall be
3 4 appointed to four-year staggered terms by the governor.
3 5 2. a. A vacancy on the board shall be filled in the same
3 6 manner as the original appointment. A member appointed to
3 7 fill a vacancy created other than by expiration of a term
3 8 shall be appointed for the remainder of the unexpired term.
3 9 b. A majority of the members of the board constitutes a
3 10 quorum. Any action taken by the board must be adopted by the
3 11 affirmative vote of a majority of its membership.
3 12 c. The board shall elect a chairperson from the membership
3 13 of the board. The chairperson shall serve a two-year term.
3 14 d. Board members shall be reimbursed for actual and
3 15 necessary expenses incurred while engaged in their official
3 16 duties.
3 17 3. The real estate commission shall provide staff
3 18 assistance and administrative support to the board.
3 19 4. The duties of the board shall include all of the
3 20 following:
3 21 a. Adopt and publish guidelines that estimate common
3 22 restoration and replacement costs to landlords following
3 23 termination of a tenancy.
3 24 b. Propose rules, for approval by the real estate
3 25 commission and adoption by the commission pursuant to chapter
3 26 17A, describing the reporting requirements for landlords
3 27 pursuant to section 562A.12A.
3 28 c. Hear and decide voluntary informal dispute resolution
3 29 proceedings pursuant to subsection 5.
3 30 d. Receive and index rental deposit complaints against
3 31 landlords from current and former tenants.
3 32 e. Compile and make available an annual report consisting
3 33 of all landlord rental deposit reports received pursuant to
3 34 section 562A.12A, a summary of the board's informal dispute
3 35 resolution proceedings, and an index of all landlord rental
4 1 deposit complaints received from tenants.
4 2 5. a. The board shall preside over voluntary informal
4 3 dispute resolution proceedings between tenants and landlords
4 4 relating to the withholding of rental deposits under section
4 5 562A.12, subsection 3, paragraph "b".
4 6 b. An application for voluntary informal dispute
4 7 resolution must be voluntarily signed and submitted by both
4 8 parties. The board shall determine a time and place for the
4 9 proceeding and provide written notice of the proceeding to the
4 10 parties.
4 11 c. The board shall adopt procedures to govern proceedings
4 12 under this subsection. The procedures shall be provided to
4 13 the parties in writing and shall accompany the notice of the
4 14 proceeding.
4 15 d. The rules of evidence shall not apply to a proceeding
4 16 under this subsection. The board shall review any relevant
4 17 evidence provided by the parties and the rental agreement
4 18 governing the tenancy.
4 19 e. The burden of proving, by a preponderance of the
4 20 evidence, the reason for withholding all or any portion of the
4 21 rental deposit shall be on the landlord.
4 22 f. The board shall issue a decision in the dispute no
4 23 later than ten days after completion of the proceeding. The
4 24 board's decision is binding on the landlord and tenant if both
4 25 parties have voluntarily participated in the proceeding. A
4 26 decision of the board shall preclude other remedies available
4 27 to the parties relating to the withholding of the rental
4 28 deposit under section 562A.12, subsection 3, paragraph "b".
4 29 However, a board decision may be enforced by a civil action in

4 30 district court, and damages and attorney fees specified in
4 31 section 562A.12, subsections 7 and 8, may be awarded by the
4 32 court.

4 33 g. Section 562A.12, subsections 7 and 8, relating to
4 34 punitive damages and attorney fees, shall not apply to
4 35 voluntary informal dispute resolution proceedings under this
5 1 subsection.

5 2 6. No member of the board may be held liable for civil
5 3 damages for any statement or decision made pertaining to a
5 4 dispute resolution proceeding under this section.

5 5 7. The real estate commission, in consultation with the
5 6 board, shall adopt rules pursuant to chapter 17A for carrying
5 7 out the duties of the board pursuant to this section.

5 8 8. The board shall, except for actions taken in relation
5 9 to proceedings under subsection 5, comply with the
5 10 requirements of chapters 21 and 22. The real estate
5 11 commission shall be the official repository of board records.

5 12 EXPLANATION

5 13 This bill makes changes to Iowa's uniform residential
5 14 landlord and tenant law. The bill requires that in addition
5 15 to a written statement of the reasons for withholding a rental
5 16 deposit, a landlord must provide photographic documentation of
5 17 any damage described in the written statement and provide
5 18 copies of all documentation related to any inspection
5 19 conducted following termination of the tenancy. The bill also
5 20 requires a landlord to provide a new tenant with information
5 21 about, and photographs of, the damage caused by the previous
5 22 tenant, including any repairs made by the landlord.

5 23 The bill also creates a landlord-tenant relations review
5 24 board. The board consists of three members appointed by the
5 25 governor. The bill directs the real estate commission, within
5 26 the department of commerce, to provide staff assistance and
5 27 administrative support to the board.

5 28 Under the bill, the board is responsible for adopting
5 29 guidelines that estimate common restoration and repair costs
5 30 to landlords, adopting requirements for the landlord rental
5 31 deposit reports required under the bill, deciding informal
5 32 dispute resolution proceedings relating to rental deposits,
5 33 indexing rental deposit complaints against landlords, and
5 34 preparing an annual report of the board's actions.

5 35 The bill provides that the board shall preside over
6 1 voluntary informal dispute resolution proceedings between
6 2 tenants and landlords relating to the withholding of a rental
6 3 deposit for the restoration or repair of a dwelling unit. The
6 4 bill also provides that a decision of the board precludes
6 5 other available remedies relating to the withholding of a
6 6 rental deposit for the restoration or repair of the dwelling
6 7 unit. However, the bill allows a party to enforce a board
6 8 decision by a civil action in district court.

6 9 The bill requires each landlord of a premises having 25 or
6 10 more rental dwelling units to file an annual landlord rental
6 11 deposit report describing each rental deposit withheld by the
6 12 landlord and the reasons for the withholding.

6 13 The bill also requires a landlord of a premises having 25
6 14 or more dwelling units to employ an on-site manager. If a
6 15 landlord fails to comply with the bill's on-site manager
6 16 requirement, the landlord may be subject to tenant remedies
6 17 provided in Code section 562A.21.

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