House Study Bill 605 - Introduced

HOUSE FILE _____ BY (PROPOSED COMMITTEE ON JUDICIARY BILL BY CHAIRPERSON ANDERSON)

A BILL FOR

An Act relating to the uniform residential landlord and tenant
 Act and related forcible entry and detainer actions.
 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 535.2, subsection 7, Code Supplement 2 2011, is amended to read as follows:

7. This section does not apply to a charge imposed for late
4 payment of rent. However, in the case of a residential lease,
5 a late payment fee shall not exceed ten dollars a day or forty
6 dollars per month.

7 Sec. 2. Section 562A.4, Code 2011, is amended by adding the 8 following new subsection:

9 <u>NEW SUBSECTION</u>. 3. The court may, in any action on a rental 10 agreement, award reasonable attorney fees to the prevailing 11 party.

12 Sec. 3. Section 562A.6, Code 2011, is amended by adding the 13 following new subsections:

14 <u>NEW SUBSECTION</u>. 7A. "*Presumption"* means that the trier of 15 fact must find the existence of the fact presumed unless and 16 until evidence is introduced which would support a finding of 17 its nonexistence.

18 <u>NEW SUBSECTION</u>. 11A. *"Resident"* means an occupant of a 19 dwelling unit who is at least eighteen years of age.

20 Sec. 4. Section 562A.6, subsection 9, Code 2011, is amended 21 to read as follows:

9. "Rent" means a payment to be made to the landlord under the rental agreement, including late fees pursuant to section <u>562A.9</u>, subsection <u>3A</u>, and amounts due to the landlord under other provisions of this chapter.

26 Sec. 5. Section 562A.8, Code 2011, is amended to read as 27 follows:

28 562A.8 Notice Method of notice and service of process.

29 1. A written notice of termination as required by section

30 562A.27, subsection 1, 2, or 5, a written notice of termination

31 as required by section 562A.34, subsection 1, 2, or 3, a

32 notice of termination and notice to quit as required by

33 section 562A.27A, or a notice to quit as required by section

34 648.3, shall be served upon the tenant by one of the following

35 methods:

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a. Personal service pursuant to rule of civil procedure 1 2 1.305, Iowa court rules, for the personal service of original 3 notice. b. Delivery evidenced by an acknowledgment of service 4 5 that is signed and dated by a resident of the dwelling unit. 6 Delivery under this paragraph of a single notice shall be 7 deemed to provide notice to all tenants and occupants of the 8 rental unit. c. Posting the notice on or near a primary entrance door 9 10 of the subject premises and mailing by regular mail and by ll certified mail as defined in section 618.15. 12 d. A method of providing notice that results in the notice 13 actually being received by the tenant. 1. 2. Notices All other notices required under this 14 15 chapter, except those notices identified in section 562A.29A, 16 shall be served as follows: a. A landlord shall serve notice on a tenant by one or more 17 18 of the following methods: (1) Hand delivery to the tenant as evidenced by a written 19 20 confirmation of delivery signed and dated by the landlord. 21 (2) Delivery evidenced by an acknowledgment of delivery 22 service that is signed and dated by a resident of the dwelling 23 unit who is at least eighteen years of age. Delivery under 24 this subparagraph of a single notice shall be deemed to provide 25 notice to all tenants of the dwelling unit. 26 (3) Personal service pursuant to rule of civil procedure 27 1.305, Iowa court rules, for the personal service of original 28 notice. 29 (4) Mailing by both regular mail and certified mail, as 30 defined in section 618.15, to the address of the dwelling unit 31 or to an address provided by the tenant for mailing. 32 (5) Posting on the primary entrance door of the dwelling 33 unit. A notice posted according to this subparagraph shall be 34 posted within the applicable time period for serving notice and 35 shall include the date the notice was posted.

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(6) A method of providing notice that results in the notice
 2 actually being received by the tenant.

3 b. A tenant shall serve notice on a landlord by one or more 4 of the following methods:

5 (1) Hand delivery to the landlord or the landlord's agent
6 designated under section 562A.13 at the landlord's business
7 office, as evidenced by a written confirmation of delivery
8 signed and dated by the tenant.

9 (2) Delivery evidenced by an acknowledgment of delivery 10 that is signed and dated by the landlord or the landlord's 11 agent designated under section 562A.13.

12 (3) Personal service pursuant to rule of civil procedure13 1.305, Iowa court rules, for the personal service of original14 notice.

15 (4) Delivery to an employee or agent of the landlord at the 16 landlord's business office.

17 (5) (4) Mailing by both regular mail and certified mail, 18 as defined in section 618.15, to the address of the landlord's 19 business office or to an address designated by the landlord for 20 mailing.

21 (6) (5) A method of providing notice that results in the 22 notice actually being received by the landlord.

23 <u>3. If service of notice includes posting, the notice shall</u>
24 <u>be posted within the same time period that is applicable</u>

25 to other methods of giving notice under the circumstances.

26 The posted notice shall set forth, on its face, the date

27 of posting. An affidavit signed by the person posting and

28 notarized or certified under penalty of perjury pursuant

29 to section 622.1 shall be evidence of service of notice by

30 posting. Service of notice by posting is deemed completed one

31 day after the notice is posted.

32 2. <u>4.</u> Notice served by mail under this section is deemed 33 completed four <u>three</u> days after the notice is deposited in the 34 mail and postmarked for delivery, whether or not the recipient 35 signs a receipt for the notice date of the postmark.

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5. In the case of service of a notice by multiple methods, 1 2 the latest date of completed service shall control the 3 computation of time. Section 562A.9, Code 2011, is amended by adding the 4 Sec. 6. 5 following new subsection: NEW SUBSECTION. 3A. A rental agreement shall not provide 6 7 for a late fee that exceeds twenty dollars per day or eighty 8 dollars per month. 9 Sec. 7. Section 562A.11, subsection 1, paragraph c, Code 10 2011, is amended to read as follows: c. Agrees to pay the other party's attorney fees, except 11 12 that a written agreement may provide notification that attorney 13 fees may be awarded to the prevailing party in the event of 14 court action; or 15 Sec. 8. Section 562A.12, subsection 8, Code 2011, is amended 16 by striking the subsection. Sec. 9. Section 562A.27, subsection 3, Code 2011, is amended 17 18 to read as follows: 19 3. Except as provided in this chapter, the landlord may 20 recover damages and obtain injunctive relief for noncompliance 21 by the tenant with the rental agreement or section 562A.17 22 unless the tenant demonstrates affirmatively that the 23 tenant has exercised due diligence and effort to remedy any 24 noncompliance, and that the tenant's failure to remedy any 25 noncompliance was due to circumstances beyond the tenant's If the tenant's noncompliance is willful, the 26 control. 27 landlord may recover reasonable attorney fees. 28 Sec. 10. Section 562A.30, Code 2011, is amended by striking 29 the section and inserting in lieu thereof the following: 30 562A.30 Waiver of landlord's right to terminate. 31 Acceptance of performance by the tenant that varies from the 32 terms of the rental agreement or rules subsequently adopted 33 by the landlord shall not be a waiver of the landlord's right 34 to terminate the rental agreement for that breach of the 35 agreement. Failure by the landlord to promptly assert rights

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1 under this section shall not be a waiver of such rights or a
2 waiver of any existing or subsequent breach. Waiver of any
3 breach shall not constitute a waiver of any subsequent and
4 similar breach.

5 Sec. 11. Section 562A.32, Code 2011, is amended to read as 6 follows:

7 562A.32 Remedy after termination.

8 If the rental agreement is terminated <u>by either party</u>, the 9 landlord may have a claim for possession and for rent and a 10 separate claim for <u>rent</u>, actual damages for breach of the 11 rental agreement, and reasonable attorney fees as provided in 12 section 562A.27.

13 Sec. 12. Section 562A.36, subsection 2, Code 2011, is
14 amended to read as follows:

If the landlord acts in violation of subsection 1 of 15 2. 16 this section, the tenant may recover from the landlord the 17 actual damages sustained by the tenant and reasonable attorney 18 fees, and has a defense in action against the landlord for 19 possession. In an action by or against the tenant, evidence 20 of a good faith good-faith complaint within one year prior to 21 the alleged act of retaliation creates a presumption that the 22 landlord's conduct was in retaliation. The presumption does 23 not arise if the tenant made the complaint after notice of a 24 proposed rent increase or diminution of services. Evidence 25 by the landlord that legitimate costs and charges of owning, 26 maintaining or operating a dwelling unit have increased shall 27 be a defense against the presumption of retaliation when a 28 rent increase is commensurate with the increase in costs and 29 charges. "Presumption" means that the trier of fact must find 30 the existence of the fact presumed unless and until evidence is 31 introduced which would support a finding of its nonexistence. Sec. 13. Section 648.3, Code 2011, is amended to read as 32

33 follows:

34 648.3 Notice to quit.

35 1. Before action can be brought under any ground specified

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1 in section 648.1, except subsection 1, three days' notice to 2 quit must be given to the defendant in writing. However, a 3 landlord who has given a tenant three days' notice to pay rent 4 and has terminated the tenancy as provided in section 562A.27, 5 subsection 2, or section 562B.25, subsection 2, if the tenant 6 is renting the manufactured or mobile home or the land from the 7 landlord, may commence the action without giving a three-day 8 notice to quit.

9 2. A notice to quit required under subsection 1 shall 10 be served on the defendant according to one or more of the 11 following methods:

12 a. Delivery evidenced by an acknowledgment of delivery 13 service that is signed and dated by a resident of the premises 14 who is at least eighteen years of age. Delivery under this 15 paragraph of a single notice shall be deemed to provide notice 16 to the defendant all tenants and occupants of the rental unit.

b. Personal service pursuant to rule of civil procedure
18 1.305, Iowa court rules, for the personal service of original
19 notice.

20 c. Posting <u>the notice</u> on <u>the or near a</u> primary entrance door 21 of the <u>subject</u> premises and mailing by both regular mail and 22 certified mail, as defined in section 618.15, to the address 23 of the premises or to the defendant's last known address, 24 if different from the address of the premises. A notice 25 posted according to this paragraph shall be posted within the 26 applicable time period for serving notice and shall include the

27 date the notice was posted.

28 *d.* A method of providing notice that results in the notice
29 actually being received by the tenant.

30 <u>2A. If service of notice includes posting, the notice</u> 31 <u>shall be posted within the same time period that is applicable</u> 32 <u>to other methods of giving notice under the circumstances.</u> 33 <u>The posted notice shall set forth, on its face, the date of</u> 34 <u>the posting. An affidavit signed by the person posting and</u> 35 notarized or certified under penalty of perjury pursuant

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1 to section 622.1 shall be evidence of service of notice by

2 posting. Service of notice by posting is deemed completed one 3 day after the notice is posted.

3. A notice to quit <u>Notice</u> served by mail under this
5 section is deemed completed four <u>three</u> days after the notice
6 is deposited in the mail and postmarked for delivery, whether
7 or not the recipient signs a receipt for the notice <u>date of the</u>
8 postmark.

9 <u>4. In the case of service of a notice by multiple methods,</u>
10 <u>the latest date of completed service shall control the</u>
11 computation of time.

12 Sec. 14. Section 648.5, subsection 2, paragraphs a and c, 13 Code 2011, are amended to read as follows:

14 a. Delivery evidenced by an acknowledgment of service that 15 is signed and dated by a resident of the premises who is at 16 least eighteen years of age. Delivery under this paragraph 17 of a single notice shall be deemed to provide notice to all 18 tenants or residents of the premises. Service of original 19 notice under this paragraph is invalid if the acknowledgment of 20 service is signed and dated less than three days prior to the 21 hearing.

22 c. If service cannot be made following two attempts using 23 a method specified under paragraph "a" or "b", by posting 24 on <u>or near</u> the primary entrance door of the premises and 25 mailing by both regular mail and certified mail, as defined 26 in section 618.15, to the address of the premises or to the 27 defendant's last known address, if different from the address 28 of the premises. An original notice posted according to this 29 paragraph shall be posted not less than three days prior to 30 the hearing and shall include the date the original notice was 31 posted. Service of original notice by mailing shall occur not 32 less than three days prior to the hearing.

33 Sec. 15. Section 648.5, subsection 3, Code 2011, is amended 34 to read as follows:

35 3. Service of original notice by mail is deemed completed

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1 four three days after the notice is deposited in the mail and 2 postmarked for delivery, whether or not the recipient signs a 3 receipt for the original notice. 4 Sec. 16. Section 714H.4, subsection 1, Code 2011, is amended 5 by adding the following new paragraph: NEW PARAGRAPH. 1. A rental agreement or other 6 7 landlord-tenant relationship as set forth in chapter 562A. 8 Sec. 17. REPEAL. Section 562A.29A, Code 2011, is repealed. 9 EXPLANATION 10 This bill makes changes to Code chapter 562A, the uniform 11 residential landlord and tenant Act, and related provisions in 12 Code chapter 648 (forcible entry and detainer). 13 The bill strikes language regarding maximum fees for late 14 payment of rent in Code section 535.2, and the substance of 15 the provision is transferred to Code section 562A.9, except 16 that the bill increases the maximum payment that may be imposed 17 for late payment of rent from \$10 a day or \$40 per month to an 18 amount not to exceed \$20 per day or \$80 per month. 19 The bill amends Code section 562A.6 regarding general 20 definitions for Code chapter 562A. The bill strikes language in 21 Code section 562A.36, concerning the meaning of "presumption", 22 and transfers the substance of the provision to Code section The bill defines "resident" as an occupant of a 23 562A.6. 24 dwelling unit who is at least 18 years of age. The bill amends 25 the definition of "rent" to state that rent also means a 26 payment to be made to the landlord pursuant to Code chapter 27 562A, including late fees as provided in Code section 562A.9. The bill amends Code section 562A.8, regarding method 28 29 of notice and service of process, to transfer and modify 30 the provisions contained in Code section 562A.29A, which 31 is repealed by the bill. The bill also makes changes to 32 provisions regarding service of notice to a tenant when serving 33 a written notice of termination pursuant to Code section 34 562A.27, a notice of termination and notice to quit pursuant to 35 Code section 562A.27A, or a notice to quit as required by Code

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1 section 648.3. The bill provides that the delivery of a single 2 notice when the delivery is evidenced by an acknowledgment of 3 service that is signed and dated by a resident of the dwelling 4 unit is deemed to provide notice to all tenants of the dwelling 5 unit. The bill amends the service of notice provided by 6 posting to allow posting on or near the primary entrance door 7 rather than only on the primary entrance door. The bill adds 8 that a method of providing notice that results in the notice 9 actually being received by the tenant is a valid method of 10 notice.

The bill provides that a notice of termination pursuant to 11 12 Code section 562A.34, related to holdover tenancies, shall be 13 served in the same manner as notices of termination and notices 14 to quit. Specifically, the bill amends the notice provision 15 for termination pursuant to Code section 562A.34 to provide 16 that the delivery of a single notice when the delivery is 17 evidenced by an acknowledgment of service that is signed and 18 dated by a resident of the dwelling unit is deemed to provide 19 notice to all tenants of the dwelling unit. Under the bill, 20 service by posting allows the person posting to post on or near 21 the primary entrance door of the premises, but also requires 22 mailing the notice by regular and certified mail. The bill 23 does not allow notice by hand delivery or notice by mailing by 24 both regular and certified mail as valid methods of service of 25 notice of termination of a holdover tenancy.

The bill also amends the method of notice provided in Code section 562A.8 for all other types of notice required under the Code chapter. The bill requires hand delivery of a notice to the tenant to be evidenced by a written confirmation of delivery signed and dated by the landlord. The bill provides that delivery of a single notice evidenced by an acknowledgment of service, rather than an acknowledgment of delivery, that is signed and dated by a resident of the dwelling unit is deemed to provide notice to all tenants of the dwelling unit. The bill requires hand delivery of a notice to the landlord or the

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1 landlord's agent to be delivered to the landlord's business 2 office, as evidenced by a written confirmation of delivery 3 signed and dated by the tenant. The bill strikes the provision 4 in current law that allows delivery to an employee or agent 5 of the landlord at the landlord's business office as a valid 6 method of service.

7 The bill provides that service of notice by posting is 8 complete one day after notice is posted. The bill decreases 9 the number of days from four to three before a notice served 10 by mail is deemed complete. The bill provides that when 11 using multiple methods of service, the latest date of service 12 controls the computation of time.

13 The bill amends Code section 562A.ll concerning prohibited 14 provisions in rental agreements by adding that the parties may 15 enter into a written agreement to provide notification that 16 attorney fees may be awarded to the prevailing party in the 17 event of court action.

18 The bill amends Code section 562A.12, relating to security 19 deposits, by striking a provision regarding an award of 20 reasonable attorney fees, but the substance of the provision is 21 transferred to Code section 562A.4, relating to administration 22 of remedies and their enforcement under Code chapter 562A, 23 generally. The bill makes corresponding amendments to 24 Code section 562A.27, regarding noncompliance with a rental 25 agreement, and Code section 562A.32, regarding remedies after 26 termination.

The bill strikes and rewrites Code section 562A.30, relating to waiver of a landlord's right to terminate a rental agreement, to provide that a landlord's acceptance of a tenant's performance that varies from the rental agreement or rules does not constitute a waiver of the landlord's right to terminate the rental agreement for that breach. The bill further states that the landlord's failure to promptly assert is not a waiver of the landlord's rights or of any sexisting or subsequent breach. The bill provides that a waiver

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1 of any breach does not constitute a waiver of any subsequent
2 breach.

3 The bill amends provisions in Code section 648.3, regarding 4 service of a notice to quit, to mirror the method of notice 5 provisions in Code section 562A.8, as amended by the bill. 6 The bill provides that an affidavit signed by the person 7 posting and notarized or certified under penalty of perjury 8 constitutes evidence of the service of notice. Service of 9 notice by posting is complete one day after notice is posted. 10 Notice served by certified mail is deemed completed three days 11 after date of postmark rather than four days after notice is 12 deposited and postmarked. The bill also provides that when 13 notice is served by multiple methods, the latest date of 14 service controls the computation of time.

The bill amends Code section 648.5 to provide that service by 16 mail of original notice of a forcible entry and detainer action 17 is deemed completed three days after the notice is postmarked 18 for delivery, rather than four days after the mail is deposited 19 and postmarked for delivery.

The bill amends Code section 714H.4 to provide that the consumer fraud chapter regarding private actions does not apply to a rental agreement or other landlord-tenant relationship under Code chapter 562A.

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