

House File 64 - Introduced

HOUSE FILE 64

BY ISENHART

A BILL FOR

1 An Act relating to utility cost disclosures in connection
2 with rental properties, providing penalties, and including
3 applicability provisions.

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

1 Section 1. Section 476.56, Code 2017, is amended to read as
2 follows:

3 **476.56 Energy costs provided.**

4 A gas or electric public utility shall provide, upon the
5 request of a person who states in writing that the person is an
6 owner of real property, or an interested prospective purchaser
7 ~~or renter~~ of the property, which is or has been receiving gas
8 or electric service from the public utility, the annual gas
9 or electric energy costs for the property. A gas or electric
10 public utility and, notwithstanding section 476.1, subsection
11 5, a public utility furnishing water or sewer service, shall
12 comply with the utility service cost disclosure provisions of
13 section 562A.13A with regard to existing or prospective renters
14 of real property.

15 Sec. 2. **NEW SECTION. 562A.13A Utility service cost**
16 **disclosure statements — penalty.**

17 1. In addition to the required disclosure provisions
18 of section 562A.13, the landlord or a person authorized to
19 enter into a rental agreement on behalf of the landlord shall
20 disclose to a prospective tenant in writing at or before the
21 commencement of the tenancy, and to an existing tenant at any
22 point during the tenancy, the gas, electric, water, or sewer
23 utility service costs for a dwelling unit. Utility service
24 costs shall be provided with respect to a dwelling unit for the
25 preceding twelve-month period based upon information obtained
26 at no charge by the landlord or person authorized to enter
27 into the rental agreement from the utility furnishing utility
28 service, pursuant to an energy cost disclosure statement
29 developed pursuant to subsection 2. In the event that
30 utility service has been provided for a period of less than
31 one year, cost information shall be provided for the period
32 beginning when utility service commenced. In the event of new
33 construction, utility service cost information from similar
34 dwelling units in similar properties may be obtained in writing
35 from a utility and supplied to a prospective tenant, or in

1 the alternative, a landlord may obtain a written estimate of
2 anticipated utility service costs from a utility or an energy
3 consultant.

4 2. The office of consumer advocate shall develop the
5 format of an energy cost disclosure statement for utilization
6 by landlords in complying with this section. The format
7 developed shall include space for the disclosure of the
8 annual utility service costs, and shall also include space
9 for a representative list of energy efficiency standards
10 incorporating features or upgrades that a dwelling unit or
11 the building of which it is a part might conceivably exhibit
12 or offer. The list of energy efficiency standards shall
13 be developed by the office of the consumer advocate, in
14 consultation with state and federal energy efficiency agencies
15 and experts, and shall be accompanied by a space for notation
16 by the landlord indicating whether or not the unit or building
17 meets or exceeds each standard.

18 3. A landlord who fails to comply with the requirements of
19 this section upon receipt of a written notice by a tenant or
20 a prospective tenant that utility service costs have not been
21 disclosed shall have seven days from the date of receipt of the
22 notice to provide the required utility service cost disclosure
23 statement. A landlord who fails to provide the disclosure
24 statement within the seven-day period or who enters into a
25 rental agreement with a tenant without first disclosing utility
26 service costs on a disclosure statement or who misrepresents
27 utility service costs on a disclosure statement shall be
28 subject to a civil penalty of five hundred dollars. Such
29 penalty shall be imposed by the office of consumer advocate or
30 pursuant to a civil proceeding regarding recovery of damages
31 by a tenant for nondisclosure, and shall be remitted to the
32 division of community action agencies for deposit into the
33 energy crisis fund created in section 216A.102.

34 Sec. 3. APPLICABILITY. This Act applies to rental
35 agreements entered into on or after January 1, 2018.

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EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill relates to utility cost disclosure requirements in connection with rental properties.

The bill modifies provisions of Code section 476.56, relating to the provision of energy costs by a gas or electric utility upon request with regard to the purchase or rental of real property, to provide that the Code section refers to ownership or prospective ownership of real property, not the rental or prospective rental of the property.

The bill establishes new Code section 562A.13A within the uniform residential landlord and tenant law provisions of Code chapter 562A requiring that a landlord or a person authorized to enter into a rental agreement on behalf of the landlord shall disclose to a prospective tenant in writing at or before the commencement of the tenancy, or to an existing tenant at any point during the tenancy, the gas, electric, water, or sewer utility service costs for a dwelling unit. The bill specifies that the utility service costs shall be provided with respect to a dwelling unit for the preceding 12-month period, or for the period beginning when utility service commenced if less than one year, based upon information obtained at no charge by the landlord or person authorized to enter into the rental agreement from the utility furnishing utility service. In the event of new construction, the bill requires utility service cost information from similar dwelling units in similar properties to be obtained in writing from a utility and supplied to a prospective tenant, or in the alternative, a landlord may obtain a written estimate of anticipated utility service costs from a utility or an energy consultant.

The bill directs the office of consumer advocate to develop an energy cost disclosure statement for utilization by landlords, containing space for the disclosure of the utility service costs and also including space for a representative

1 list of energy efficiency standards incorporating features or
2 upgrades that a dwelling unit or the building of which it is
3 a part might conceivably exhibit or offer. The bill provides
4 that the list of energy efficiency standards shall be developed
5 by the office in consultation with state and federal energy
6 efficiency agencies and experts and shall be accompanied by a
7 space for the landlord to indicate whether or not the unit or
8 building meets or exceeds each standard.

9 The bill provides that a landlord who fails to supply the
10 required utility service cost disclosure statement upon receipt
11 of a written notice by a tenant or a prospective tenant shall
12 have seven days from the date of receipt of the notice to
13 provide the required disclosure statement. If a landlord
14 fails to provide the disclosure statement within the seven-day
15 period, or enters into a rental agreement with a tenant without
16 first disclosing utility service costs or misrepresents utility
17 service costs on a disclosure statement, the bill provides that
18 the landlord shall be subject to a civil penalty of \$500. The
19 penalty shall be imposed by the office of consumer advocate or
20 pursuant to a civil proceeding regarding recovery of damages
21 by a tenant for nondisclosure, and shall be remitted to the
22 division of community action agencies for deposit into the
23 energy crisis fund created in Code section 216A.102.

24 The bill applies to rental agreements entered into on or
25 after January 1, 2018.