

**House Study Bill 116 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON JUDICIARY BILL BY  
CHAIRPERSON HOLT)

**A BILL FOR**

1 An Act relating to late fees and procedures associated with  
2 rental agreements.

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

1 Section 1. Section 562A.9, subsection 4, Code 2019, is  
2 amended to read as follows:

3 4. For rental agreements in which the rent does not exceed  
4 seven hundred dollars per month, a rental agreement shall not  
5 provide for a late fee that exceeds twelve dollars per day or a  
6 total amount of sixty dollars per month. For rental agreements  
7 in which the rent is greater than seven hundred dollars per  
8 month but less than one thousand four hundred dollars per  
9 month, a rental agreement shall not provide for a late fee that  
10 exceeds twenty dollars per day or a total amount of one hundred  
11 dollars per month. For rental agreements in which the rent is  
12 at least one thousand four hundred dollars per month, a rental  
13 agreement shall not provide for a late fee that exceeds thirty  
14 dollars per day or a total amount of one hundred fifty dollars  
15 per month.

16 Sec. 2. Section 562A.11, subsection 2, Code 2019, is amended  
17 by striking the subsection and inserting in lieu thereof the  
18 following:

19 2. A provision in a rental agreement prohibited by  
20 subsection 1 is unenforceable. If the landlord seeks to  
21 enforce the provision or accepts the tenant's voluntary  
22 compliance with the provision, the court may award the tenant  
23 an amount not to exceed three months' periodic rent and  
24 reasonable attorney fees.

25 Sec. 3. Section 562B.10, subsection 4, Code 2019, is amended  
26 to read as follows:

27 4. For rental agreements in which the rent does not exceed  
28 seven hundred dollars per month, a rental agreement shall not  
29 provide for a late fee that exceeds twelve dollars per day or a  
30 total amount of sixty dollars per month. For rental agreements  
31 in which the rent is greater than seven hundred dollars per  
32 month but less than one thousand four hundred dollars per  
33 month, a rental agreement shall not provide for a late fee that  
34 exceeds twenty dollars per day or a total amount of one hundred  
35 dollars per month. For rental agreements in which the rent is

1 at least one thousand four hundred dollars per month, a rental  
2 agreement shall not provide for a late fee that exceeds thirty  
3 dollars per day or a total amount of one hundred fifty dollars  
4 per month.

5 Sec. 4. Section 562B.11, subsection 2, Code 2019, is amended  
6 by striking the subsection and inserting in lieu thereof the  
7 following:

8 2. A provision in a rental agreement prohibited by  
9 subsection 1 is unenforceable. If the landlord seeks to  
10 enforce the provision or accepts the tenant's voluntary  
11 compliance with the provision, the court may award the tenant  
12 an amount not to exceed three months' periodic rent and  
13 reasonable attorney fees.

14 Sec. 5. Section 648.5, subsection 1, Code 2019, is amended  
15 to read as follows:

16 1. An action for forcible entry and detainer shall be  
17 brought in a county where all or part of the premises is  
18 located. Such an action shall be tried as an equitable action.  
19 Upon receipt of the petition, the court shall set a date,  
20 time, and place for hearing. The court shall set the date  
21 of hearing no later than eight days from the filing date,  
22 except that the court shall set a later hearing date no later  
23 than fifteen days from the date of filing if the plaintiff  
24 requests or consents to the later date of hearing. The  
25 requirement regarding the setting of the initial hearing is not  
26 a jurisdictional requirement and does not affect the court's  
27 subject matter jurisdiction to hear the action for forcible  
28 entry and detainer.

29

#### EXPLANATION

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

32 Current law caps late fees on rental agreements in which  
33 rent is greater than \$700 per month at \$20 per day and \$100  
34 per month. Current law also allows an aggrieved party to  
35 recover actual damages in certain situations when a prohibited

1 provision is willingly or knowingly used in a rental agreement.

2       This bill allows a rental agreement to provide for late  
3 fees not to exceed \$20 per day and \$100 per month for rental  
4 agreements in which rent is greater than \$700 per month but  
5 not more than \$1,400 per month. When rent exceeds \$1,400 per  
6 month, a rental agreement may provide for late fees of no  
7 more than \$30 per day and \$150 per month. Furthermore, if  
8 a landlord seeks to enforce or accepts a tenant's voluntary  
9 compliance with a prohibited provision, the court may award the  
10 tenant an amount not to exceed three months' periodic rent and  
11 reasonable attorney fees.

12       The bill also makes a procedural change relating to  
13 jurisdiction in actions for forcible entry and detainer.