

**Senate File 351 - Introduced**

SENATE FILE 351

BY SCHNEIDER and NUNN

**A BILL FOR**

1 An Act relating to utility service cost disclosures in  
2 connection with certain rental properties, providing  
3 penalties, and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.1C, subsection 1, paragraph a, Code  
2 2019, is amended to read as follows:

3 a. Are not subject to the regulation authority of  
4 the utilities board under **this chapter** unless otherwise  
5 specifically provided. **Sections 476.10, 476.20, 476.21, and**  
6 **476.51, and 476.56** apply to such gas utilities.

7 Sec. 2. Section 476.56, Code 2019, is amended to read as  
8 follows:

9 **476.56 Energy costs provided.**

10 A gas or electric public utility shall provide, upon the  
11 request of a person who states in writing that the person is an  
12 owner of real property, or an interested prospective purchaser  
13 or renter of the property, which is or has been receiving gas  
14 or electric service from the public utility, the annual gas  
15 or electric energy costs for the property. In addition, a  
16 gas or electric public utility and, notwithstanding section  
17 476.1, subsection 4, a public utility furnishing water or sewer  
18 service, shall comply with the utility service cost disclosure  
19 provisions of section 562A.13A, subsection 4.

20 Sec. 3. **NEW SECTION. 562A.13A Utility service cost**  
21 **disclosure — penalty.**

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

24 a. *"Applicable public utility"* means a public utility which  
25 furnishes electric, gas, water, or sewer service to a rental  
26 property.

27 b. *"Landlord"* means a landlord as defined in section 562A.6,  
28 or any other person authorized to enter into a rental agreement  
29 on behalf of the landlord with respect to a rental property.

30 c. *"Rental property"* means a residential rental building in  
31 the state with twelve or more dwelling units.

32 d. *"Utility service"* means electric, gas, water, and sewer  
33 service.

34 2. In addition to the required disclosure provisions of  
35 562A.13, a landlord of rental property shall disclose to a

1 prospective tenant in writing a utility service cost disclosure  
2 statement in accordance with this section. At least one  
3 adult prospective tenant entering into the tenancy shall sign  
4 an acknowledgment form stating that the prospective tenant  
5 received the disclosure statement upon completing the rental  
6 application or signing the lease, whichever occurs first.  
7 Proof by the landlord that at least one adult prospective  
8 tenant signed a valid acknowledgment form shall be a defense to  
9 any claim or action brought under subsection 6.

10 3. a. The cost information included in a utility service  
11 cost disclosure statement shall indicate the average annual  
12 costs for utility service for dwelling units in the rental  
13 property with the same number of bedrooms. If a landlord  
14 charges tenants for utility services using a ratio utility  
15 billing system, or a billing method which allocates the rental  
16 property's actual utility bill to tenants based on an occupant  
17 factor, square footage factor, or any other factor, the cost  
18 information shall include the average charges for utility  
19 service in the previous twelve-month period, including any  
20 fees, for dwelling units in the rental property with the same  
21 number of bedrooms. If a landlord has authority over more  
22 than one rental property of similar construction and within  
23 the same business office, and such rental properties have the  
24 same utility service payment structure with the same applicable  
25 public utility, the disclosure statement may indicate the  
26 average annual costs for utility service for dwelling units in  
27 all such rental properties with the same number of bedrooms.  
28 For purposes of this paragraph, "*of similar construction*" means  
29 sharing common construction details, including but not limited  
30 to comparable building envelope designs or structural features,  
31 comparable arrangements for access to hallways, dwelling units,  
32 common areas, and washers or dryers, and comparable functions  
33 of utility services.

34 b. The cost information included in a disclosure statement  
35 shall be computed by April 1 each year pursuant to subsection

1 4 and shall be valid and included in any disclosure statement  
2 provided by the landlord until the last day of March of the  
3 following year. In the event that a rental property was  
4 acquired by the landlord within the previous twelve-month  
5 period, disclosure statements shall be provided by the landlord  
6 to prospective tenants beginning ninety days after the date of  
7 closing.

8 4. *a.* The landlord shall obtain the cost information  
9 required in subsection 3 from the applicable public utility  
10 by sending a written request to the utility between January 1  
11 and February 1 of each year. The written request shall, at a  
12 minimum, include the following information:

13 (1) The name, address, and telephone number of the landlord.

14 (2) The number of bedrooms in each dwelling unit in the  
15 rental property.

16 (3) If cost information is to be computed for more than  
17 one rental property, a description of the applicable rental  
18 properties and the number of bedrooms in each dwelling unit in  
19 all such rental properties.

20 (4) Any other information deemed necessary by the  
21 applicable public utility to compute the cost information.

22 *b.* The applicable public utility shall compute the cost  
23 information for the landlord at no charge and shall provide  
24 such information to the landlord within thirty days of  
25 receiving the landlord's written request, unless the parties  
26 otherwise agree in writing to extend the time. The applicable  
27 public utility may use any methodology to compute the cost  
28 information, provided that the average costs are based on  
29 dwelling units with the same number of bedrooms, and the  
30 methodology used to compute the cost information is disclosed  
31 to the landlord in writing.

32 *c.* If the landlord fails to obtain cost information from  
33 the applicable public utility within thirty days of sending a  
34 valid written request or as otherwise agreed to in writing, or  
35 if the rental property is new construction or was renovated in

1 the previous twelve-month period where the total cost of the  
2 renovation was greater than twenty-five percent of the assessed  
3 value of the rental property, the landlord shall include, in  
4 lieu of the cost information required in subsection 3, any of  
5 the following in the utility service cost disclosure statement:

6 (1) An estimate of anticipated annual utility service costs  
7 provided by the applicable public utility.

8 (2) An estimate of anticipated annual utility service costs  
9 provided by a licensed, registered, or certified professional  
10 with expertise in computing utility service costs.

11 (3) An estimate of anticipated annual utility service costs  
12 consistent with the United States department of housing and  
13 urban development section 8 guidelines.

14 5. The landlord shall retain and preserve all records  
15 relating to cost information obtained pursuant to subsection 4  
16 for a period of not less than one year. On reasonable notice,  
17 a tenant may inspect and copy any such records during regular  
18 business hours.

19 6. A landlord of rental property who enters into a rental  
20 agreement with a tenant without providing a utility service  
21 cost disclosure statement in violation of this section shall  
22 pay the tenant liquidated damages in the amount of five hundred  
23 dollars. If the landlord fails to pay the tenant such amount  
24 within thirty days of receiving a written request for payment  
25 from the tenant, the tenant may bring a civil action in small  
26 claims court. If a final judgment is entered against the  
27 landlord, the tenant shall recover damages in the amount of  
28 five hundred dollars, as well as court costs and reasonable  
29 attorney fees incurred by the tenant in bringing the action.  
30 The landlord shall also be subject to a civil penalty in the  
31 amount of five hundred dollars. Such civil penalty shall  
32 be remitted to the division of community action agencies of  
33 the department of human rights, to be used only for the low  
34 income home energy assistance program and the weatherization  
35 assistance program.



1 has more than one rental property of similar construction,  
2 as defined in the bill, and with the same utility service  
3 payment structure for the same applicable public utility, the  
4 disclosure statement may indicate the average annual costs for  
5 dwelling units in all such rental properties with the same  
6 number of bedrooms.

7 The bill provides that cost information shall be computed  
8 by April 1 each year, which shall be valid and included in any  
9 disclosure statement provided until the last day of March of  
10 the following year. If the rental property was acquired by the  
11 landlord within the previous year, disclosure statements shall  
12 be provided by the landlord beginning 90 days after the date  
13 of closing.

14 The bill provides that the landlord shall obtain the cost  
15 information included in a disclosure statement from the  
16 applicable public utility by sending a written request to the  
17 utility between January 1 and February 1 of each year, with  
18 information described in the bill. The utility shall compute  
19 and provide such information to the landlord at no charge  
20 within 30 days of receiving such request, unless otherwise  
21 agreed to by the parties in writing. The utility may use  
22 any methodology to compute the cost information, provided  
23 that average costs are based on dwelling units with the same  
24 number of bedrooms and the methodology used is disclosed to the  
25 landlord in writing.

26 The bill provides that if the landlord fails to obtain cost  
27 information from the applicable public utility within 30 days  
28 or as otherwise agreed to in writing, or if the rental property  
29 is new construction or was renovated in the previous year where  
30 the total cost of the renovation was greater than 25 percent of  
31 the assessed property value, the landlord shall include in the  
32 disclosure statement an estimate of anticipated annual utility  
33 service costs as described in the bill.

34 The bill provides that a landlord shall retain all records  
35 relating to cost information for a period of not less than one

1 year. A tenant may inspect and copy such records on reasonable  
2 notice and during regular business hours.

3 The bill provides that a landlord of rental property who  
4 enters into a rental agreement with a tenant without providing  
5 a utility service cost disclosure statement in violation of  
6 the bill shall pay the tenant liquidated damages in the sum  
7 of \$500. If the landlord fails to pay the tenant such amount  
8 within 30 days of receiving a written request from the tenant  
9 to do so, the tenant may bring a civil action in small claims  
10 court. If a final judgment is entered against the landlord,  
11 the tenant shall recover \$500 in damages, as well as court  
12 costs and reasonable attorney fees. The landlord shall also  
13 be subject to a civil penalty of \$500, to be remitted to the  
14 division of community action agencies of the department of  
15 human rights, and used only for specified purposes.

16 The bill modifies Code section 476.56, relating to the  
17 provision of energy costs by gas or electric utilities,  
18 by requiring gas and electric utilities, as well as public  
19 utilities furnishing water or sewer service, to comply with the  
20 utility service cost disclosure provisions of the bill. The  
21 bill also makes Code section 476.56 applicable to gas public  
22 utilities with less than 2,000 customers.

23 Current law provides that a public utility which, after  
24 written notice from the Iowa utilities board of a specified  
25 violation of a provision in Code chapter 476, violates the  
26 same provision is subject to a civil penalty of at least \$100  
27 but not more than \$2,500 per violation. If the violation is  
28 willful, the civil penalty increases to at least \$1,000 but not  
29 more than \$10,000 per violation.

30 The bill takes effect January 1, 2020.