

House File 442 - Introduced

HOUSE FILE 442

BY LOHSE, WESTRICH, ANDREWS,
HOLT, LUNDGREN, and MAXWELL

A BILL FOR

1 An Act relating to property law by modifying provisions
2 relating to rental properties, manufactured home
3 communities, mobile home parks, and manufactured mobile
4 home communities, modifying provisions governing actions
5 relating to such properties, making penalties applicable,
6 and including effective date and applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

 GROUNDS FOR TERMINATION OF TENANCY

Section 1. Section 562B.10, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. *a.* A landlord may only terminate a tenancy if the tenant engages in any of the following or for any of the following reasons:

(1) A material noncompliance with the rental agreement.

(2) A material violation of the manufactured home community or mobile home park rules or regulations.

(3) Any other violation of this chapter for which termination is a remedy.

(4) A legitimate and material business reason the impact of which is not specific to one tenant.

(5) A change in the use of the land if change in the use of the land is included in the rental agreement as grounds for termination or nonrenewal.

b. A landlord may, upon providing ninety-day prior written notice, elect to not renew a tenancy for any reason not otherwise prohibited by law.

c. If the landlord presents evidence of written notice to a tenant on at least three occasions, each notice dated not less than ten days apart, of a condition identified in paragraph "a", subparagraph (1), (2), or (3), such evidence creates a presumption of the existence of the condition unless and until evidence is introduced which would support a finding of the condition's nonexistence.

Sec. 2. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 3. APPLICABILITY. This division of this Act applies to landlord decisions to not renew tenancies on or after the effective date of this division of this Act.

DIVISION II

RETALIATION

Sec. 4. Section 562B.32, subsection 1, paragraph d, Code

1 2021, is amended to read as follows:

2 *d.* For exercising any of the rights and remedies pursuant
3 to this chapter or chapter 216.

4 Sec. 5. Section 562B.32, subsection 2, Code 2021, is amended
5 to read as follows:

6 2. If the landlord acts in violation of subsection 1
7 of this section, the tenant is entitled to the remedies
8 provided in section 562B.24 and has a defense in an action for
9 possession. In an action by or against the tenant, evidence
10 of a complaint within ~~six months~~ one year prior to the alleged
11 act of retaliation creates a presumption that the landlord's
12 conduct was in retaliation. The presumption does not arise
13 if the tenant made the complaint after notice of termination
14 of the rental agreement. For the purpose of this subsection,
15 "*presumption*" means that the trier of fact must find the
16 existence of the fact presumed unless and until evidence is
17 introduced which would support a finding of its nonexistence.

18 Sec. 6. EFFECTIVE DATE. This division of this Act, being
19 deemed of immediate importance, takes effect upon enactment.

20 DIVISION III

21 CONSUMER FRAUD

22 Sec. 7. Section 562B.4, Code 2021, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 3. A violation of this chapter by a
25 landlord, or an agent of the landlord, is an unlawful practice
26 under section 714.16.

27 Sec. 8. Section 714.16, subsection 2, Code 2021, is amended
28 by adding the following new paragraph:

29 NEW PARAGRAPH. *g.* It is an unlawful practice for a landlord
30 or the landlord's agent to violate any of the provisions of
31 chapter 562B.

32 Sec. 9. EFFECTIVE DATE. This division of this Act, being
33 deemed of immediate importance, takes effect upon enactment.

34 Sec. 10. APPLICABILITY. This division of this Act applies
35 to violations of chapter 562B occurring on or after the

1 effective date of this division of this Act.

2 DIVISION IV

3 RENT INCREASES

4 Sec. 11. Section 562B.14, subsection 7, Code 2021, is
5 amended by striking the subsection and inserting in lieu
6 thereof the following:

7 7. *a.* A landlord shall not increase the amount of rent due
8 by any tenant in a manufactured home community or mobile home
9 park unless the tenant is notified, in writing, of the rent
10 increase at least one hundred twenty days before the effective
11 date of the rent increase. The effective date of any increase
12 in the amount of rent shall not be less than one year after
13 either the effective date of the most recent rent increase or
14 the beginning of the tenancy, whichever is later.

15 *b.* A decrease in the number or quality of amenities,
16 services, or utilities provided under the rental agreement
17 without a corresponding and proportionate reduction in rent
18 shall be considered a rent increase for the purposes of this
19 chapter.

20 Sec. 12. EFFECTIVE DATE. This division of this Act, being
21 deemed of immediate importance, takes effect upon enactment.

22 Sec. 13. APPLICABILITY. This division of this Act applies
23 to rent increases under chapter 562B occurring on or after the
24 effective date of this division of this Act.

25 DIVISION V

26 MANUFACTURED HOUSING PROGRAM FUND

27 Sec. 14. Section 16.45, subsection 1, Code 2021, is amended
28 to read as follows:

29 1. A manufactured housing program fund is created within
30 the authority to further the goal of providing affordable
31 housing to Iowans. The moneys in the fund are to be used for
32 the purpose of providing funding to financial institutions or
33 other lenders to finance the purchase by an individual of a
34 manufactured home that is in compliance with all laws, rules,
35 and standards that are applicable to manufactured homes and

1 manufactured housing. ~~The manufactured housing program fund~~
2 ~~is designed exclusively for manufactured homes sited on leased~~
3 ~~land.~~

4 DIVISION VI

5 TENANT COUNTERCLAIM FOR LANDLORD NONCOMPLIANCE

6 Sec. 15. Section 562B.25, Code 2021, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 5. *a.* In an action for possession based
9 upon nonpayment of the rent or in an action for rent where the
10 tenant is in possession, the tenant may counterclaim for an
11 amount which the tenant may recover under the rental agreement
12 or this chapter. In that event, the court from time to time
13 may order the tenant to pay into court all or part of the rent
14 accrued and thereafter accruing, and shall determine the amount
15 due to each party. The party to whom a net amount is owed
16 shall be paid first from the money paid into court, and the
17 balance by the other party. If rent does not remain due after
18 application of this section, judgment shall be entered for
19 the tenant in the action for possession. If the defense or
20 counterclaim by the tenant is without merit and is not raised
21 in good faith, the landlord may recover reasonable attorney
22 fees.

23 *b.* In an action for rent where the tenant is not in
24 possession, the tenant may counterclaim as provided in
25 paragraph "a", but the tenant is not required to pay any rent
26 into court.

27 Sec. 16. EFFECTIVE DATE. This division of this Act, being
28 deemed of immediate importance, takes effect upon enactment.

29 Sec. 17. APPLICABILITY. This division of this Act applies
30 to actions for possession filed on or after the effective date
31 of this division of this Act.

32 DIVISION VII

33 DISCLOSURE OF UTILITY CHARGES

34 Sec. 18. Section 562B.14, subsection 6, Code 2021, is
35 amended to read as follows:

1 6. a. The landlord or any person authorized to enter into
2 a rental agreement on the landlord's behalf shall provide a
3 written explanation of utility rates, charges and services to
4 the prospective tenant before the rental agreement is signed
5 unless the utility charges are paid by the tenant directly to
6 the utility company.

7 b. If a landlord obtains a utility service from a utility
8 provider and furnishes the utility to the tenant and the
9 landlord's charge to the tenant is based upon the utility
10 provider's charge or rate for the use of such utility to
11 consumers, an increase in the landlord's charge to a tenant
12 for the utility that corresponds to the same increase in the
13 utility provider's charge or rate to the landlord shall be
14 effective thirty days after the landlord provides written
15 notice of such increase to the tenant, unless the landlord does
16 not receive at least sixty days' prior notice of such increase
17 from the utility provider in which case no prior notice of the
18 increase from the landlord to the tenant is required for the
19 increase to be effective.

20 DIVISION VIII

21 FURNISHING OF WATER AND UTILITY CHARGES

22 Sec. 19. Section 423.3, subsection 103, Code 2021, is
23 amended to read as follows:

24 103. a. (1) The sales price from the sale or furnishing by
25 a water utility of a water service in the state to consumers or
26 users.

27 (2) Water service furnished by a mobile home park that does
28 not engage in the sale of water service. For purposes of this
29 subsection, a mobile home park does not engage in the sale of
30 water service if all of the following apply:

31 (a) The water service is not furnished to tenants for a
32 separately itemized price.

33 (b) The water service is not otherwise identifiable from
34 an invoice, bill, catalogue, price list, rate card, receipt,
35 agreement, or other similar document, including where the total

1 sales price increases when water service is included in the
2 sale to tenants.

3 (c) The water service is incidental to the rental of real
4 property.

5 *b.* For purposes of **this subsection**:

6 (1) "Mobile home park" means the same as defined in section
7 562B.7.

8 ~~(1)~~ (2) "Water service" means the delivery of water by
9 piped distribution system.

10 ~~(2)~~ (3) "Water utility" means a public utility as defined
11 in **section 476.1** that furnishes water by piped distribution
12 system to the public for compensation.

13 Sec. 20. Section 423G.4, Code 2021, is amended by striking
14 the section and inserting in lieu thereof the following:

15 **423G.4 Exemptions.**

16 There is exempted from the tax imposed by this chapter the
17 following:

18 1. The sales price from transactions exempt from state
19 sales tax under section 423.3. However, the sales price from
20 transactions exempt from state sales tax under section 423.3,
21 subsection 103, shall not be exempt unless as provided in
22 subsection 2 or 3.

23 2. *a.* The sales price from the sale or furnishing of water
24 by a mobile home park through a piped distribution system
25 maintained by the mobile home park, to a consumer or user of
26 water who is a tenant, if all of the following apply:

27 (1) The water was obtained from a water utility.

28 (2) A tax was imposed by this chapter on the sales price
29 from the sale or furnishing of water by a water utility to the
30 mobile home park based upon readings of the master meter of the
31 mobile home park.

32 (3) The tenant is not charged for water by the mobile home
33 park in an amount that is more than the rate the tenant would be
34 charged for consuming or using water from the water utility,
35 plus an administrative fee under section 562B.16, subsection 3,

1 not to exceed five dollars per month.

2 *b.* As used in this section:

3 (1) "*Master meter*" means a single meter used in determining
4 the amount of water provided to a mobile home park.

5 (2) "*Mobile home park*" means the same as defined in section
6 562B.7 and also includes a "*manufactured home community*", as
7 defined in section 562B.7.

8 (3) "*Piped distribution system*" includes a submetered
9 distribution system.

10 (4) "*Tenant*" means the same as defined in section 562B.7.

11 (5) "*Water utility*" means a public utility as defined in
12 section 476.1 that furnishes water by a piped distribution
13 system to the public for compensation.

14 3. Water service furnished by a mobile home park that does
15 not engage in the sale of water service. For purposes of this
16 subsection, a mobile home park does not engage in the sale of
17 water service if all of the following apply:

18 *a.* The water service is not furnished to tenants for a
19 separately itemized price.

20 *b.* The water service is not otherwise identifiable from
21 an invoice, bill, catalogue, price list, rate card, receipt,
22 agreement, or other similar document, including where the total
23 sales price increases when water service is included in the
24 sale to tenants.

25 *c.* The water service is incidental to the rental of real
26 property.

27 Sec. 21. Section 455B.171, subsection 26, Code 2021, is
28 amended to read as follows:

29 26. "*Public water supply system*" means, except as provided
30 in section 455B.200, a system for the provision to the public
31 of piped water for human consumption, if the system has at
32 least fifteen service connections or regularly serves at least
33 twenty-five individuals. The term includes any source of
34 water and any collection, treatment, storage, and distribution
35 facilities under control of the operator of the system and used

1 primarily in connection with the system, and any collection or
2 pretreatment storage facilities not under such control which
3 are used primarily in connection with the system.

4 Sec. 22. NEW SECTION. 455B.200 Mobile home parks.

5 1. As used in this section:

6 a. "Mobile home park" means the same as defined in section
7 423G.4.

8 b. "Tenant" means the same as defined in section 562B.7.

9 c. "Water utility" means a public utility as defined in
10 section 476.1 that furnishes water by a piped distribution
11 system to the public for compensation.

12 2. For purposes of this part 1, a mobile home park shall
13 not be considered a public water supply system if the mobile
14 home park sells or furnishes water to a tenant and all of the
15 following apply:

16 a. The water was obtained from a water utility prior to
17 selling or furnishing the water to a tenant.

18 b. The tenant is not charged more than the rate the tenant
19 would be charged for consuming or using water from the water
20 utility, plus an administrative fee under section 562B.16,
21 subsection 3, not to exceed five dollars per month.

22 Sec. 23. Section 562B.14, subsection 6, Code 2021, is
23 amended to read as follows:

24 6. The landlord or any person authorized to enter into
25 a rental agreement on the landlord's behalf shall provide
26 a written explanation of utility rates, fees, charges, and
27 services, subject to section 562B.16, subsection 3, to the
28 prospective tenant before the rental agreement is signed unless
29 the utility charges are paid by the tenant directly to the
30 utility company.

31 Sec. 24. Section 562B.16, Code 2021, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 3. A landlord that is responsible for
34 payment of utilities being provided to the tenant shall not
35 charge to the tenant an amount in excess of the actual cost of

1 the utility and as specified in writing under section 562B.14,
2 subsection 6. However, in addition to the actual cost of the
3 utility, a landlord that is responsible for the payment of one
4 or more utilities being provided to the tenant may impose a
5 monthly utility administration fee to each tenant not to exceed
6 five dollars per month.

7 Sec. 25. Section 562B.25, Code 2021, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 2A. The failure of a tenant to pay utility
10 charges that exceed the actual cost of the utility provided
11 as required by section 562B.16, subsection 3, shall not be
12 considered noncompliance with the rental agreement.

13 DIVISION IX

14 UNLAWFUL OUSTER

15 Sec. 26. Section 562B.24, Code 2021, is amended to read as
16 follows:

17 **562B.24 Tenant's remedies for landlord's unlawful ouster,**
18 **exclusion or diminution of services.**

19 If the landlord unlawfully removes or excludes the tenant
20 from the manufactured home community or mobile home park or
21 willfully diminishes services to the tenant by interrupting
22 or causing the interruption of electric, gas, water, or
23 other essential service to the tenant, the tenant may recover
24 possession, require the restoration of essential services or
25 terminate the rental agreement and, in either case, recover an
26 amount not to exceed two months' periodic rent, and twice the
27 actual damages sustained by the tenant, and reasonable attorney
28 fees. If the rental agreement is terminated, the landlord
29 shall return all prepaid rent and security.

30 Sec. 27. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 28. APPLICABILITY. This division of this Act applies
33 to actions under section 562B.24 filed on or after the
34 effective date of this division of this Act.

35 DIVISION X

1 to recognized principles, rules, and standards generally
 2 accepted by the professional manufactured home community or
 3 park industry to ensure the commercially reasonable safety and
 4 financial security of comparable manufactured home communities
 5 or mobile home parks. A landlord shall deliver the decision
 6 in writing to the tenant or prospective tenant as soon as
 7 commercially feasible and shall provide the basis for a denial
 8 in writing to the tenant or prospective tenant at the time of
 9 the decision.

10 c. Deny any resident of a manufactured home community
 11 or mobile home park the right to sell that person's mobile
 12 home at a price of the person's own choosing, but may reserve
 13 the right to approve the purchaser of such mobile home as
 14 a tenant but such permission shall only be withheld for a
 15 legitimate business reason within the recognized principles,
 16 rules, and standards described in paragraph "a", and may not be
 17 unreasonably withheld, provided however, that the landlord may,
 18 in the event of a sale to a third party, in order to upgrade
 19 the quality of the manufactured home community or mobile home
 20 park, require that any mobile home in a rundown condition or in
 21 disrepair be removed from the manufactured home community or
 22 park within sixty days. If the landlord refuses to approve the
 23 purchaser of the mobile home as a tenant, a legitimate business
 24 reason for the refusal shall be provided in writing to the
 25 resident who is selling the mobile home.

26 DIVISION XII

27 PROHIBITED RENTAL AGREEMENT PROVISION — HOME EQUIPMENT

28 Sec. 33. Section 562B.11, subsection 1, Code 2021, is
 29 amended by adding the following new paragraph:

30 NEW PARAGRAPH. e. Agrees to modify the mobile home,
 31 manufactured home, or modular home in a way that would
 32 substantially impair the ability of the tenant to move the
 33 home from the mobile home space, unless such modification is
 34 required by federal law, including but not limited to the
 35 model manufactured home installation standards, 24 C.F.R. pt.

1 3285, the manufactured home construction and safety standards,
2 24 C.F.R. pt. 3280, or the manufactured home procedural and
3 enforcement regulations, 24 C.F.R. pt. 3282, or by state or
4 local law, the manufacturer's installation instructions, any
5 requirement arising from the landlord's financing of the home
6 or of the mobile home park or manufactured home community in
7 which the home is located, or unless such modification is
8 otherwise necessary for the safe and proper installation of the
9 home.

10 DIVISION XIII

11 RENTAL AGREEMENT TERMS

12 Sec. 34. Section 562B.11, subsection 1, Code 2021, is
13 amended by adding the following new paragraphs:

14 NEW PARAGRAPH. *f.* Authorizes imposition of fines,
15 penalties, or fees solely as a punishment or in amounts in
16 excess of actual damages or costs incurred.

17 NEW PARAGRAPH. *g.* Authorizes a person to confess judgment
18 on a claim arising out of the rental agreement.

19 NEW PARAGRAPH. *h.* Authorizes prohibitions, limitations,
20 additional deposits, or other restrictive policies that are
21 not based on ordinary wear and tear expected to occur during a
22 tenancy or that are not based on community safety standards.

23 Sec. 35. Section 562B.11, subsection 2, Code 2021, is
24 amended to read as follows:

25 2. A provision prohibited by subsection 1 included in a
26 rental agreement is unenforceable. If a landlord ~~or tenant~~
27 knowingly and willfully uses a rental agreement containing
28 provisions known to be prohibited by this chapter, the ~~other~~
29 ~~party~~ tenant may recover actual damages sustained by the tenant
30 and not more than three months' periodic rent and reasonable
31 attorney fees.

32 DIVISION XIV

33 LANDLORD SALES

34 Sec. 36. NEW SECTION. **562B.17A Sale of mobile home by**
35 **landlord.**

1 1. Any sale of a mobile home located in a manufactured
2 home community or mobile home park by a landlord or landlord's
3 agent shall be by written agreement and the landlord shall
4 produce and assign the current certificate of title obtained
5 from the department of transportation. The agreement shall
6 state the basic terms of sale, including the total cost of
7 the mobile home, finance charges, annual percentage rate, and
8 the frequency and amount of each installment payment. Such
9 agreement shall comply with the finance charge rate limitation
10 in section 103A.58, subsection 1.

11 2. Any such sale that does not comply with this section
12 may be voided by the buyer and the buyer may recover damages
13 incurred, amounts paid as a rental deposit in excess of two
14 months' rent for the mobile home, and reasonable attorney fees.

15 3. A claim under subsection 2 may be combined with an action
16 under chapter 648.

17 Sec. 37. Section 648.19, subsection 1, Code 2021, is amended
18 to read as follows:

19 1. An action under [this chapter](#) shall not be filed in
20 connection with any other action, with the exception of a claim
21 for rent or recovery as provided in [section 555B.3](#), [562A.24](#),
22 [562A.32](#), [562B.17A](#), [562B.22](#), [562B.25](#), or [562B.27](#), nor shall it
23 be made the subject of counterclaim.

24 DIVISION XV

25 NONJUDICIAL FORECLOSURE

26 Sec. 38. Section 654.18, Code 2021, is amended by adding the
27 following new subsection:

28 NEW SUBSECTION. 5. Actions under this section initiated
29 on or after July 1, 2021, shall not be allowed for property
30 consisting of a mobile home as defined in section 562B.7.

31 Sec. 39. Section 655A.9, Code 2021, is amended to read as
32 follows:

33 **655A.9 Application of chapter.**

34 1. [This chapter](#) does not apply to real estate used for
35 an agricultural purpose as defined in [section 535.13](#), or to

1 a one or two family dwelling which is, at the time of the
2 initiation of the foreclosure, occupied by a legal or equitable
3 titleholder.

4 2. Actions under this chapter initiated on or after July 1,
5 2021, shall not be allowed for property consisting of a mobile
6 home as defined in section 562B.7.

7 Sec. 40. EFFECTIVE DATE. This division of this Act, being
8 deemed of immediate importance, takes effect upon enactment.

9

DIVISION XVI

10 SALE OF MANUFACTURED HOME COMMUNITY OR MOBILE HOME PARK

11 Sec. 41. NEW SECTION. 562B.16A Sale of manufactured home
12 community or mobile home park — notices.

13 1. If a landlord offers for sale all or a portion of the
14 manufactured home community or mobile home park, each current
15 tenant of the community or park shall be given notice of the
16 sale by certified mail not less than ninety days prior to the
17 sale. Each notice must include the name of the proposed buyer,
18 the business address and contact information of the proposed
19 buyer, the proposed date of the sale, and a summary of each
20 tenant's rights under subsection 2.

21 2. Following the sale of all or a portion of the
22 manufactured home community or mobile home park and upon
23 renewal or extension of a tenancy in the manufactured home
24 community or mobile home park in effect at the time of
25 the sale, the landlord shall not change a term of a rental
26 agreement, excluding a rent increase governed by the notice
27 provision of section 562B.14, subsection 7, paragraph "a",
28 for the renewed or extended term of the tenancy, unless the
29 tenant is notified in writing of the proposed change at least
30 ninety days prior to the effective date of the change and such
31 notice includes a summary of the tenant's rights under this
32 subsection.

33 Sec. 42. APPLICABILITY. This division of this Act applies
34 to the sale of manufactured home communities and mobile home
35 parks occurring on or after July 1, 2021.

1

EXPLANATION

2

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

3

4 This bill relates to property law by modifying provisions
5 relating to rental properties, manufactured home communities,
6 and mobile home parks, and modifying provisions governing
7 actions relating to such properties.

8 Division I of the bill amends Code section 562B.10 to provide
9 that a landlord may only terminate a tenancy if the tenant acts
10 in material noncompliance of the rental agreement, commits a
11 material violation of the manufactured home community or mobile
12 home park rules or regulations, or commits any other violation
13 of Code chapter 562B which allows the remedy of termination,
14 or for a legitimate and material business reason the impact
15 of which is not specific to one tenant or a change in the use
16 of the land if change in the use of the land is included in
17 the rental agreement as grounds for termination or nonrenewal.
18 A landlord may, upon providing 90-day written notice, elect
19 not to renew a tenancy for any reason. If a landlord presents
20 evidence of a written notice to a tenant on at least three
21 occasions and each notice is dated at least 10 days apart and
22 identifies a material noncompliance of the rental agreement,
23 a material violation of the manufactured home community or
24 mobile home park rules or regulations, or any other violation
25 of Code chapter 562B which allows the remedy of termination,
26 such evidence creates a presumption of the existence of the
27 condition unless and until other evidence is introduced which
28 would support otherwise.

29 Division I of the bill takes effect upon enactment and
30 applies to terminations of tenancies on or after the effective
31 date of the division of the bill.

32 Code section 562B.32(1) generally provides that a landlord
33 shall not retaliate by increasing rent or decreasing services
34 or by bringing or threatening to bring an action for possession
35 or by failing to renew a rental agreement after the exercise or

1 assertion of several specified rights and remedies. Division
2 II of the bill adds the exercise of any of the rights and
3 remedies under Code chapter 216 (Iowa civil rights Act of 1965)
4 to that enumerated list.

5 Current law provides that evidence of a complaint within
6 six months prior to the alleged act of retaliation creates a
7 presumption that the landlord's conduct was in retaliation.
8 Division II of the bill changes that period of presumption from
9 six months to one year.

10 Division II of the bill takes effect upon enactment.

11 Division III of the bill provides that a violation of Code
12 chapter 562B by a landlord or the landlord's agent is an
13 unlawful practice under Code section 714.16, governing consumer
14 frauds. Division III takes effect upon enactment and applies
15 to violations of Code chapter 562B occurring on or after the
16 effective date of the division.

17 Division IV of the bill modifies provisions governing an
18 increase in the amount of rent paid by a tenant. The bill
19 prohibits a landlord from increasing the amount of rent unless
20 the tenant is notified, in writing, of the rent increase at
21 least 120 days before the effective date of the rent increase.
22 The bill further provides that the effective date of any
23 increase in the amount of rent shall not be less than one year
24 from either the effective date of the most recent rent increase
25 or the beginning of the tenancy, whichever is later.

26 The bill also specifies that a decrease in the number or
27 quality of amenities, services, or utilities provided under
28 the rental agreement without a corresponding and proportionate
29 reduction in rent shall be considered a rent increase for the
30 purposes of the Code chapter.

31 Division IV of the bill takes effect upon enactment.

32 Division V of the bill amends Code section 16.45, which
33 creates the manufactured housing program fund for the purpose
34 of providing funding to financial institutions or other
35 lenders to finance the purchase by an individual of a compliant

1 manufactured home. The bill strikes language providing that
2 the manufactured housing program fund is designed exclusively
3 for manufactured homes sited on leased land.

4 Division VI of the bill amends Code section 562B.25
5 relating to actions by a landlord for noncompliance with a
6 rental agreement by a tenant or failure to pay rent. The
7 bill establishes authority and procedures similar to those
8 under Code section 562A.24 (uniform residential landlord and
9 tenant Act) where in the case of a landlord's action for
10 possession based upon nonpayment of the rent or in an action
11 for rent where the tenant is in possession, the tenant may
12 counterclaim for an amount which the tenant may recover under
13 the rental agreement or Code chapter 562B. In the event of
14 such a counterclaim, the court from time to time may order the
15 tenant to pay into court all or part of the rent accrued and
16 thereafter accruing, and shall determine the amount due to each
17 party. The party to whom a net amount is owed shall be paid
18 first from the money paid into court, and the balance by the
19 other party. If rent does not remain due after application
20 of the Code section, judgment shall be entered for the tenant
21 in the action for possession. If the defense or counterclaim
22 by the tenant is without merit and is not raised in good
23 faith, the landlord may recover reasonable attorney fees.
24 Additionally, in an action for rent where the tenant is not in
25 possession, the tenant may counterclaim but is not required to
26 pay any rent into court.

27 Division VI of the bill takes effect upon enactment and
28 applies to actions for possession filed on or after the
29 effective date of the division of the bill.

30 Division VII provides that if a landlord obtains a utility
31 service from a utility provider and furnishes that utility to
32 the tenant and the utility provider increases the charge or
33 rate to the landlord, the landlord may increase the charge or
34 rate to the tenant after providing the tenant a 30-day written
35 notice. If the landlord does not receive a 60-day prior notice

1 of a rate increase from the utility provider, the landlord is
2 not required to provide the tenant with a written notice of the
3 rate increase to be effective.

4 Division VIII of the bill provides that water service
5 furnished by a mobile home park that does not sell water
6 service is exempt from the sales tax if all of the following
7 apply: the water is not provided to tenants for a separately
8 itemized price, the water service is not otherwise identifiable
9 from an invoice, bill, catalogue, price list, rate card,
10 receipt, agreement, or other similar document, or the water
11 service, and the water service is incidental to the rental of
12 real property. Division VIII of the bill defines "mobile home
13 park" to mean the same as defined in Code section 562B.7.

14 Division VIII of the bill provides exemptions to Code
15 chapter 423G (water service tax), which include the sales
16 price from transactions exempt from state sales tax under Code
17 section 423.3. However, sales exempt pursuant to Code section
18 423.3(103) are not exempt except as provided for in Code
19 section 423G.4(2) or (3). Code section 423G.4(2) provides the
20 sales price from the sale or furnishing of water by a mobile
21 home provider to a tenant is exempt if all of the following
22 apply: the water was obtained from a water utility, a tax was
23 imposed by Code chapter 423 on the sales price from the sale or
24 furnishing of water by a water utility to the mobile home park,
25 and the tenant is not charged for water by the mobile home park
26 in an amount that is more than the rate the tenant would be
27 charged for consuming or using water from the water utility,
28 plus the administration fee not to exceed \$5 per month. Code
29 section 423G.4(3) provides that water furnished by a mobile
30 home park that does not engage in the sale of the water service
31 is exempt if the water service is not furnished to tenants for
32 a separately itemized price, the water service is not otherwise
33 identifiable from an invoice, bill, catalogue, price list, rate
34 card, receipt, agreement, or other similar document, and the
35 water is incidental to the rental of real property.

1 Division VIII of the bill provides that a mobile home park
2 shall not be considered a public water supply system if the
3 mobile home park sells or furnishes water to a tenant and that
4 the water was obtained from a water utility prior to selling or
5 furnishing the water to a tenant and the tenant is not charged
6 more than the rate the tenant would be charged for consuming or
7 using water from the water utility, plus an administrative fee
8 not to exceed \$5 a month.

9 Division VIII of the bill provides that a landlord that is
10 responsible for payment of utilities being provided to the
11 tenant shall not charge to the tenant an amount in excess of
12 the actual cost of the utility and the failure of a tenant to
13 pay utility charges that exceed the actual cost of the utility
14 provided shall not be considered noncompliance with the rental
15 agreement. In addition to the actual cost of the utility, the
16 bill authorizes a landlord that is responsible for the payment
17 of one or more utilities being provided to the tenant to impose
18 a monthly utility administration fee to each tenant not to
19 exceed \$5 per month. The amount of the utility administration
20 fee may not exceed \$5 per month regardless of the number of
21 utilities being provided or the actual cost of the utilities
22 being provided.

23 Division IX of the bill amends Code section 562B.24 relating
24 to a tenant's remedies for a landlord's unlawful ouster or
25 exclusion or diminution of services. The bill adds reasonable
26 attorney fees to the list of recoverable damages and provides
27 that if the rental agreement is terminated, the landlord shall
28 return all prepaid rent and security.

29 Division IX of the bill takes effect upon enactment and
30 applies to actions under Code section 562B.24 filed on or after
31 the effective date of the division of the bill.

32 Division X of the bill provides that if contrary to
33 the rental agreement or Code section 562B.16 the landlord
34 deliberately or negligently fails to supply running water
35 or other essential services, the tenant may give written

1 notice to the landlord specifying the breach and may do one
2 of the following: (1) procure reasonable amounts of water
3 or the essential service during the period of the landlord's
4 noncompliance and deduct the actual and reasonable cost from
5 the rent; (2) recover damages based upon the diminution in the
6 fair market value of the mobile home or mobile home space;
7 or (3) recover any rent already paid for the period of the
8 landlord's noncompliance which shall be reimbursed on a pro
9 rata basis.

10 Division X of the bill takes effect upon enactment and
11 applies to actions under Code section 562B.23A filed on or
12 after the effective date of the division of the bill.

13 Code section 562B.19(3)(a) prohibits a landlord from denying
14 rental unless the tenant or prospective tenant cannot conform
15 to manufactured home community or park rules and regulations.
16 Division XI requires any such decision to conform to recognized
17 principles, rules, and standards generally accepted by the
18 professional manufactured home community or park industry
19 to ensure the commercially reasonable safety and financial
20 security of comparable manufactured home communities or parks.
21 Division XI also requires a landlord to deliver the decision
22 in writing to the tenant or prospective tenant as soon as
23 commercially feasible and shall provide the basis for a denial
24 in writing to the tenant or prospective tenant at the time of
25 the decision.

26 Code section 562B.19(3)(c) prohibits a landlord from denying
27 any resident of a manufactured home community or mobile home
28 park the right to sell that person's mobile home at a price of
29 the person's own choosing, but provides that the landlord has
30 the right to approve the purchaser of such mobile home as a
31 tenant but such permission may not be unreasonably withheld.
32 Division XI allows such permission to be withheld only for a
33 legitimate business reason within the recognized principles,
34 rules, and standards accepted by the industry. If the landlord
35 refuses to approve the purchaser of the mobile home as a

1 tenant, a legitimate business reason for the refusal shall be
2 provided in writing to the resident who is selling the mobile
3 home.

4 Division XII of the bill adds to the list of prohibited
5 rental agreement provisions in Code section 562B.11 a provision
6 requiring agreement to modify the physical characteristics or
7 equipment of the mobile home, manufactured home, or modular
8 home if such modification impairs the ability of the tenant
9 to move the home, unless otherwise required by law or local
10 ordinance.

11 Division XIII of the bill prohibits rental agreements under
12 Code chapter 562B from providing that the tenant or landlord
13 does any of the following: (1) authorizing a person to confess
14 judgment on a claim arising out of the rental agreement; (2)
15 authorizing imposition of fines, penalties, or fees solely
16 as a punishment or in amounts in excess of actual damages or
17 costs incurred; and (3) authorizing prohibitions, limitations,
18 additional deposits, or other restrictive policies that are
19 not based on ordinary wear and tear expected to occur during a
20 tenancy or that are not based on community safety standards.

21 Division XIII also amends language relating to the
22 consequences and damages for using a rental agreement
23 containing provisions known to be prohibited by Code chapter
24 562B.

25 Division XIV of the bill provides that any sale of a mobile
26 home located in a manufactured home community or mobile home
27 park by a landlord or landlord's agent shall be by written
28 agreement and the landlord must produce and assign the
29 current certificate of title obtained from the department of
30 transportation. The agreement shall state the basic terms of
31 sale, including the total cost of the mobile home, finance
32 charges, annual percentage rate, and the frequency and amount
33 of each installment payment. Any such agreement shall also
34 comply with Code section 103A.58(1), relating to maximum
35 finance charges. The bill also authorizes a buyer to void

1 any such sale that does not comply with the requirements, to
2 collect specified damage amounts, and to combine such an action
3 with a forcible entry and detainer action under Code chapter
4 648.

5 Division XV of the bill prohibits the use of nonjudicial
6 foreclosure proceedings initiated under Code section 654.18 or
7 Code chapter 655A against property consisting of a mobile home,
8 as defined in Code section 562B.7, on or after July 1, 2021.

9 Division XV of the bill takes effect upon enactment.

10 Division XVI of the bill provides that if a landlord offers
11 for sale all or a portion of the manufactured home community
12 or mobile home park, each current tenant shall be given notice
13 of the sale by certified mail at least 90 days prior to the
14 sale. The notice must include the name, business address, and
15 contact information of the proposed buyer, the proposed date of
16 the sale, and a summary of each tenant's rights, which are that
17 following a sale of, all or a portion of, the manufactured home
18 community or mobile home park and upon renewal or extension of
19 a tenancy in the manufactured home community or mobile home
20 park in effect at the time of the sale, the landlord shall not
21 change a term of a rental agreement, excluding a rent increase
22 for the renewed or extended term of the tenancy, unless the
23 tenant is notified in writing of the proposed change at least
24 90 days prior to the effective date of the change and the
25 notice includes a summary of the tenant's rights.

26 Division XVI of the bill applies to the sale of manufactured
27 home communities and mobile home parks occurring on or after
28 July 1, 2021.