

**House File 658 - Introduced**

HOUSE FILE 658

BY BACON

**A BILL FOR**

1 An Act relating to utilities at rental properties, including  
2 landlord notification of delinquency notices sent by  
3 utilities, landlord notification requirements to utilities,  
4 and permitting landlords to use security deposits to satisfy  
5 delinquent utility accounts.

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

1 Section 1. Section 384.84, subsection 4, paragraph d,  
2 subparagraphs (1) and (2), Code 2021, are amended to read as  
3 follows:

4 (1) Residential or commercial rental property where  
5 a charge for water service is separately metered and paid  
6 directly to the city utility or enterprise by the tenant is  
7 exempt from a lien for delinquent rates or charges associated  
8 with such water service if the landlord gives written notice to  
9 the city utility or enterprise that the property is residential  
10 or commercial rental property and that the tenant is liable  
11 for the rates or charges. A city utility or enterprise may  
12 require a deposit not exceeding the usual cost of ninety days  
13 of water service to be paid to the utility or enterprise. Upon  
14 receipt, the utility or enterprise shall acknowledge the notice  
15 and deposit. A written notice shall contain the ~~name of the~~  
16 ~~tenant responsible for charges,~~ address of the residential or  
17 commercial rental property that the tenant is to occupy, and  
18 the date that the occupancy begins.

19 (2) ~~A change in tenant for a residential rental property~~  
20 ~~shall require a new written notice to be given to the city~~  
21 ~~utility or enterprise within thirty business days of the change~~  
22 ~~in tenant. A change in tenant for a commercial rental property~~  
23 ~~shall require a new written notice to be given to the city~~  
24 ~~utility or enterprise within ten business days of the change~~  
25 ~~in tenant.~~ When the tenant moves from the rental property,  
26 the city utility or enterprise shall return the deposit if the  
27 water service charges are paid in full.

28 Sec. 2. Section 384.84, subsection 4, paragraph e, Code  
29 2021, is amended to read as follows:

30 e. Residential rental property where a charge for any of the  
31 services of sewer systems, storm water drainage systems, sewage  
32 treatment, solid waste collection, and solid waste disposal  
33 is paid directly to the city utility or enterprise by the  
34 tenant is exempt from a lien for delinquent rates or charges  
35 associated with such services if the landlord gives written

1 notice to the city utility or enterprise that the property is  
2 residential rental property and that the tenant is liable for  
3 the rates or charges. A city utility or enterprise may require  
4 a deposit not exceeding the usual cost of ninety days of the  
5 services of sewer systems, storm water drainage systems, sewage  
6 treatment, solid waste collection, and solid waste disposal  
7 to be paid to the utility or enterprise. A city utility or  
8 enterprise may require a deposit not exceeding the usual cost  
9 of sixty days of the services of gas and electric to be paid  
10 to the utility or enterprise. Upon receipt, the utility or  
11 enterprise shall acknowledge the notice and deposit. A written  
12 notice shall contain ~~the name of the tenant responsible for~~  
13 ~~the charges,~~ the address of the residential rental property  
14 that the tenant is to occupy, and the date that the occupancy  
15 begins. ~~A change in tenant shall require a new written notice~~  
16 ~~to be given to the city utility or enterprise within thirty~~  
17 ~~business days of the change in tenant.~~ When the tenant moves  
18 from the rental property, the city utility or enterprise shall  
19 return the deposit if the charges for the services of gas,  
20 electric, sewer systems, storm water drainage systems, sewage  
21 treatment, solid waste collection, and solid waste disposal are  
22 paid in full. A change in the ownership of the residential  
23 rental property shall require written notice of such change  
24 to be given to the city utility or enterprise within thirty  
25 business days of the completion of the change of ownership.  
26 The lien exemption for rental property does not apply to  
27 charges for repairs related to a service of sewer systems,  
28 storm water drainage systems, sewage treatment, solid waste  
29 collection, and solid waste disposal if the repair charges  
30 become delinquent.

31 Sec. 3. Section 562A.12, subsection 3, paragraph a, Code  
32 2021, is amended by adding the following new subparagraph:  
33 NEW SUBPARAGRAPH. (4) To satisfy debts for a tenant's  
34 delinquent utility account.

35

EXPLANATION

H.F. 658

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

3       Under current law, for a residential or commercial rental  
4 property to be exempt from a lien for delinquent rates or  
5 charges imposed by a city utility or enterprise, a landlord  
6 must provide the name of a tenant who is responsible for  
7 charges to the city utility or enterprise when the tenant is  
8 delinquent in paying rates or charges. A landlord must provide  
9 a new notice if a tenant that is responsible for a delinquency  
10 moves out.

11       This bill removes the requirement that a landlord provide  
12 the name of a tenant that is responsible for a delinquency in  
13 a notice to a city utility or enterprise. The bill removes  
14 the requirement that a landlord provide a new notice to a  
15 city utility or enterprise if the tenant responsible for a  
16 delinquency moves out.

17       The bill provides that the landlord may withhold from a  
18 tenant's security deposit amounts as reasonably necessary to  
19 pay for delinquent utility accounts the tenant was responsible  
20 to pay during the tenancy.