

## DIALOGUE WITH DIRECTORS



We are pleased with the turnout at the July ILA breakfast meeting. Many thanks to Mr. Bergman, City of Des Moines Attorney, who updated us on two very important issues. Thanks also goes to those ILA members who were at the breakfast at that early hour. By all indications, everyone seemed to like the speaker, food and facility. We may try this approach next year, but for now we plan to go back to our traditional November ILA seminar. Look for details in a future newsletter

We hope those of you who use the ILA Web Site have noticed the new format and enhanced services. The August ILA Newsbrief contained many details on our enhanced services and new member fee schedule. If you have questions please e-mail us at: [ilaservices@iowalandlord.org](mailto:ilaservices@iowalandlord.org) or call the office at 515-270-2796

We are excited about these new services and want to know your thoughts and openly solicit your suggestions. This is your association so we want to provide services that make your life as a property manager or landlord easier.

Time does pass quickly and we are now looking at fall and winter. The last weeks of July and first week of August were extremely hot so this may of hampered your ability to work outside on your property. It is time to make sure that all the outside labor work is completed before the snow flies. Storm windows and screens repaired, door jams fixed, outside painting and/or spot painting, roof repairs, furnace checked and any other repairs should be completed.

Let us know if you have any questions.

### ***This Month's September 2001 NewsBrief .....***

- ***Summary of ILA New Services***
- ***Web Site Enhancements***
- ***Managing Tips***
- ***Reducing Indentify Theft***

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## Fall ILA Seminar Plans

Your ILA is planning a November seminar. The featured speaker will be a Des Moines attorney addressing various landlord issues. Members will hear legislative plans from ILA lobbyist, Joe Kelly. An update on the new ILA enhanced services will be presented by our webmasters from Thelowa.Net, Larry Tovrea and Gary Hendricks. Details on the agenda and the registration process will be available in the October newsletter and will soon appear on the web site.

## Enhanced ILA Services

Your Association has been busy upgrading the ILA web site and other services offered. You will see many new programs being developed for the web and elsewhere for the benefit of ILA Members.

Since the announcement in last months Newsbrief, many of you have seen the changes in our public web site. Further enhancements will occur on September 1st. And we will continue to upgrade the web site and our other services to better accommodate the members.

Here are some of the improvements the Association would like to make you aware of;

ILA has upgraded the web site to allow advertising, allowing property owners to list their available units for rent, as well as a section to display property that is for sale.

We are so confident that you will like using this service, ILA is offering to place your rental ad for free if placed during the month of September (see the back page of the news letter for details).

Some of the other new benefits include new website links, the FREE property search engine that allows tenants find your listing, want ads, career opportunities postings, consultations and our great tenant screening service. And this is only the web site improvements.

ILA plans to increase the number of educational seminars. We have updated our cooperate image, and are developing a member signage program for use by the membership.

Please review these services and let us know what you find valuable to you as a landlord or manager of rental units.

## When Rent is Late!

What do you do? That depends on the circumstances.

Will it affect my ability to pay the mortgage or insurance or utilities? Is this the first time rent is late by this tenant or is this an ongoing occurrence? Remember that when rent is late, it is a business problem.

This is a business, not a charity or a hobby. Determine why the rent is late. Was it lost in the mail, did the tenant forget, did tenant lose their job or could it be that the tenant just won't pay and won't give you a reason. Your first response should be to find out why the rent is late. You can only do that by talking to the tenant. If the rent was lost in the mail, how about giving the tenant preprinted and pre-stamped envelopes. If you cannot find the tenant, call the references on their lease or check with the neighbors. Now, it may be time to start eviction procedures. Check to see if the tenant moved out in the middle of the night. Not a good way to terminate a lease but if you have a security deposit and if they have not trashed the place you are better off.

What if you receive a check but it bounces? If a check comes in the mail you should always deposit it immediately. If it does bounce, pick it up from the bank and take it to the tenant. Show the tenant the bounced check which should have imprinted on it NSF, and request payment in cash or a money order. Do not accept another personal check. If the tenant will not give you cash or something equivalent to cash, it is time to serve them the first eviction notice-the three day notice to cure default and to quit. Do not give the NSF check back to the tenant. It will come in handy in case you have to go to court.

What do you do if the tenant is willing to give you a partial payment? Some landlords accept partial payments and some do not. If the tenant has been a good tenant in the past, it is probably safe to accept the partial payment. By accepting a partial payment you have just changed to the terms of your lease. And you have just treated this tenant differently than all your other tenants. Also if you serve the three day notice to start the eviction process and then accept a partial payment, you have to start the eviction process over with a new three day notice. If the tenant has paid you this way in the past it may be time to cut the strings and not accept the partial payment and serve them the three day notice. Remember, an unscrupulous tenant will take advantage of you every time you let them.

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## Need to Rent ???

advertise your rental at:

[www.iowalandlord.org](http://www.iowalandlord.org)

## Renovation and Liability Insurance

Renovation involving residential rental property is a common occurrence. Property managers typically hire a contractor for the project, who in turn may hire sub-contractors to do specific jobs, such as electrical or plumbing. There are several situations with these projects where damages may occur to the property. The construction may be shoddy or defective, which will require the contractor or subcontractor to redo the work. In some cases, the project itself may damage other property or result in injury to tenants or workers. In these situations the property owner and property manager will look to their own insurance company, as well as the insurance company of the contractor or subcontractor for compensation for damages.

There is a common misconception in the property management field that any damages that occur as a result of renovation will be covered under either the property manager's or the responsible contractor's Commercial General Liability insurance policy. While this type of insurance does provide financial protection against a number of risks, including personal injury and damage to neighboring property, the risk of damage to the property involved in the project itself is usually not covered. This type of Commercial General Liability insurance policy contains disclaimers from coverage, known as exclusions, which may leave the property manager without any financial protection for a loss resulting from the construction project. Contractors are generally companies or individuals hired by the property manager for a limited period of time to perform a specific job without much direction from the property manager. Commercial insurance was not designed to protect against shoddy workmanship or substandard building materials.

Most courts view these risks as pure business risks that the parties should address in a contract. While the property owner can bring the offending contractor or sub-contractor to court to obtain compensation for the poor workmanship, this process is expensive and takes a long time. Contractors and subcontractors can avoid paying the judgment by filing for bankruptcy. Insurance is a better way to go. Typically, property managers will be covered under their Commercial General Liability policy if someone is injured as a result of the construction work being performed.

For shoddy construction materials, the property manager may not be covered for this type of loss and the insurance company may deny coverage. Review of your insurance policies is essential to make sure you have adequate coverage.

## Legislative Report

Joe Kelly, our Iowa Registered Lobbyist for the Iowa Landlord Association has, once again, served us all well as landlords this year. Despite a difficult year on the hill here in Des Moines. Once again, here is his report for this 2001 Iowa Legislative Session.



As for offense this session, it was not a very good year. No specifically positive bills for landlords passed this session. One bill, HF 518, which would raise the small claims levels from \$4000 to \$5000, passed the House, but the bill was not taken up by the Senate. The Courts objected to HF 518 as did lawyers from smaller communities in the state, apparently feeling that they would lose more business, as more people would be able to represent themselves in court. HF 518 will be eligible in the Senate next year. It would be interesting to know how many landlords would like to see this change in the law.

We were also working on some language to change again the process of joint filings of evictions and money judgments. The result would have been to speed up the awarding of money judgments. Again, the courts and the Attorney General were complaining because there was a change last year, and it takes time for the courts to absorb new laws. Others were asking why landlords would get speedy service on money judgments when everyone else has to wait twenty days. We dropped the idea because we didn't want to jeopardize the bill it was contained in.

Landlords had two primary objectives this year, the passage of HSB 99 and HSB 141. HSB 99 saw the most work. Rep. Scott Raecker of Urbandale was the subcommittee chair. After many hours of work and after receiving much conflicting information, Rep. Raecker did not move the bill. HSB 99 dealt with requiring cities to provide notice before removing abandoned property. As a result of this legislative effort, Des Moines City Attorney, Bruce Bergman, has promised to work with the Iowa Landlord Association to amend the city's ordinances on these subjects. HSB 141 would have added all city services to the lien protection law for landlords. Landlords in parts of Iowa where combined billing is not being used requested it. City lobbyists and municipal utility lobbyists objected to HSB 141. We were unable to find a legislator who was really fired up to help us on HSB 141.

Another side of legislative work is defense. Many organizations do nothing but play defense at the legisla-

ture. It's also a large part of our efforts. SSB 1186 is a bill which would take away your right to give a 30 days' notice not to renew a lease. SSB 1186 would require you to state a cause, using one of the following: a material noncompliance by the tenant of the rental agreement, a violation of chapter 562A, or a legitimate business reason.

SSB 1191 would have required you to install and to maintain a carbon monoxide alarm in all of your rental properties. Failure to do so would have resulted in a serious misdemeanor charge, which carries a fine of between \$250 and \$1500 and could carry jail time of no more than one year. The Iowa Department of Health would have run this program and would have needed a fee, to be paid by landlords, so that the program would be financially self-supporting.

All bills introduced in 2001 are eligible again in the 2001 session which will convene on January 14, 2002.

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## Surviving a Tough Job Market

It is hard to pick up a newspaper without reading about another company downsizing and laying off employees.

While the headlines may overstate the problem, it's still a much tougher job market than it was a year ago. Lots of people are suddenly concerned their jobs might not be as secure as they once believed and may have already received the dreaded pink slip. Here are some tax and financial tips to help weather the storm.

- For individuals who are still employed but a layoff may be expected the goal should be to conserve cash.
- This seems obvious but some people react to expected bad news by doing the opposite. In addition, individuals in this situation should make sure all creditor obligations are up to date.
- A good credit report and access to additional money will come in handy if the anticipated layoff materializes.
- Don't be afraid to put necessary expenses on credit cards to build up a cash reserve. If the expected layoff doesn't come, the credit card balances can quickly be paid off. If a layoff does occur, the cash reserve provides a margin for error and the credit card balances can be paid off over an extended period of time.

The key point is to put only necessary expenses that would be incurred in any event on the credit cards. It may also be useful to arrange for additional credit before a job is terminated.

**Would you like to list your property on the Iowa Landlord Association Apartment Rental Search but you're not on the Internet?**



**Iowa Landlord Association  
Apartment Search Service  
Listing Form**

*Make copies of this form, fill out the form and FAX to: 515-255-0675*

You can mail or fax in your listing directly to our office if this would be easier for you.

To list your property, please fill out this form and send a picture of your property to our office.

Have you a rental property you wish to sell? Advertise it on the web site! Call us for details.

Interested in banner ads on our website?

**ILA Rental Property Search Listing Rates**

- Listing Prices = Members - \$50/mo., Non-Members - \$100/mo.
- Pictures/Logo inclusion = \$10/submission
- Picture/Logo image preparation (if needed) = \$35/hr.
- Photography Services = \$50 trip fee; \$35/hr after 1 hour; Materials at cost; Service available in the Des Moines metro and Polk County surrounding areas; Services are on a scheduled basis; Contact [information@iowalandlord.org](mailto:information@iowalandlord.org) for arrangements.

Your Company: \_\_\_\_\_  
 Your Name: \_\_\_\_\_  
 Your Company Address \_\_\_\_\_  
 Your Phone number for contact \_\_\_\_\_  
 Property Address: \_\_\_\_\_  
 Property City, Zip: \_\_\_\_\_

**Monthly Rent Price:** \$ \_\_\_\_\_ / Month  
**Number of Bedrooms:**  Studio/Efficiency  1  2  3  4+

**Type of Housing:**  Condos, Townhomes, or Duplexes  
 Unfurnished Apartments  Furnished Apartments  
 Single Family Dwelling  Short Term Rentals  Senior Community

**Utility Arrangements:**  None Supplied  Some Paid  All Paid

**Accommodations and General Amenities** – Please check the items associated with this property:

Air Conditioning: .....	<input type="checkbox"/>	Dishwasher: .....	<input type="checkbox"/>	Wheelchair Accessible: ..	<input type="checkbox"/>
Microwave: .....	<input type="checkbox"/>	Stove: .....	<input type="checkbox"/>	Trash Compactor: .....	<input type="checkbox"/>
Balcony / Patio: .....	<input type="checkbox"/>	Refrigerator: .....	<input type="checkbox"/>	Garbage Disposal: .....	<input type="checkbox"/>
Dining Room: .....	<input type="checkbox"/>	Fireplace: .....	<input type="checkbox"/>	Pet Friendly: .....	<input type="checkbox"/>
Computer High				Laundry Type:	
Speed Broadband				<input type="checkbox"/> Washer / Dryer	
Internet Accessibility: .	<input type="checkbox"/>	Cable Ready: ...	<input type="checkbox"/>	<input type="checkbox"/> Washer / Dryer Connections	
		Garage:	<input type="checkbox"/>	<input type="checkbox"/> Laundry Facility	

**Community Accommodations and Amenities**

Club House: .....	<input type="checkbox"/>	Storage Facilities:	<input type="checkbox"/>	Gated Access: .....	<input type="checkbox"/>
Public Transportation: ...	<input type="checkbox"/>	Tennis Courts: .....	<input type="checkbox"/>	Playground: .....	<input type="checkbox"/>
Fitness Center: .....	<input type="checkbox"/>	Swimming Pool: ..	<input type="checkbox"/>	Whirlpool / Spa: .....	<input type="checkbox"/>

**Run Dates of Your Listing**

Date Begin: \_\_\_\_\_ Date End: \_\_\_\_\_

*\*\*\* Don't Have A F.A.X. - - Just copy and mail your form to us. \*\*\**

As an **INTRODUCTORY Special**, we are offering Reduced Rates and in some cases - **FREE** listings!

- **Listings placed in the month of September to run through December 2001: \$ FREE** /mo. for Members !!! - \$50/mo. Non-Members;
- **Listings placed in the month of October to run through November 2001: \$ FREE** /mo. for Members !!! \$50/mo. Non-Members;
- Listings placed in the month of November to run through November 2001: **\$ 16.50 /mo. for Members !!!** \$88/mo. Non-Members;

- Listings placed in the month of December to run through December 2001: **Just \$ 33 /mo. for Members !!!** \$100/mo. Non-Members;
- Listings placed in **January, 2002** are back to the full published rates above.

**(HINT!** For the cost of an ILA membership - Non-members can purchase their membership, save money and experience ALL the benefits of ILA membership!)