



IOWA LANDLORD ASSOCIATION NEWSLETTER
www.iowalandlord.org

November 2007

ILA LEADERSHIP AND CONTACT INFORMATION

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From the Desk of Your Directors

Your Iowa Landlord Association is developing an ILA Information and Membership Directory. This is a bookshelf 3-ring binder that can be used as a quick reference source for contacting fellow association members for prospective tenant references and other consultations. It also lists Iowa Landlord Association preferred Vendor members and their contact information. There is a section which lists all of your associations' services. The last section provides you a place to archive your copies of the information-packed monthly newsletter.

One directory will be given to each member of the association. We plan to have these available to hand out to members at the Nov. 8 Educational

Seminar and Trade Show. (See details of the seminar on page 3 of this newsletter.)

If you have not registered for this all-day event, it is not too late. Call Connie at (515) 255-0675 or e-mail us at ilaservices@iowalandlord.org.

Maintenance Reminder: Now that you have had your furnace checked and turned it on for the season, don't forget to replace those smoke detector batteries!



NEW MEMBERS

Larry & Carol Mace - New Marshfield, Ohio

People on the Move

Sarah Gavigan is the current Acting Manager at Foxwood Apts. in Indianola

Heather Benton is the new Manager of Bridlewood Apts. in Altoona

New Complex Names

Fairview Apts. in Indianola are now **FOXWOOD APTS.**

Springtree Meadow Apts. in Altoona are now **BRIDLEWOOD APTS.**

Woodbridge Apts. in Des Moines are now **EVERGREEN TERRACE.**

NEW VENDOR

**FACTORY DIRECT
APPLIANCE**

Factory Direct Appliance evolved from a wholesale appliance distributor based out of Kansas City to owning seven of the Midwest's largest appliance showrooms. We carry all major appliance brands and offer them to customers at significantly discounted prices. Our sales staff is the best, due to rigorous training, as well as their desire to offer the best customer service in the industry.

Our Des Moines showroom has on display a vast selection of appliances, including cook-tops, ovens, dishwashers and washers/dryers from over 50 manufacturers. Many appliances are displayed in custom-designed kitchen vignettes, allowing you to better visualize them in your properties.

We offer delivery, installation and service on all appliances purchased at any of our showrooms. These departments are all in-house, ensuring a timely and professional job from start to finish. Make Factory Direct Appliance your #1 choice!

ILA Legislative Report

Joe Kelly
ILA Lobbyist



The 2008 session of the legislature is not too far away. Landlords have their normal menu of issues to deal with, namely, every unpassed bill introduced in 2007 is eligible for debate in 2008. The most formidable of those bills is SF 445, the bill which proposed to change the legal standard on improperly holding a tenant's security deposit. SF 445 passed the Senate and the House Judiciary Committee, but was never considered on the floor of the House. Therefore, the bill was returned to the House Judiciary Committee. SF 445 does not have to go back to the Senate unless the House amends the bill. Of course, it could also not go back to the Senate because the House doesn't take the bill up in 2008. However, it's too soon to know what is

There are legislators concerned about the energy efficiency of rental units. When legislators are concerned, it means they think that rental housing needs work to bring the units in line with greater energy savings. With the high cost of energy, this concern is understandable. The real question becomes how to deal with rental housing. Owner-occupied housing, especially units built recently, have fairly decent energy standards. However, the movement is to upgrade. How does the system deal with rental units? The renters can't make the renovations necessary to effect better energy efficiency.

Our task is to make sure that rental property owners are treated fairly. We don't want a mandatory system imposed.

What we'd like to see is some sort of incentive program to get owners of older rental properties to spend some money upgrading the energy efficiencies of their rental units. That's a win for everyone. We save expensive energy.

Utility companies can delay building new power producing facilities. The tenants don't

likely to happen with SF 445.

As for property taxes, the legislature, in the 2007 session, passed a law requiring a two-year study by a committee made up of both legislators, regulators, and interest groups. The final report is not due until January of 2009. As you might imagine, there will be little, if any, action regarding property taxes in 2008. "Let's wait for the committee's final report" will be the mantra. The first meeting of the property tax committee has been held. There will be two more this year and multiple meetings in 2008. The committee has the authority to hire outside experts in order to prepare their final recommendations.

Meanwhile, there is always the specter of new issues on the horizon. We can see one clearly coming toward us. It's energy efficiency. I had several conversations with legislators in 2007 on the issue.

have to spend as much on utility bills and perhaps will be able to pay rent easier. The rental property owner will have a more valuable property.

The legislature has an interim committee on energy efficiency. There are two meetings scheduled for the remainder of this year. The first meeting has an agenda about twice the size of normal interim meetings. The House Commerce Committee did spend a great deal of time on this subject in the 2007 session without getting a bill passed. However, there is definitely momentum to take some action in this area. What we have to be careful of is that the state won't have much extra money in 2008. We can't afford to see mandatory and expensive requirements made of rental property owners.



ASK AN ATTORNEY Legal Q & A

by Mark V. Hanson
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Question: Prospective tenants pay the deposit and sign the lease. Tenants come back later (whether it be a day or weeks), about the time to take possession under the lease, or so you thought. The prospective tenants have changed their mind and do not take possession. Proposed Tenants want their deposit refunded. They never moved in, so there was no "damage" to the unit. Do you have to return the deposit?

Response: I would treat it as a request for return of rental deposit as if they had moved in and taken possession.

You are out rent for at least a month, if not more. They did sign the lease and are contractually obligated to you. If you battle them over the rent for future months on a—for example—year lease, you would have obligation to prove how you mitigated damages. The judge would not just wave his/her hand and give you a judgment for a year rent.

You are out advertising, and other expenses.

I would have the Proposed Tenant provide mailing address or delivery instructions, and give Tenant notice regarding the deposit.

Iowa Code Section 562A.12 deals with rental deposits. You can collect two months' rent as security. Upon 30 days from the date of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return the rental deposit or furnish the tenant a written statement showing the specific reason for withholding the deposit.

If any is withheld for restoration, the statement shall specify the nature of the damages. Landlord may withhold only such amounts as reasonably necessary to

a. Remedy tenant's default in payment of rent or other funds due pursuant to the rental agreement.

b. Restore the unit to its condition, ordinary wear and tear excepted.

c. Recover expenses incurred in acquiring possession of the premises from a tenant who does not act in good faith in failing to surrender and vacate upon noncompliance with the rental agreement and notification of such noncompliance pursuant to this chapter.

If challenged by the Tenant on the deposit, the burden is on the Landlord to prove reason for withholding. If the Landlord fails to provide the written notice within 30 days, the Landlord forfeits the right to withhold any of the deposit. If Tenant fails to provide address or delivery instructions within 1 year, Tenant forfeits rights to the deposit. Bad faith retention by Landlord subjects the Landlord to punitive damages not to exceed \$200 in addition to the actual damages. The court may award reasonable attorney fees to the prevailing party.

This last year, Iowa City tenants/students attempted to get the Legislature to change the amount of penalty against the Landlord as well as change the burden of proof required against the Landlord. Their legislation did not pass. There may be more efforts this next session.

"The determination of the need for legal services and the choice of a lawyer are extremely important decisions and should not be based solely upon advertisements or self-proclaimed expertise. This disclosure is required by the rule of the Supreme Court of Iowa."



Fall Seminar

The Fall Seminar and Trade Show will be held Nov. 8 at the downtown Holiday Inn. Hours are 8:15 a.m. to 3:30 p.m. The cost of lunch and snacks during the breaks are included in your registration fee.

A full day is planned with seven interesting and informative speakers.

Our vendors will hold a Trade Show during the seminar with displays, handouts and gifts. Larry Rogers of the Des Moines Police Department will have a Vice & Narcotics display.

Cost is \$40 for ILA members and \$55 for non-members of the ILA. Non-members will receive \$55 off their membership fees if they join the association during the seminar. **3 hours of continuing ed for Real Estate Agents!** Send payment to: Iowa Landlord Association Seminar, P.O. Box 13246, Des Moines, IA 50310. For questions, call Connie at 255-0675.



November 2007

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- 1 Vendor Meeting 4 p.m. - Millard Lumber
- 4 Daylight Saving Time Ends
- 6 Election Day
- 8 Fall Educational Seminar and Trade Show - Downtown Holiday Inn - ILA Offices Closed
- 12 Veterans Day (Observed)
- 22 Thanksgiving - ILA Offices Closed

December 2007

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- 3 Vendor Meeting 4 p.m. - Millard Lumber
- 4 Hanukkah Begins at Sundown
- 22 First Day of Winter
- 25 Christmas - ILA Offices Closed



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