



Landlords' Legend

FOURTH QUARTER 2011

QUARTERLY
NEWSLETTER

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President's Column

by Keith Smith

Congratulations to the Landlords of Linn County for hosting a well-planned and successful state convention! They did a fabulous job of arranging speakers, vendors, and events. Now it's up to each of us to follow up on the information provided.

Did you "file" your convention materials when you got home? Chances are they are still on the desk or on a shelf. Take a few minutes to review your conference handouts. If you have notes or handouts from the speakers, review them and highlight information you want to apply in your rental business. Set a goal and list your action steps.

Congratulations to the new officers elected during the state convention. We are fortunate to have so many committed volunteers with energy and ideas to lead our organization. As I move to the role of past president it leads to reflection on what we've accomplished and what's ahead. Education continues to be a top priority. Partnering with Kirkwood Community College was a great opportunity to provide Landlord Universities in Iowa City and Cedar Rapids. Support for landlords could be increased with partnership

opportunities with other community colleges across the state. We've worked hard to lobby our state legislators on issues of importance to landlords. This need continues. As this newsletter is prepared, it is too soon to know the outcome of the state senate race in Eastern Iowa but what is certain is that there will be a new face in the capitol building and new legislative session opening soon.

Thank you for the opportunity to serve as president. I have appreciated the countless hours of all of our volunteer board members. I have enjoyed my term and look forward to supporting Walter as he leads us into 2012 and beyond.

Thank you again to the Landlords of Linn County for their hard work. The host for next year's state convention has not been decided. Please consider encouraging your chapter to step into this role. There is tremendous support from chapters who have hosted past conventions. Timelines, sample documents, and lessons learned are available. Please contact Walter Skovronski to share your chapter's willingness to host the 2012 state convention. ❖



SCHEDULE OF BOARD MEETINGS:

- Nov. 18, 10 AM-2 PM—Best Western Regency Inn, Marshalltown, IA
- Jan. 20, 2012
- April 20, 2012
- July 20, 2012

Legislative Report

By Joe Kelly, LLIA Lobbyist

There's an important Iowa Senate special election on November 8th. Governor Branstad appointed former Cedar Rapids Democratic Senator, Swati Dandekar, to the Iowa Utilities Board. Dandekar's departure left the Senate seat open for the special election. Democrats hold a small margin of 26-24 in the Senate. Should the Democrats lose the election, the Senate would be tied at 25, and power would be shared. There would be joint majority leaders and all committees would have joint chairpersons. There would have to be agreements on which bills would be brought up in committees and then which bills would be brought up for floor action. As you might imagine, fewer bills would be passed. As I pointed out in my last report, the 2011 session had the fewest bills passed in my 30 year career as a lobbyist. If the Senate is tied at 25, we might see an even lower number of bills passed in 2012.

If you're a group that mainly plays defense at the legislature, then the fewer bills passed, the better. However, landlords are generally trying both to pass bills and to kill bills. We have a fairly large number of ideas for legislation for 2012. We can, no doubt, get most of these items introduced; however, there is a limit as to how many proposals we can actively push. With hundreds of groups pushing for legislation, there literally isn't time for all groups to get every item of legislation that they might want. The board of Landlords of Iowa is meeting on November 18th to thoroughly review our legislative proposals and to make decisions about what the priority legislative package from Landlord of Iowa should be.

We have the additional complexity of trying to mold our legislative package so that it's congruent with proposals of the Iowa Landlord Association and the Central Iowa Apartment Alliance (CIAA). We've been able to accomplish agreement with the other landlord groups in past years, and I expect that we will continue to be able to do so. Otherwise, we'd be faced with a dilemma of one or more landlord groups supporting a bill, while the third

landlord group might register "undecided" or even "against." This scenario would most likely result in the legislature advising us to get our act together before we submit legislation.

Finally, our goal is to always become more effective in our relationships with government, whether it be at the local, state, or federal level. One aspect, and perhaps the most important, of getting goals achieved with government officials is to first become a known entity. In addition to that, we want to become known for the right reasons. We want to be known as thoughtful people who are trying to solve problems and to make the communities we live in better places. We must also remember that the change we want doesn't always happen quickly. Therefore, we have to add patience to mix of how to get bills passed and city ordinances changed.

Additionally, involving oneself in politics is an important component and is something that only a few people do. The people who involve themselves in political activities tend to have inordinate influence. However, it's a natural phenomenon. If you're giving of your time or money to assist fellow citizens in their efforts to win city council or legislative races, then you become known to these fellow citizens. And you've probably become known in a positive way.

In any event, getting legislation passed is not an easy venture, especially if the legislation faces opposition, as landlord legislation usually does. The more assistance we get from members in political and lobbying activities, the better our chances become. ❖



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Unapproved Minutes—Landlords of Iowa Board of Directors Meeting, October 6, 2011, Clarion Hotel, Cedar Rapids, IA

ATTENDEES: Keith Smith, Kim Frederickson, Jim Ervin, Bob Smith, Burt Ehlers, Daryl Kruse, Kathi Skovronski, Walter Skovronski, Carla Limmer, Jean Edwards, Jan Schmitt, Roger Wahl, B.O. Bryngelson, Kelli Excell, Talia Jackson, John Dutcher, Lynn Lampe, Inez Hill, Keith Hill, Diana Wilson and Randy Lemmon.

CALL TO ORDER: President Keith Smith called the meeting to order at 5:00 p.m.

BOARD OF DIRECTORS: President Keith Smith asked that each board member introduce themselves and discuss the top issues that need addressed with their current chapters. Topics discussed included City Ordinances, Chapter 69 and getting members more involved in the legislative process.

WELCOME NEW BOARD MEMBER:

President Keith Smith entertained a motion to accept Kelli Excell, Talia Jackson, and John Dutcher as new board members. Diana Wilson so moved that Kelli Excell, Talia Jackson, from Ames and John Dutcher from Black Hawk are accepted as new board members with a second by Roger Wahl. Motion passed unanimously. Jim Ervin moved that we remove Gary Olmstead from the board with a second by Roger Wahl. Motion passed unanimously.

SECRETARY'S REPORT: Kim Frederickson

The secretary provided written copies of the minutes to each board member. I would like to Thank Susan Smith for taking those minutes in my absence. Correction to the spelling of Jan Schmitt last name was made. Bob Smith moved that we accept the secretary's report as written with a second by Walter Skovronski. Motion passed unanimously.

TREASURER'S REPORT: President Keith Smith

President Keith Smith provided an electronic copy of the treasurer's report to each board member.

Stephanie Danielsen still has all the records. Lynn Lampe motioned for the board to pursue whatever legal action necessary to retain the records with a second by Kelli Excell. Motion Carried. President Keith Smith will send a letter to Stephanie Danielsen with a timeline to return all the records. President Keith Smith entertained a motion to accept the treasurer's report so moved by Walter Skovronski with a second by Diana Wilson.

Motion passed unanimously.

2011 CONVENTION COMMITTEE: Bob Mitchell

Bob Mitchell reported that worst case he will be asking state for \$3500 to cover the cost of the convention. 1200 cards were mailed out to attend the convention. Bob

Mitchell reported 58 attendees and 11 vendors were signed up for the 2011 State Convention. Bob Mitchell recommended that we pick a location now for next year. No volunteers at this time. Still need a host for the 2012 State Convention.

EDUCATION/MEMBERSHIP COMMITTEE: Kathi Skovronski

Kathi Skovronski went to Ames twice to help them with issues. Our Facebook page might be deleted which would be best to start a new one. Kathi Skovronski plans to go to Burlington to see if they have any groups down there or a need for one. Jan Schmitt recommended that we share a list of speakers and Walter Skovronski recommended providing a list of subject matters for the speakers.

AUDIT COMMITTEE: President Keith Smith

We need to have a transfer of the treasurer records so that the audit can be completed. President Keith Smith also needs a co-signer on the state accounts. Dubuque Convention for 2010 audit is pending a review, findings by the Dubuque Area Landlord Association.

FORM'S COMMITTEE REPORT: President Keith Smith

President Keith Smith passed around some forms to review. President Keith Smith stated that if you want something changed email him and he can send them out electronically with the changes. President Keith Smith mentioned no posting the forms on public forum.

NEWSLETTER COMMITTEE: Diana Wilson

Need all newsletter material by November 1, 2011. Discussion followed of how the newsletter should be sent out and the cost. Kelli Excell asked Diana Wilson to send her the PDF and she will print them for Council Bluffs as a pilot program.

LEGAL STATUS COMMITTEE: Walter Skovronski

No Report.

WEBSITE COMMITTEE: Bob Smith and Jim Ervin

Bob Smith would like to redesign the website. Walter Skovronski stated that he was already working on that. Vendors paid for state advertising and Jim Ervin will put them on the website.

LEGISLATIVE COMMITTEE: Daryl Kruse

Daryl Kruse provided each board member with a written legislative agenda. Discussion followed on the following items: HF 613, The City Utilities, Sprinkler Systems, Key Box Systems, War Eagle Reform, Marital Status, Safe Act, Natural Disasters, and Abandonment Proceedings. Discussion followed of adding Bed Bugs as item number 10 on the agenda. Jim Ervin accepts the legislative agenda

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and forward the list to Joe Kelly with 9 items and after reviewing the bed bugs we can add to the list. Lynn Lampe motioned to add bedbugs to the legislative agenda with a second by Roger Wahl. Motion Carried.

NOMINATION COMMITTEE: Jan Schmitt

The nominating committee presented the following candidate officers for 2012: President-Walter Skovronski; Kim Frederickson-Vice President; Secretary-Kelli Excell; and Treasurer-Keith Smith and Jim Ervin. By majority vote for Treasurer went to Keith Smith. Officers were accepted by the board and will be installed at the next board meeting on January 20, 2012.

OLD BUSINESS:

None

NEW BUSINESS: None

ADJOURN: Jean Edwards motioned to adjourn with a second by Lynn Lampe. Motion Carried.

President Keith Smith adjourned the meeting at 7:21 p.m.

Respectfully submitted,

Kim Frederickson, Secretary

From the President Elect

By Walter Skovronski

First I would like to say what a great honor it is to be elected as President of Landlords of Iowa. My goal is to attend a meeting of every chapter at least once in 2012.

Our organization faces challenges from many directions and it will be up to us a group to meet these challenges head on. Our #1 goal this year is to lay the foundation to protect our business interests and investments from all forms of Government regulation and its cost to us.

We will do this in several ways:

First: Growing our chapters with new members. We need to take every opportunity to encourage people to join. When people get into this business, many continue to keep a daily job and are not always able to attend monthly meetings. Keeping in touch with them, even if they are unable to attend your meeting is vital. By using today's technology to communicate is important. Remember there is strength in numbers.

Second: Requesting members to attend City Council meetings, this lets our city leaders know we are watching and when election time comes we will be involved in the process. Being involved in the local political process helps us to establish and keep the lines of communication open with our community leaders.

Third: By continuing to enlist Joe Kelly's services as our lobbyist in Des Moines, we will be able to continue not only to beat back unreasonable legislation, but to also to set an agenda for common sense regulations for our industry.

Fourth: Alter the way our organization is structured and the way we operate. Our chapters need more support from the Landlords of Iowa State organization. We, as State Officers and Board Members, need to provide this structure.

So, to prepare to meet these new challenges, at the request of Joe Kelly, we are holding a special Landlords of Iowa Board Meeting. The meeting will be held on November 18 at the Best Western Regency Inn, 3303 South Center Street, Marshalltown, Iowa from 10:00 am to 2:00 pm. From 10 am to 12 noon. We will be meeting with Joe Kelly to discuss the 2012 Iowa Legislative Agenda and the things Landlords of Iowa would like to see happen. We are attempting to try to get legislation passed that would clarify the eviction process so each county court operates uniformly. I would ask that you please take time to speak to the head Magistrate of your county and get his input for changes they would like for more clarity of the law. I ask that you do this before our November 18th meeting. You may email me with ideas from your meeting. My email address is kaski58@msn.com.

From 12:45 pm to 2:00 pm will be a brain storming session with changes I would like to implement for 2012. We need your attendance and input on November 18. You do not have to be a Landlords of Iowa Board member to attend this board meeting. But, I would ask that you email me and advise me you are attending.

I hope to see you on November 18th. ❖

Landlords of Iowa Board of Directors 2011**B.O. Bryngelson**

Marshalltown Rental Property Association
641/752-3646, bo_bryn@willinet.net

Stephanie Danielsen, LLIA Treasurer, Budget Committee -Chair,

Landlords of Linn County
319/294-2955, stephanied@ppmiowa.com

John Dutcher

Landlords of Black Hawk, Inc.
319/240-2497, john@balboapt.com

Jean Edwards

Pottawattamie County Landlord Association
402/659-7069, landlordjean@gmail.com

Burt Ehlers

Clinton Landlords Association, Inc.
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Jim Ervin, Newsletter Co-Editor

North Iowa Landlords Association
641/424-6589, ervin@jumpgate.net

David Essing

Fort Dodge Area Landlords Association
515/576-4407, actionrealtyinc@yahoo.com

Kelli Excell, (LLIA Sec.-Elect)

Ames Rental Association
515/451-6876, kexcell@tripletpcompanies.com

Kim Frederickson, LLIA Secretary, (LLIA VP-Elect)

Landlords of Linn County
319/366-0434, gatewaykim@imonmail.com

Glenda or Michael Hanback

Central Iowa Rental Property Association
515/279-2847, glendahanback@msn.com

Keith or Inez Hill

Wapello County Area Chapter
641/777-8324, inezkeithhill@gmail.com

Talia Jackson

Ames Rental Association
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David Kacena

Greater Iowa City Area Apartment Association
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Daryl Kruse, Legislative Committee-Chair

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Lynn Lampe

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Carla Limmer

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Jerry Merrick

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Rachel Page

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319/464-2848, pagefamily@butler-bremer.com

Maynard Porter

Siouxland Rental Association
712/258-8182, maynardporter@hotmail.com

Richard Sack, Forms Review Committee-Chair

Clinton Landlords Association, Inc.
563/243-2617, cosuda@mchsi.com

Jan Schmitt, Nominations Committee-Chair

Dubuque Area Landlords Association
563/556-5522, janandlynn@mchsi.com

Al Seim

Wapello County Area Chapter
641/682-7878, arseim@lisco.com

Kathi Skovronski, Education Committee-Chair, Membership Committee-Chair

Landlords of Davenport, Inc.
563/326-5693, kaski58@msn.com

Walter Skovronski, LLIA Vice President, (LLIA Pres.-Elect), Legal Status Committee-Chair

Landlords of Davenport, Inc.
563/326-5693, kaski58@msn.com

Keith Smith, LLIA President, (LLIA Treas.-Elect), Audit Committee-Chair

Landlords of Linn County
319/721-4191, keith@ia-mb.com

Robert Smith, Website Committee-Chair

Clinton Landlords Association, Inc.
563/212-2211, rjsmith52732@gmail.com

Roger Wahl

Pottawattamie County Landlord Association
712/322-8153, wahlapts@aol.com

Diana Wilson, Newsletter Editor

Muscatine Landlord Association, Inc.
563/264-2077, dkwilson@machlink.com

2011 LLIA Convention in Cedar Rapids - Recap

By Jan Schmitt, Secretary DALA

Bed Bugs Seminar

Attorney Jeff Lipman presented another slant on the bed bug issue. Attorneys charge more for this litigation since it is easy money. Automatic settlement is usually \$750 with no arguments. Punitive damage is 4 times amount of actual damage. Bed bugs are a **landlord problem** solely. No responsibility is set on tenants. Doesn't matter if you know they have brought them with them when they moved into your unit. All landlords need a **certified inspection prior to renting units**. This is your defense against claims. Google the case cited by many attorneys. Mathias vs. 347F.3d 672 (7th Cir) 2003 Judge Posner. He awarded a couple in a hotel room \$5,000 each in compensatory damage and \$186,000 each in punitive damage at a Motel 6 as a result of a two day stay at Motel 6.

Insurance Loss and Prevention

Shayna Fridinger says you should do an annual review of insurance policy. Do you have an umbrella plan? Get one! Split deductible? \$500 deductible on all coverage except wind/hail which is \$1,000 deductible. Avoid many deductibles with this plan.

Go to www.floodsmart.gov to check out federal govt. regulations.

HUD/Fair Housing

Myrtle Wilson, soon to be retired Director of HUD in Missouri. Most important lesson you can take with you. Perception is more damaging than fact.

Miss Murphy exemption - If you have 4 or fewer units, you don't need to advertise them as you would under HUD ruling for multiple units. HUD can go to your county assessor for verification if doing a sample check. If you have a duplex and live in one half, you do NOT need to advertise and you can "discriminate" in showing unit or to whom you want to rent. No violation under HUD.

Myrtle was black and addressed issues from a minority standpoint and was extremely fair in her assessment of "fair" and "equal". Good seminar.

Social Media

Gail Cudworth and Mary Spain of Apartment Finders gave an extremely interesting social networking presenta-

tion. 96% of computer users socially network thru Facebook, Twitter, web browsing, etc. 86% of employers are using LinkedIn. Age 56-65 are most users on web. 20% of all users

tweet. 82% of all users trust what peers say online. SEM - Search Engine Marketing is a popular way to market online. RSS feeds stores info online that can be read by many types of software. Facebook makes its money on your RSS feeds. These are keywords that you use in your communication. Words such as home, rent, medications, mother, father, vacation, and many others. These keywords are used by companies to send you responses and "hits". You never knew where they came from when you got an email from a strange company. 25% of all Americans use networks or online search sites. That is up 43% from 2 years ago.

Legislative Update

Four legislators from Cedar Rapids, Iowa were present to discuss Iowa laws in session or will be for 2012. Joe Kelly gave update on what he is doing for the two of three landlord groups who have lobbyists in Iowa. I have info if you care to read it.

1031 Exchanges

David Brown gave an interesting talk on 1031 exchange. These are difficult to achieve and you need a QI (qualified intermediary) to handle paperwork. This is not a tax avoidance tool; it is a tax deferred too. Essentially it is a like for like exchange. You want to get out of small property holdings and get a large complex or you want a store instead of rentals. This program is a way to eliminate capital gains tax also.

Delaware Statutory Trust

Total waste of time unless you have lots of money to risk. This is similar to 1031 except you buy into a group of up to 35 investors of \$100,000 or more who manage the trust. Many rulings on the operations of day-to-day business.

Building Your Legacy Online

Mike Whaling, a young entrepreneur, gave many good

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2011 LLIA Convention in Cedar Rapids - Recap

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ideas in how to realize your dream. There is a tool called a "Phone Tree" where info is gathered when you call a business and have to press 1 or 2 or 3 to get someone. Be aware you can always be traced when using sites. Did you ever wonder why you got emails from some weird company? You may have used a keyword that you didn't even know was being tapped. If you have a web site, you can go to Google Keyword Tool and enter your web site and type in words that will kick customers your way - such as rent, housing, spacious, clean, downtown, 1st floor, etc. You create your own footprint.

The Conversation Prism is a site you can promote business with dozens of avenues to check sites, information, help, hints, etc.

LinkedIn is a business focused web site. Face Book is a social site. Twitter is the most widely used site for negative opinions. Just type in die, hate, sucks, yuck, etc. to see postings.

FE&D

This was the most eye-opening presentation. Magistrate David Grinde and Stephanie Danielsen presented as a team. She is a property manager and he is a judge. I will have more on this at a later date. A few notes to take with you...

1. **Delivery of a 3-day notice or notice of any kind is given NOT by the landlord**, but any person over 18 years of age. Personal Service rule: Rule of Civil Procedures 1.305, sub 1. A 30-day Peaceable bar code 648.18 will be cited by Judge.

2. **Legal proceedings by you must be taken in the**

same month as you are seeking rent - or you will lose another month's rent. Don't wait till next month to start proceedings. Do so in the first week with an order of unpaid rent. You may not have to go further.

3. **Make 2 attempts to serve with posting on all entrances** if possible of the "Notice of Termination of Lease for Non-Payment of Rent" and try to get a signatures by anyone over 18 in the unit. You can have a friend of theirs who is in unit sign also. Does not have to be tenant. You can serve at work and the foreman or boss can take paper-work and give to tenant. Then do the other two means - which are (1.) served by process server or sheriff and (2.) mailing copy of notice to each name on lease by ordinary and certified mail. Notice is deemed "complete" after 4 days.

Do Not accept money or check after you have served tenant notice the 3-day notice unless you can prove in your lease that it is past rent for another month previous. You do not want to start the process over.

Tenant Law 562A-8A says no payment you can do a 3-day notice of non paid rent. Three days counts as follows:

Calculation is 4.1 sect 34 which states. Day 1 is excluded if last day falls on Sunday or holiday. You do NOT have to file on day 4. You can file within the month or within 30 days at least.

4. **Clear and Present Danger** includes physical assault or threat of physical assault; illegal use of firearm, or threat to use same (but only if tenant knew of possession); possession of controlled substance, even by another if tenant knew of possession. **Landlord must give two forms as stated by law - one is the notice of termination and the second is notice to quit.** ❖

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Local Chapters (Listed alphabetically—numbered by order of joining)

#22 AMES RENTAL ASSOCIATION

www.amesrentalassociation.org

Chapter Address: PO Box 2409, Ames, IA 50010

Meetings: Semi-Annual

2011 President: Kelli Excell

#1 LANDLORDS OF BLACK HAWK, INC.

www.blackhawklandlords.org

Chapter Address: PO Box 742, Waterloo, IA 50704

Meetings: Monthly, 3rd Thursday, 6:00-8:30 p.m.

Dinner, Program, Business Meeting.

Elks, 409 E Park Ave., Waterloo, IA 50703

Board meets 1st Thursday of the month for lunch., 12 noon, Elks

2011 President: Wally Parrish

#16 CENTRAL IOWA RENTAL PROPERTY ASSOC.

Meetings: Monthly, 3rd Thursday, 7:00-9:00 p.m.

Iowa Realty Office, 3521 Beaver Ave. Des Moines, IA 50310

2011 President: Anne Bickell

#7 CLINTON LANDLORDS' ASSOCIATION, INC.

www.clintonlandlords.com

Chapter Address: PO Box 155, Clinton, IA 52732-0155

Meetings: Monthly, 4th Thursday, 5:30-9:00 p.m.

Social Hour, Dinner 6:00 p.m. Business Meeting: 6:30 p.m.

Program, Frontier Restaurant, 2300 Lincoln Way, Clinton, IA 52732

Board meets as required.

2011 President: Mike Drury

#21 LANDLORDS OF DAVENPORT, INC.

Chapter Address: 2350 Farnam St, Davenport, IA 52803

Meetings: Monthly, 4th Tuesday, 6:30 - 8:00 p.m.

Business Meeting, Program, Davenport Moose Club, 2333 Rockingham Rd, Davenport, IA 52802

2011 President: Walter Skovronski

#14 DUBUQUE AREA LANDLORDS ASSOCIATION

Meetings: 2nd Tuesday, 7:00 p.m. in September, November, January, March, & May, Dubuque Area Lifetime Center, 3505 Stoneman Road, Dubuque, IA 52002

Board meets 1st Tuesday at noon - same months as meetings.

2011 President: Jerry Maro

#10 FORT DODGE AREA LANDLORD ASSOCIATION

www.fdala.com

Meetings: Monthly, 3rd Wednesday, 7:30-9:00 p.m.

Chamber of Commerce, 1406 Central Ave., Fort Dodge, IA 50501

2011 President: Dave Essing

#20 GREATER IOWA CITY AREA APARTMENT ASSOC.

www.gicaa.org

Chapter Address: PO Box 1765, Iowa City, IA 52244-1765

Meetings: Monthly, 4th Tuesday, 9 months

No meetings - Jul., Aug., Dec.

11:30 a.m. to 1:00 p.m., Lunch, Business, Speaker,

Iowa City Board of Realtors, 515 Kirkwood Ave., Iowa City, IA 52240

Board meets 2nd Tuesday every month.

2011 President: David Kacena

#2 LANDLORDS OF LINN COUNTY

www.landlordsoflinncounty.com

Chapter Address: PO Box 338, 3315 Williams Blvd SW Suite 2, Cedar Rapids, IA 52406

Meetings: Monthly, 2nd Thursday, 6:00 p.m. Social Hour, 7:00 p.m.

Program/Meeting, Longbranch Hotel, 90 Twixtown Rd NE, Cedar Rapids, IA 52402

2011 President: Stephanie Danielsen

#9 MARION COUNTY LANDLORDS' ASSOCIATION

Meetings: Every other month, 3rd Tuesday,

Mr. C's Steakhouse, Highway 14 N, Knoxville, IA 50138

6:30 p.m. Dinner, 7:00 p.m. Program

2011 President: Jayme McLaren

#12 MARSHALLTOWN RENTAL PROPERTY ASSOC.

Chapter Address: PO Box 36, Marshalltown, IA 50158

Meetings: Monthly, 2nd Thursday, noon luncheon

Memories Banquet & Reception Hall, 1010 W. Lincoln Way, Marshalltown, IA 50158

2011 President: B.O. Bryngelson

#11 MUSCATINE LANDLORD ASSOCIATION

www.muscatinelandlords.org

Chapter Address: 1103 Halstead St, Muscatine, IA 52761

Meetings: Monthly, 3rd Mon., 9 months of the year, 7:00-8:30 p.m.,

Trinity Church, 211 Walnut St., Muscatine, IA 52761

Board meets 6:00 p.m. prior to meeting.

2011 President: Diana Wilson

#17 NORTH IOWA LANDLORDS ASSOCIATION

Chapter Address: PO Box 354, Mason City, IA 50402-0354

Meetings: Monthly, 2nd Tues., 9 months of the year, 7:00-8:30 p.m.

Grant Village Community Center, 823 - 6th St. SW, Mason City, IA 50401

Board meets 6:30 p.m. before regular meeting.

2011 President: Jim Ervin

#8 POTTAWATTAMIE COUNTY LANDLORD ASSOC.

www.pottcolandlords.org

Chapter Address: 3114 - 9th Ave, Council Bluffs, IA 51501-5737

Meetings: Monthly, 2nd Thurs., 7:00-8:30 p.m., Business, Program,

Jon Malloy Center, South 7th St. & 9th Ave., Council Bluffs, IA 51501

2011 President: Dan Angerth

#6 SIOUXLAND RENTAL ASSOCIATION

www.sioxlandhomerentals.com

Chapter Address: PO Box 5204, Sioux City, IA 51102

Meetings: Jan, Apr, July, Oct, 6:00 p.m. Dinner, 7:00 p.m. Program,

Business Meeting, Horizon Restaurant, 1222 Tri View, Sioux City, IA 51103

2011 President: Maynard Porter

#5 WAPELLO COUNTY AREA CHAPTER

Chapter Address: 13934 - 65th St., Ottumwa, IA 52501

Meetings: Monthly, 2nd Mon., 6:30 p.m. Dinner, 7:00 p.m. Meeting

Sirloin Stockade, 2645 Northgate Dr., Ottumwa, IA 52501

2011 President: Keith & Inez Hill

Monthly Speakers/Topics for Local Chapters

By Kathy Skovronski, LLIA Membership & Education Chairman

- January:** Housing seminar—if a college is in your town, ask the director of student housing
Any organization that helps find a place for homeless folks
- February:** City rental inspectors or health department
Local utility company — reps to discuss energy saving program
- March:** Fire seminar—invite fire chief, independent fire adjuster
Red Cross—relocation
City or county representative—if city offers relocation service
- April:** Fair Housing Month—local civil rights office or state representative
Chamber of Commerce president or representative
- May:** Chief of Police — How can we work together
Drug Seminar — Recognize drugs & drug paraphernalia
- June:** Locksmith
Lead base paint information
Insurance agent

- July:** Chapter picnic
Fire restoration company
City engineer
- August:** Prepare for fall—furnace inspection company, home weatherization
- September:** City or county assessor,
County Sheriff—discuss his job duties—sheriff sales, process server
Magistrate who does evictions
- October:** Candidate night for city elections
Membership night: Invite state officers for discussions
- November:** Banker—financing investment properties
Election night for new club officers
Discuss speaker calendar for next year
- December:** Accountant to discuss tax preparations

Do you have other topics and speakers that are a favorite? Forward them to dkwilson@machlink.com for the next issue of the Landlords' Legend.



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Can an LLC Create and Support Real Estate Tax Deductions?

Yes! But first, if you have not done so, set up a limited liability company (LLC). Then elect the LLC to be taxed as a partnership (with at least two members) so you have an LLC-Partnership which is both a legal and tax entity (with a low IRS audit profile) and the best entity for real estate. If you operate as one person, another member (to create the partnership) can be your spouse, other family member or even another entity you own such as a C-corporation. These can be minority low-percentage members so you can still have total control.

Now to the topic at hand. Properly structured, with the appropriate documents, an LLC can support expenses as tax deductions, many of which are IRS hot spots (discussed shortly) and typically would be more aggressive if taken as a non-entity sole proprietor (which is also very prone to IRS audits).

What to do: Use a properly worded comprehensive LLC Operating Agreement (OA). There are several important LLC legal documents. But the OA is the most important one. It is the nuclear, governing instrument...mandating LLC business operations. Simply put, it is the heart of the LLC. It also is a private document, not exposed to the public such as the articles of organization. The OA used, should be a "Real Estate OA", specifically designed for real estate investment operations.

A properly worded OA will contain legal provisions that document the LLC is a separate entity where the LLC affairs are separate from the affairs of the members. These legal provisions (along with entity formalities) will give its members limited liability protection, therefore making it difficult for a court to pierce the LLC entity veil (which would expose member personal assets to attachment). This is because the LLC would be separate and distinct from its members. Standard boiler-plate OA's (which most are) do not do this, as well as below.

Tax Deduction Support: A properly worded Real Estate OA also supports the multitude of tax saving expense/deductions (and strategies) that are available for the absolute best tax shelter - real estate.

How Is This So? Because having the correct legal provisions in the OA (per the above) separates the LLC entity from its members, as a separate legal person. So given this, the statutory LLC entity (separate from its members) via this legal document (the OA), formally authorizes LLC members to incur expenses necessary to attain the specific business purpose of the LLC as provided in the OA (which purpose is: High-return, low-risk real estate investing). This is summarized below.

**** The LLC Entity **** - Gives legal authorization to incur expenses necessary to attain the LLC business purpose Which is separate from

**** You as LLC Member **** - With the LLC authorization, you incur the authorized deductible expenses, carrying out the LLC business purpose.

This is powerful! You will feel much more assured and comfortable that your tax deductions are legally supported by this legal entity (LLC) via this legal document (OA).

IRS Hot Spots: This is especially so with IRS hot spots such as deductions for auto, home-office, entertainment, meals, travel to find property; especially, real estate education (seminars, home study courses, coaching programs) along with related travel to the educational event. With the proper LLC documents, you can legally and fully claim such deductions, even if you do not yet own any investment properties. This could be a very troublesome area with the IRS...but now can be resolved with a properly structured LLC entity with complete, correct documentation!

Conclusion-Summary: Such proper documentation can therefore be an effective defense against any IRS attacks; or CPA's trying to deny you of valuable deductions. Reason: This statutory LLC entity (separate from its members) via this legal document (the OA), formally authorizes these deductible expenses necessary to attain the LLC business purpose. You end up with legal tax-saving deductions and a more successful real estate operation...The best of both worlds.

—Reprinted from Mr. Landlord

How to Unscrew a Broken Light Bulb

Tip from Ron Hazleton

It can be a bit annoying, not to mention unsafe, when a light bulb breaks leaving just a base in the socket. Here's a simple and safe way to get it out.

Take a bar of soap and insert the corner into the socket. Give it a few turns and that base will unscrew. Make sure that the soap is dry and that the power is turned off.

Never use a potato. Potatoes contain moisture and that could be dangerous.



What Do YOU Get From Your Landlords of Iowa Membership?

1. Quarterly newsletters

Four times a year you receive the “Landlord’s Legend” with information about legislative issues, what other landlords are doing, hints, and suggestions to help you become a better landlord.

2. A Lobbyist hired to represent the Landlords in Iowa

Joe Kelly is a very experienced lobbyist who represents our landlords on a daily basis at the State Capitol.

3. Regular legislative updates

Joe provides landlords regular updates on “hot” issues via e-mail and updates in the newsletter.

4. Annual opportunity to meet the legislators

Each spring, Landlords of Iowa members are invited to spend a day “on the hill” meeting the legislators and discussing current issues.

5. Education opportunities, including the annual state convention, guest speakers, and program idea

Each fall the Landlords of Iowa State Convention gives landlords the chance to listen to industry speakers, motivational speakers, question and answer sessions. Throughout the year, board members provide presentations to local chapters and local chapters can share program ideas during the President’s Breakfast at the convention.

6. Networking with other landlords

Through monthly meetings at the local level, distribution of chapter contact lists in the quarterly newsletter, and attendance at the state convention, landlords can meet with other landlords facing similar challenges and discuss ways to improve their business. With over 1,000 members, think of the great ideas you can can from their experience!

7. Discounts through vendor members

As a member of Landlords of Iowa, you are given the opportunity to receive discounts through state vendor members and local vendor members!

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**We're on the web:
www.landlordsofiowa.org**

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