

Representative Marsha Judkins proposes the following substitute bill:

RENTAL EXPENSES DISCLOSURE REQUIREMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Marsha Judkins

Senate Sponsor: Todd D. Weiler

LONG TITLE

General Description:

This bill amends an owner’s duties under the Utah Fit Premises Act.

Highlighted Provisions:

This bill:

- ▶ requires an owner of a residential rental unit to make certain disclosures to a potential renter before accepting an application fee or any other payment;
- ▶ prohibits an owner from charging a renter under a rental agreement a fee, tax, assessment, interest, or other cost:
 - that is not disclosed in the rental agreement, except under certain conditions; or
 - in an amount greater than agreed to in the rental agreement;
- ▶ permits a prospective renter to seek reimbursement from an owner under certain conditions;
- ▶ prohibits an owner from charging a late fee that exceeds a certain amount; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **57-22-4**, as last amended by Laws of Utah 2017, Chapter 19

29

30 *Be it enacted by the Legislature of the state of Utah:*31 Section 1. Section **57-22-4** is amended to read:32 **57-22-4. Owner's duties.**

33 (1) To protect the physical health and safety of the ordinary renter, an owner:

34 (a) may not rent the premises unless they are safe, sanitary, and fit for human

35 occupancy; and

36 (b) shall:

37 (i) maintain common areas of the residential rental unit in a sanitary and safe condition;

38 (ii) maintain electrical systems, plumbing, heating, and hot and cold water;

39 (iii) maintain any air conditioning system in an operable condition;

40 (iv) maintain other appliances and facilities as specifically contracted in the rental

41 agreement; and

42 (v) for buildings containing more than two residential rental units, provide and

43 maintain appropriate receptacles for garbage and other waste and arrange for its removal,

44 except to the extent that the renter and owner otherwise agree.

45 (2) Except as otherwise provided in the rental agreement, an owner shall provide the
46 renter at least 24 hours prior notice of the owner's entry into the renter's residential rental unit.47 (3) (a) Before an owner accepts an application fee or any other payment from a
48 prospective renter, the owner shall disclose in writing to the prospective renter:49 (i) a good faith estimate of:50 (A) the rent amount; and51 (B) the amount of each $\hat{H} \rightarrow$ **fixed**, $\leftarrow \hat{H}$ non-rent $\hat{H} \rightarrow$ **[related]** $\leftarrow \hat{H}$ expense that is part of51a the rental agreement;51b $\hat{H} \rightarrow$ **(ii) the type of each use-based, non-rent expense that is part of the rental**51c **agreement;** $\leftarrow \hat{H}$ 52 $\hat{H} \rightarrow$ **[(ii)] (iii)** $\leftarrow \hat{H}$ the day on which the residential rental unit is scheduled to be available;53 $\hat{H} \rightarrow$ **[(iii)] (iv)** $\leftarrow \hat{H}$ the criteria that the owner will consider in determining the prospective53a renter's54 eligibility as a renter in the residential rental unit, including criteria related to the prospective55 renter's criminal history, credit, income, employment, or rental history; and56 $\hat{H} \rightarrow$ **[(iv)] (v)** $\leftarrow \hat{H}$ the requirements and process for the prospective renter to recover money56a the

57 prospective renter pays in relation to the residential rental unit, as described in Subsection (4).

58 (b) An owner may satisfy the written disclosure requirement described in Subsection
 59 (3)(a)(i) through a rental application, deposit agreement, or written summary.

60 (4) (a) A prospective renter may make a written demand to the owner of a residential
 61 rental unit requesting the return of money the prospective renter paid in relation to the rental of
 62 the residential rental unit, if:

63 (i) ~~H→~~ (A) ~~←H~~ an amount the owner provides in the good-faith estimate described in
 63a Subsection (3)

64 is different than the amount in the rental agreement; ~~H→~~ or

64a **(B) the rental agreement includes a type of use-based, non-rent expense that was not**
 64b **disclosed under Subsection (3); ~~←H~~ and**

65 (ii) the prospective renter:

66 (A) makes the written demand within five business days after the day on which the
 67 prospective renter receives the rental agreement; and

68 (B) at the time the prospective renter makes the written demand, has not signed the
 69 rental agreement or taken possession of the residential rental unit.

70 (b) If a prospective renter makes a written demand in accordance with Subsection
 71 (4)(a), the owner shall return all money the prospective renter paid the owner within five
 72 business days after the day on which the owner receives the written demand.

73 (5) An owner may not charge a renter:

74 (a) a late fee that exceeds the greater of:

75 (i) 10% of the rent agreed to in the rental agreement; or

76 (ii) \$75; or

77 (b) a fee, fine, assessment, interest, or other cost:

78 (i) in an amount greater than the amount agreed to in the rental agreement; or

79 (ii) that is not included in the rental agreement, unless:

80 (A) the rental agreement is on a month-to-month basis; and

81 (B) the owner provides the renter a 15-day notice of the charge.

82 (6) Before an owner and a prospective renter enter into a rental agreement, the owner
 83 shall:

84 (a) provide the prospective renter a written inventory of the condition of the residential
 85 rental unit, excluding ordinary wear and tear;

86 (b) furnish the renter a form to document the condition of the residential rental unit and
 87 then allow the resident a reasonable time after the renter's occupancy of the residential rental

88 unit to complete and return the form; or

89 (c) provide the prospective renter an opportunity to conduct a walkthrough inspection
90 of the residential rental unit.

91 ~~[(4)]~~ (7) At or before the commencement of the rental term under a rental agreement,
92 an owner shall:

93 (a) disclose in writing to the renter:

94 (i) the owner's name, address, and telephone number; or

95 (ii) (A) the name, address, and telephone number of any person authorized to manage
96 the residential rental unit; or

97 (B) the name, address, and telephone number of any person authorized to act for and on
98 behalf of the owner for purposes of receiving notice under this chapter or performing the
99 owner's duties under this chapter or under the rental agreement, if the person authorized to
100 manage the residential rental unit does not have authority to receive notice under this chapter;
101 and

102 (b) provide the renter:

103 (i) an executed copy of the rental agreement, if the rental agreement is a written
104 agreement; and

105 (ii) a copy of any rules and regulations applicable to the residential rental unit.

106 ~~[(5)(a) An owner shall disclose in writing to an applicant for a residential rental unit:]~~

107 ~~[(i) if there is an anticipated availability in the residential rental unit; and]~~

108 ~~[(ii) the criteria that the owner will review as a condition of accepting the applicant as a~~
109 ~~tenant in the residential rental unit, including criteria related to the applicant's criminal history,~~
110 ~~credit, income, employment, or rental history.]~~

111 ~~[(b) An owner may not accept a rental application from an applicant, or charge an~~
112 ~~applicant a rental application fee, before the owner complies with the disclosure requirement in~~
113 ~~Subsection (5)(a).]~~

114 (8) Nothing in this section prohibits any fee, fine, assessment, interest, or cost that is
115 allowed by law or stated in the rental agreement.

116 ~~[(6) An]~~

117 (9) A renter may not use an owner's failure to comply with a requirement of Subsection
118 (2), (3), (4), ~~[or (5) may not: (a) be used by the renter]~~ (5), (6), or (7) as a basis:

- 119 (a) to excuse the renter's compliance with a rental agreement; or
120 [~~(b) give rise to any~~]
121 (b) to bring a cause of action against the owner.