

GOOD LANDLORD PROGRAM AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to the Good Landlord Program.

Highlighted Provisions:

This bill:

- ▶ prohibits a municipality from imposing a disproportionate rental fee on a residential rental unit that is subject to an association; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-1-203.5, as last amended by Laws of Utah 2017, Chapter 136

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **10-1-203.5** is amended to read:

10-1-203.5. Disproportionate rental fee -- Good landlord training program -- Fee reduction.

(1) As used in this section:



28 (a) "Business" means the rental of one or more residential units within a municipality.

29 (b) "Disproportionate rental fee" means a fee adopted by a municipality to recover its
30 disproportionate costs of providing municipal services to residential rental units compared to
31 similarly-situated owner-occupied housing.

32 (c) "Disproportionate rental fee reduction" means a reduction of a disproportionate
33 rental fee as a condition of complying with the requirements of a good landlord training
34 program.

35 (d) "Exempt business" means the rental of a residential unit ~~that~~ **within a single**
35a **structure**

36 **that contains ~~that~~:**

37 ~~— (i) contains within a single structure:~~

38 ~~— [(i) (A)] ~~that~~ no more than four residential units ~~that~~ [~~and~~] .~~

39 ~~[(ii) (B) one unit occupied by the owner[.]; or~~

40 ~~— (ii) is subject to an association under Title 57, Chapter 8, Condominium Ownership~~

41 ~~Act, or Title 57, Chapter 8a, Community Association Act.] ~~that~~~~

42 (e) "Exempt landlord" means a residential landlord who demonstrates to a
43 municipality:

44 (i) completion of any live good landlord training program offered by any other Utah
45 city that offers a good landlord program;

46 (ii) that the residential landlord has a current professional designation of "property
47 manager"; or

48 (iii) compliance with a requirement described in Subsection (6).

49 (f) "Good landlord training program" means a program offered by a municipality to
50 encourage business practices that are designed to reduce the disproportionate cost of municipal
51 services to residential rental units by offering a disproportionate rental fee reduction for any
52 residential landlord who:

53 (i) (A) completes a landlord training program provided by the municipality; or

54 (B) is an exempt landlord;

55 (ii) implements measures to reduce crime in rental housing as specified in a municipal
56 ordinance or policy; and

57 (iii) operates and manages rental housing in accordance with an applicable municipal
58 ordinance.

59 (g) "Municipal services" means:

60 (i) public utilities;

61 (ii) police;

62 (iii) fire;

63 (iv) code enforcement;

64 (v) storm water runoff;

65 (vi) traffic control;

66 (vii) parking;

67 (viii) transportation;

68 (ix) beautification; or

69 (x) snow removal.

70 (h) "Municipal services study" means a study of the cost of all municipal services to

71 rental housing that:

72 (i) are reasonably attributable to the rental housing; and

73 (ii) exceed the municipality's cost to serve similarly-situated, owner-occupied housing.

74 (i) "Residential landlord" means:

75 (i) the owner of record of residential real property that is leased or rented to another; or

76 (ii) a third-party provider that has an agreement with the owner of record to manage the

77 owner's real property.

78 (2) The legislative body of a municipality may charge and collect a disproportionate

79 rental fee on a business that causes disproportionate costs to municipal services if the

80 municipality:

81 (a) has performed a municipal services study; and

82 (b) adopts a disproportionate rental fee that does not exceed the amount that is justified

83 by the municipal services study on a per residential rental unit basis.

84 (3) A municipality may not:

85 (a) impose a disproportionate rental fee on an exempt business;

86 (b) require a residential landlord to deny tenancy to an individual based on the

87 individual's criminal history unless a halfway house, as that term is defined in Section

88 [51-9-412](#), is located within the municipality;

89 (c) without cause and notice, require a residential landlord to submit to a random

90 building inspection;

91 (d) unless agreed to by a residential landlord and in compliance with state and federal
92 law, collect from a residential landlord or retain:

93 (i) a tenant's consumer report, as defined in 15 U.S.C. Sec. 1681a, in violation of 15
94 U.S.C. Sec. 1681b as amended;

95 (ii) a tenant's criminal history record information in violation of Section 53-10-108; or

96 (iii) a copy of an agreement between the residential landlord and a tenant regarding the
97 tenant's term of occupancy, rent, or any other condition of occupancy;

98 (e) require that any documents required from the landlord be notarized; or

99 (f) prohibit a residential landlord from passing on to the tenant the license or
100 disproportionate fee.

101 (4) Nothing in this section shall limit:

102 (a) a municipality's right to audit and inspect an exempt residential landlord's records to
103 ensure compliance with a disproportionate rental fee reduction program; or

104 (b) the right of a municipality with a short-term or vacation rental ordinance to review
105 an owner's rental agreement to verify compliance with the municipality's ordinance.

106 (5) Notwithstanding Section 10-11-2, a residential landlord may provide the name and
107 address of a person to whom all correspondence regarding the property shall be sent. If the
108 landlord provides the name and address in writing, the municipality shall provide all further
109 correspondence regarding the property to the designated person. The municipality may also
110 provide copies of notices to the residential landlord.

111 (6) In addition to a requirement or qualification described in Subsection (1)(e), a
112 municipality may recognize a good landlord training program described in its ordinance.

113 (7) (a) If a municipality adopts a good landlord program, the municipality shall provide
114 an appeal procedure affording due process of law to a residential landlord who is denied a
115 disproportionate rental fee reduction.

116 (b) A municipality may not adopt a new disproportionate rental fee unless the
117 municipality provides a disproportionate rental fee reduction.

118 (8) A property manager who represents an owner of property that qualifies for a
119 municipal disproportionate rental fee may not be restricted from simultaneously representing
120 another owner of property that does not qualify for a municipal disproportionate rental fee.

Legislative Review Note
Office of Legislative Research and General Counsel