

SHORT-TERM RENTAL AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gay Lynn Bennion

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions regarding short-term residential rentals.

Highlighted Provisions:

This bill:

- ▶ requires municipalities and counties that allow short-term rentals to adopt ordinances or regulations to promote the health, safety, and welfare of short-term rental occupants;
- ▶ prohibits the operation of a short-term rental unless the municipality or county issues a permit to operate the short-term rental and the State Tax Commission issues a sales tax license;
- ▶ provides for requirements for a municipality or county issuing a short-term rental permit;
- ▶ authorizes municipalities and counties to enact ordinances to ensure compliance with applicable requirements; and
- ▶ imposes requirements and limitations on an owner of a short-term rental.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



28 ENACTS:

29 **10-9a-538**, Utah Code Annotated 1953

30 **17-27a-534**, Utah Code Annotated 1953

31 **57-31-101**, Utah Code Annotated 1953

32 **57-31-201**, Utah Code Annotated 1953

33 **57-31-202**, Utah Code Annotated 1953

34

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

36 Section 1. Section **10-9a-538** is enacted to read:

37 **10-9a-538. Short-term rentals.**

38 (1) As used in this section, "short-term rental" means the same as that term is defined
39 in Section 57-31-101.

40 (2) A municipality that allows short-term rentals within the municipality shall adopt
41 ordinances or regulations to promote the public health, public safety, and general welfare of the
42 short-term rental occupants.

43 (3) In issuing a permit for a short-term rental, a municipality shall comply with Title
44 57, Chapter 31, Short-term Rentals.

45 Section 2. Section **17-27a-534** is enacted to read:

46 **17-27a-534. Short-term rentals.**

47 (1) As used in this section, "short-term rental" means the same as that term is defined
48 in Section 57-31-101.

49 (2) A county that allows short-term rentals within an unincorporated area of the county
50 shall adopt ordinances or regulations to promote the public health, public safety, and general
51 welfare of the short-term rental occupants.

52 (3) In issuing a permit for a short-term rental, a county shall comply with Title 57,
53 Chapter 31, Short-term Rentals.

54 Section 3. Section **57-31-101** is enacted to read:

55 **CHAPTER 31. SHORT-TERM RENTALS**

56 **Part 1. General Provisions**

57 **57-31-101. Definitions.**

58 As used in this chapter:

59 (1) "One-hour drive distance" means the distance, as determined by the municipality or
 60 county issuing a permit under Section 57-31-201, that a vehicle would travel in one hour
 61 traveling the applicable speed limit following the most reasonably direct path under normal
 62 road and traffic conditions.

63 (2) "Owner" means the individual who:

64 (a) owns the property that is operated as a short-term rental; or

65 (b) owns the largest percentage of an interest in a corporation, limited liability
 66 company, partnership, or other entity that owns the property that is operated as a short-term
 67 rental.

68 (3) (a) "Short-term rental" means any of the following, offered for use as residential
 69 lodging, in exchange for compensation, for a period of less than 30 consecutive days:

70 (i) a single-family residence;

71 (ii) a unit of a multi-family residence that is a duplex, triplex, or fourplex;

72 (iii) a town home;

73 (iv) a condominium unit;

74 (v) an accessory dwelling unit, as defined in Section 10-9a-103; or

75 (vi) a bedroom, with an egress window, within a structure described in Subsections
 76 (3)(a)(i) through (v).

77 (b) "Short-term rental" does not include:

78 (i) a unit within a qualified low-income building, as defined in Section 42(c), Internal
 79 Revenue Code;

80 (ii) a structure for which a certificate of occupancy has not been issued;

81 (iii) a space within a structure for which a certificate of occupancy has not been issued;

82 (iv) a structure or unit that is sublet;

83 (v) a hotel;

84 (vi) a motel; or

85 (vii) an inn.

86 Section 4. Section 57-31-201 is enacted to read:

87 **Part 2. Short-term Rental Requirements**

88 **57-31-201. Permits -- Designated local contact -- Course requirement.**

89 (1) (a) An owner may not operate a residential property as a short-term rental unless:

90 (i) as applicable:
91 (A) the municipality in which the proposed short-term rental is located issues the
92 owner a permit to operate the short-term rental; or
93 (B) the county in whose unincorporated area the proposed short-term rental is located
94 issues the owner a permit to operate the short-term rental; and
95 (ii) the State Tax Commission issues the owner a sales and use tax license for the
96 short-term rental.
97 (b) A municipality or county may issue a permit under Subsection (1)(a)(i) only if:
98 (i) the owner designates as a local contact for the short-term rental an individual who
99 resides within a one-hour drive distance from the short-term rental;
100 (ii) the owner certifies that:
101 (A) the owner will, during the entire period of operation of the short-term rental,
102 maintain a local contact for the short-term rental who resides within a one-hour drive distance
103 of the short-term rental; and
104 (B) the individual designated as a local contact for the short-term rental has not been
105 designated as a local contact for more than 19 other short-term rentals;
106 (iii) the owner and the designated local contact complete a short-term rental education
107 course that is:
108 (A) provided by a college, university, or professional organization; and
109 (B) approved by the municipality or county that issues the permit; and
110 (iv) the applicable municipal or county requirements for obtaining a permit for a
111 short-term rental are met.
112 (2) A municipality or county shall revoke a license issued under Subsection (1)(a)(i) if:
113 (a) an owner fails to maintain for the short-term rental an individual as a local contact
114 who lives within a one-hour drive distance of the short-term rental; or
115 (b) an individual designated as a local contact for the short-term rental is designated at
116 the same time as a local contact for more than 19 other short-term rentals.
117 (3) A municipality or county may enact ordinances to ensure compliance with the
118 requirements of this part.
119 (4) An owner shall ensure that the name and telephone number of the designated local
120 contact is posted in a conspicuous place within the short-term rental.

121 (5) An owner shall include the owner's short-term rental permit number in any listing
122 or advertisement that offers the short-term rental for reservation or occupancy.

123 Section 5. Section **57-31-202** is enacted to read:

124 **57-31-202. Safety requirements -- Limitations.**

125 (1) (a) Subject to Subsection (1)(b), an owner may not allow more than four occupants
126 in a short-term rental described in Subsections 57-31-101(3)(a)(i) through (v).

127 (b) An owner may allow two additional occupants in a short-term rental described in
128 Subsection (1)(a) for each additional bedroom after the first bedroom in the short-term rental.

129 (2) An owner shall ensure that a short-term rental has, on each level where occupants
130 are allowed, at least one functioning smoke detector, carbon monoxide detector, and fire
131 extinguisher.

132 (3) An owner may not:

133 (a) allow an area within a short-term rental to be subdivided into multiple short-term
134 rental units; or

135 (b) accommodate more than one reservation at a time in a single short-term rental.

136 Section 6. **Effective date.**

137 This bill takes effect on May 1, 2024.