

MUNICIPAL RENTAL DWELLING LICENSING

AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen Kwan

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions of the municipal code regarding rental dwellings.

Highlighted Provisions:

This bill:

▸ requires a municipal ordinance on the licensing of an owner of a rental dwelling to provide an exemption for an owner who does not receive compensation for the use of the rental dwelling.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-8-85.5, as last amended by Laws of Utah 2023, Chapter 327

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

Section 1. Section **10-8-85.5** is amended to read:

10-8-85.5. "Rental dwelling" defined -- Municipality may require a business license or a regulatory business license and inspections -- Exception.



28 (1) As used in this section, "rental dwelling" means a building or portion of a building
29 that is:

30 (a) used or designated for use as a residence by one or more persons; and

31 (b) (i) available to be rented, loaned, leased, or hired out for a period of one month or
32 longer; or

33 (ii) arranged, designed, or built to be rented, loaned, leased, or hired out for a period of
34 one month or longer.

35 (2) (a) ~~[The]~~ Subject to Subsection (2)(e), the legislative body of a municipality may by
36 ordinance require the owner of a rental dwelling located within the municipality:

37 (i) to obtain a business license pursuant to Section 10-1-203; or

38 (ii) (A) to obtain a regulatory business license to operate and maintain the rental
39 dwelling in accordance with Section 10-1-203.5; and

40 (B) to allow inspections of the rental dwelling as a condition of obtaining a regulatory
41 business license.

42 (b) A municipality may not require an owner of multiple rental dwellings or multiple
43 buildings containing rental dwellings to obtain more than one regulatory business license for
44 the operation and maintenance of those rental dwellings.

45 (c) A municipality may not charge a fee for the inspection of a rental dwelling.

46 (d) If a municipality's inspection of a rental dwelling, allowed under Subsection
47 (2)(a)(ii)(B), approves the rental dwelling for purposes of a regulatory business license, a
48 municipality may not inspect that rental dwelling except as provided for in Section 10-1-203.5.

49 (e) An ordinance under Subsection (2)(a) shall include a provision exempting from the
50 ordinance's licensing requirement an owner of a rental dwelling who demonstrates that the
51 owner does not receive compensation from the use of the owner's rental dwelling.

52 (3) A municipality may not:

53 (a) interfere with the ability of an owner of a rental dwelling to contract with a tenant
54 concerning the payment of the cost of a utility or municipal service provided to the rental
55 dwelling; or

56 (b) except as required under the State Construction Code or an approved code under
57 Title 15A, State Construction and Fire Codes Act, for a structural change to the rental dwelling,
58 or as required in an ordinance adopted before January 1, 2008, require the owner of a rental

59 dwelling to retrofit the rental dwelling with or install in the rental dwelling a safety feature that
60 was not required when the rental dwelling was constructed.

61 (4) Nothing in this section shall be construed to affect the rights and duties established
62 under Title 57, Chapter 22, Utah Fit Premises Act, or to restrict a municipality's ability to
63 enforce its generally applicable health ordinances or building code, a local health department's
64 authority under Title 26A, Chapter 1, Local Health Departments, or the Department of Health
65 and Human Service's authority under Title 26B, Utah Health and Human Services Code.

66 Section 2. **Effective date.**

67 This bill takes effect on May 1, 2024.