

RENTAL APPLICATION FEES

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael G. Waddoups

AN ACT RELATING TO REAL ESTATE; ALLOWING A LANDLORD TO CHARGE A FEE IN CONNECTION WITH AN APPLICATION FOR RENTAL; SETTING CERTAIN RESTRICTIONS WITH RESPECT TO THE FEE; AND PROVIDING FOR A PRIVATE RIGHT OF ACTION.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

57-17-6, Utah Code Annotated 1953

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

Section 1. Section **57-17-6** is enacted to read:

57-17-6. Rental application fee.

(1) § ~~[An]~~ EXCEPT AS PROVIDED IN SUBSECTION (6), AN § owner of a residential dwelling unit or the owner's designated agent may charge a

nonrefundable rental application fee or processing fee in connection with an application for rental of the residential dwelling unit § AFTER THE APPLICANT HAS BEN NOTIFIED OF SUBSECTION (6). §

(2) The fee allowed by Subsection (1) may not exceed the § ~~[estimated reasonable]~~ ACTUAL § cost of:

(a) verifying the information provided by the applicant in a rental application; and

(b) investigating the applicant's § CRIMINAL BACKGROUND, § credit worthiness, ability to pay rent, and previous rental history.

(3) If a fee is charged under Subsection (1) and more than one rental application for the same residential dwelling unit has been received by the owner or the owner's designated agent, the owner or the agent shall process the rental applications for that residential dwelling unit in the order of receipt.

(4) If a fee is charged under Subsection (1) and the owner of the residential dwelling unit or the owner's designated agent enters into an agreement to rent that unit, the owner or the agent

28 shall, within 15 days, return any fees paid by applicants for that unit for whom no investigation or
29 verification has been performed.

30 (5) (a) A person whose rental application fee or processing fee has not been returned in
31 accordance with the provisions of Subsection (4) may bring an action in any court of competent
32 jurisdiction to recover three times the amount of the rental application fee or processing fee paid
33 by that person.

34 (b) A plaintiff who brings a successful action under Subsection (5)(a) shall be entitled to
35 recover court costs and reasonable attorney's fees as determined by the court.

35a **§ (6) A RENTAL APPLICATION FEE OR PROCESSING FEE SHALL NOT BE CHARGED IF, AT THE**
35b **TIME OF APPLICATION, THE PERSON SUBMITTING THE RENTAL APPLICATION FURNISHES THE**
35c **OWNER OF THE RESIDENTIAL DWELLING UNIT OR THE OWNER'S AGENT WITH A CERTIFIED COPY**
35d **OF THE APPLICANT'S CREDIT REPORT FROM A LICENSED CREDIT REPORTING AGENCY AND A**
35e **UTAH STATE CRIMINAL BACKGROUND REPORT ON THE APPLICANT WHICH HAVE BEEN ISSUED**
35f **WITHIN 60 DAYS FROM THE DATE OF APPLICATION. §**

Legislative Review Note
as of 1-5-00 11:45 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel