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**MUNICIPAL OVERSIGHT OF RENTAL DWELLINGS**

2008 GENERAL SESSION  
STATE OF UTAH

**Chief Sponsor: Gage Froerer**

Senate Sponsor: Michael G. Waddoups



**LONG TITLE**

**General Description:**

This bill modifies a Utah Municipal Code provision relating to rental dwellings.

**Highlighted Provisions:**

This bill:

- ▶ eliminates a provision exempting owners of buildings with two or fewer rental dwellings from regulatory business license or inspection requirements;
- ▶ eliminates a provision authorizing a municipality to impose a reasonable inspection fee for the inspection of a rental dwelling;
- ▶ prohibits a municipality from:
  - imposing a fee for the inspection of a rental dwelling;
  - interfering with the ability of an owner of a rental dwelling to contract with a tenant concerning the payment of utility and municipal service costs;
  - regulating the practice of submetering, ratio utility billing, or other utility cost allocation method;
  - requiring the owner of a rental dwelling to retrofit a rental dwelling with or install in a rental dwelling a safety feature not required at the time the rental dwelling was constructed, other than a smoke detector; or
  - imposing a civil or criminal penalty on the owner of a rental dwelling for a safety device controlled by a tenant; and

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28           ▶ makes technical changes.

29 **Monies Appropriated in this Bill:**

30           None

31 **Other Special Clauses:**

32           None

33 **Utah Code Sections Affected:**

34 AMENDS:

35           **10-8-4**, as last amended by Laws of Utah 1997, Chapter 267

36           **10-8-85.5**, as last amended by Laws of Utah 2000, Chapter 172



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

39           Section 1. Section **10-8-4** is amended to read:

40           **10-8-4. Special taxes and licenses.**

41           (1) Municipal legislative bodies may:

42           (a) subject to Subsection (2) [~~and except as provided in Subsection 10-8-85.5(3)~~], fix  
43 the amount, terms, and manner of issuing licenses; and

44           (b) consistent with general law, provide the manner and form in which special taxes are  
45 levied and collected.

46           (2) (a) Municipal legislative bodies may not discriminate between resident community  
47 businesses and nonresident community businesses in establishing license requirements.

48           (b) Municipal legislative bodies may not impose motor vehicle delivery license fees on  
49 persons or entities who:

50           (i) are licensed as dealers in another municipality; or

51           (ii) do not have a permanent business location in the municipality.

52           Section 2. Section **10-8-85.5** is amended to read:

53           **10-8-85.5. "Rental dwelling" defined -- Municipality may require a business  
54 license or a regulatory business license and inspections -- Exception.**

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

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

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

59 longer; or

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

62 (2) (a) The legislative body of a municipality may by ordinance require the owner of a  
63 rental dwelling located within the municipality:

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

65 [~~(ii) except as provided in Subsection (3):~~]

66 (ii) (A) to obtain a regulatory business license to operate and maintain the rental  
67 dwelling; and

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

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

73 (c) [~~Notwithstanding Subsection (2)(b), a~~] A municipality may [impose upon an owner  
74 subject to Subsection (2)(a) a reasonable inspection] not charge a fee for the inspection of  
75 [each] a rental dwelling [owned by that owner].

76 (d) If a municipality's inspection of a rental dwelling, allowed under Subsection  
77 (2)(a)(ii)(B), approves the rental dwelling for purposes of a regulatory business license, a  
78 municipality may not inspect that rental dwelling during the next 36 months, unless the  
79 municipality has reasonable cause to believe that a condition in the rental dwelling is in  
80 violation of an applicable law or ordinance.

81 (3) A municipality may not [~~impose the requirements of Subsection (2)(a)(ii) on the~~  
82 ~~owner of a building containing two or fewer rental dwellings.]:~~

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

86 (b) regulate the practice of submetering, ratio utility billing, or other utility cost  
87 allocation method;

88 (c) require the owner of a rental dwelling to retrofit the rental dwelling with or install  
89 in the rental dwelling a safety feature that was not required when the rental dwelling was

90 constructed, other than a smoke detector; or

91 (d) impose a civil or criminal penalty on an owner of a rental dwelling for a safety  
92 device controlled by a tenant of the rental dwelling.

93 (4) Nothing in this section shall be construed to affect the rights and duties established  
94 under Title 57, Chapter 22, Utah Fit Premises Act, or to restrict a municipality's ability to  
95 enforce its generally applicable health ordinances or building code, a local health department's  
96 authority under Title 26A, Chapter 1, Local Health Departments, or the Utah Department of  
97 Health's authority under Title 26, Utah Health Code.

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**Legislative Review Note**  
as of **1-10-08 6:47 AM**

**Office of Legislative Research and General Counsel**

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**H.B. 290 - Municipal Oversight of Rental Dwellings**

**Fiscal Note**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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