

R. Neil Walter proposes the following substitute bill:

Municipal and County Zoning Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This bill modifies provisions related to the authority of municipalities and counties regarding short-term rentals.

Highlighted Provisions:

This bill:

- defines terms and modifies definitions;
- provides that a municipality or county may not prohibit a short-term rental in every area of the municipality or every unincorporated area of the county;
- provides that a municipality or county may require the owner of a short-term rental to obtain a business license or other permit from the municipality or county to operate a short-term rental in the municipality or in an unincorporated area of the county;
- clarifies that a municipality or county that regulates short-term rentals may use a listing or offering on a short-term rental website as evidence that a short-term rental took place so long as the municipality or county has additional information to support its position that an owner or lessee violated a municipality or county ordinance;
- provides that a municipality or county may request a short-term rental website remove a listing or offering that violates business licensing requirements or zoning requirements;
- provides that a municipality or county that imposes transient room tax on short-term rentals may provide a listing or offering on a short-term rental website to the county auditor as evidence that a short-term rental owner or lessee may be subject to the transient room tax; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-8-85.4, as last amended by Laws of Utah 2021, Chapter 102

17-50-338, as last amended by Laws of Utah 2021, Chapter 102

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

Section 1. Section **10-8-85.4** is amended to read:

10-8-85.4 . Ordinances regarding short-term rentals -- Prohibition on ordinances restricting speech on short-term rental websites -- Evidence of short-term rental -- Removing a listing.

(1) As used in this section:

(a) "Internal accessory dwelling unit" means the same as that term is defined in Section 10-9a-511.5.

(b) "Permit number" means a unique identifier issued by a municipality and may include a business license number.

(c) "Request" means a formal inquiry made by a municipality to a short-term rental website that is not a legal requirement.

~~[(b)]~~ (d) "Residential unit" means a residential structure or any portion of a residential structure that is occupied as a residence.

~~[(e)]~~ (e) "Short-term rental" means a residential unit or any portion of a residential unit that the owner of record or the lessee of the residential unit offers for occupancy for fewer than 30 consecutive days.

~~[(f)]~~ (f) "Short-term rental website" means a website or other digital platform that:

(i) allows a person to offer a short-term rental to one or more prospective renters; and

(ii) facilitates the renting of, and payment for, a short-term rental.

(g) "URL" means uniform resource locator.

(2) Notwithstanding Section 10-9a-501 or Subsection 10-9a-503(1), a legislative body may not:

(a) enact or enforce an ordinance that prohibits an individual from listing or offering a short-term rental on a short-term rental website; or

(b) use an ordinance that prohibits the act of renting a short-term rental to fine, charge, prosecute, or otherwise punish an individual solely for the act of listing or offering a short-term rental on a short-term rental website.

- (3) If a municipality regulates short-term rentals, Subsection (2)(b) does not prevent the municipality from using a listing or offering of a short-term rental on a short-term rental website as evidence that a short-term rental took place so long as the municipality has additional information to support the position that an owner or lessee violated a municipal ordinance.
- (4) A municipality may adopt an ordinance requiring the owner or lessee of a short-term rental to obtain a business license or other permit from the municipality before operating a short-term rental within the municipality.
- (5)(a) A municipality may not regulate a short-term rental website.
- (b) If a municipality allows short-term rentals within a portion of or all residential or commercial zones in the municipality, the municipal legislative body may request a short-term rental website to remove a short-term rental listing or offering from the short-term rental website after notice from the municipality, as described in Subsection (6), only if the short-term rental is operating in violation of business license requirements or zoning requirements.
- (6) A municipality that provides a notice to a short-term rental website that a short-term rental within the municipality is in violation of the municipality's business licensing requirements or zoning requirements shall identify in the notice:
- (a) the listing or offering to be removed by the listing's offering's URL; and
- (b) the reason for the requested removal.
- (7) If a legislative body imposes transient room tax on the rental of rooms in hotels, motels, inns, trailer courts, campgrounds, tourist homes, and similar accommodations for stays of less than 30 consecutive days as authorized by Section 59-12-352 or 59-12-353:
- (a) the municipality may provide the listing or offering of a short-term rental on a short-term rental website to the county auditor as evidence that the owner or lessee of a short-term rental may be subject to the transient room tax; and
- (b) the county auditor may utilize the listing or offering of a short-term rental on a short-term rental website when making a referral to the State Tax Commission, as described in Section 59-12-302.
- [(3)] (8) Subsection (2) does not apply to an individual who lists or offers an internal accessory dwelling unit as a short-term rental on a short-term rental website if the municipality records a notice for the internal accessory dwelling unit under Subsection 10-9a-530(6).
- Section 2. Section **17-50-338** is amended to read:

17-50-338 . Ordinances regarding short-term rentals -- Prohibition on ordinances restricting speech on short-term rental websites -- Evidence of short-term rental -- Removing a listing.

(1) As used in this section:

(a) "Internal accessory dwelling unit" means the same as that term is defined in Section 10-9a-511.5.

(b) "Permit number" means a unique identifier issued by a county and may include a business license number.

(c) "Request" means a formal inquiry made by a county to a short-term rental website that is not a legal requirement.

~~(b)~~ (d) "Residential unit" means a residential structure or any portion of a residential structure that is occupied as a residence.

~~(c)~~ (e) "Short-term rental" means a residential unit or any portion of a residential unit that the owner of record or the lessee of the residential unit offers for occupancy for fewer than 30 consecutive days.

~~(d)~~ (f) "Short-term rental website" means a website or other digital platform that:

(i) allows a person to offer a short-term rental to one or more prospective renters; and

(ii) facilitates the renting of, and payment for, a short-term rental.

(g) "URL" means uniform resource locator.

(2) Notwithstanding Section 17-27a-501 or Subsection 17-27a-503(1), a legislative body may not:

(a) enact or enforce an ordinance that prohibits an individual from listing or offering a short-term rental on a short-term rental website; or

(b) use an ordinance that prohibits the act of renting a short-term rental to fine, charge, prosecute, or otherwise punish an individual solely for the act of listing or offering a short-term rental on a short-term rental website.

(3) If a county regulates short-term rentals, Subsection (2)(b) does not prevent the county from using a listing or offering of a short-term rental on a short-term rental website as evidence that a short-term rental took place so long as the county has additional information to support the position that a property owner or lessee violated a county ordinance.

(4) A county may adopt an ordinance requiring the owner or lessee of a short-term rental to obtain a business license or other permit from the county before operating a short-term rental within an unincorporated area of the county.

- (5)(a) A county may not regulate a short-term rental website.
- (b) If a county allows short-term rentals within a portion of or all residential or commercial unincorporated zones in the county, the legislative body of a county may only request a short-term rental website to remove a short-term rental listing or offering from the short-term rental website after notice from the county, as described in Subsection (5), only if the short-term rental is operating in violation of business license requirements or zoning requirements.
- (6) A county that provides a notice to a short-term rental website that a short-term rental within the unincorporated county is in violation of the county's business licensing requirements or zoning requirements shall identify in the notice:
- (a) the listing or offering to be removed by the listing's or offering's URL; and
- (b) the reason for the requested removal.
- (7) If a legislative body imposes transient room tax on the rental of rooms in hotels, motels, inns, trailer courts, campgrounds, tourist homes, and similar accommodations for stays of less than 30 consecutive days as authorized by Section 59-12-301:
- (a) the county may utilize a listing or offering of a short-term rental on a short-term rental website as evidence that the owner or lessee of a short-term rental may be subject to the transient room tax; and
- (b) the county auditor may utilize the listing or offering of a short-term rental on a short-term rental website when making a referral to the State Tax Commission, as described in Section 59-12-302.
- (8) Subsection (2) does not apply to an individual who lists or offers an internal accessory dwelling unit as a short-term rental on a short-term rental website if the county records a notice for the internal accessory dwelling unit under Subsection 17-27a-526(6).

Section 3. **Effective Date.**

This bill takes effect on May 7, 2025.