Effective 7/1/2020

10-1-203.5 Disproportionate rental fee -- Good landlord training program -- Fee reduction.

(1) As used in this section:

(a) "Business" means the rental of one or more residential units within a municipality.

(b) "Disproportionate rental fee" means a fee adopted by a municipality to recover its disproportionate costs of providing municipal services to residential rental units compared to similarly-situated owner-occupied housing.

(c) "Disproportionate rental fee reduction" means a reduction of a disproportionate rental fee as a condition of complying with the requirements of a good landlord training program.

(d) "Exempt business" means the rental of a residential unit within a single structure that contains:

(i) no more than four residential units; and

(ii) one unit occupied by the owner.

(e) "Exempt landlord" means a residential landlord who demonstrates to a municipality:

(i) completion of any live good landlord training program offered by any other Utah city that offers a good landlord program;

(ii) that the residential landlord has a current professional designation of "property manager"; or

(iii) compliance with a requirement described in Subsection (6).

(f) "Good landlord training program" means a program offered by a municipality to encourage business practices that are designed to reduce the disproportionate cost of municipal services to residential rental units by offering a disproportionate rental fee reduction for any residential landlord who:

(i)

(A) completes a landlord training program provided by the municipality; or

(B) is an exempt landlord;

(ii) implements measures to reduce crime in rental housing as specified in a municipal ordinance or policy; and

(iii) operates and manages rental housing in accordance with an applicable municipal ordinance.

(g) "Municipal services" means:

(i) public utilities;

(ii) police;

(iii) fire;

(iv) code enforcement;

(v) storm water runoff;

(vi) traffic control;

(vii) parking;

(viii) transportation;

(ix) beautification; or

(x) snow removal.

(h) "Municipal services study" means a study of the cost of all municipal services to rental housing that:

(i) are reasonably attributable to the rental housing; and

(ii) exceed the municipality's cost to serve similarly-situated, owner-occupied housing.

(i) "Residential landlord" means:

(i) the owner of record of residential real property that is leased or rented to another; or

(ii) a third-party provider that has an agreement with the owner of record to manage the owner's real property.

(2) The legislative body of a municipality may charge and collect a disproportionate rental fee on a business that causes disproportionate costs to municipal services if the municipality:
(a) has performed a municipal services study; and
(b) adopts a disproportionate rental fee that does not exceed the amount that is justified by the municipal services study on a per residential rental unit basis.
(3) A municipality may not:
(a) impose a disproportionate rental fee on an exempt business;
(b) require a residential landlord to deny tenancy to an individual based on the individual's criminal history, unless a facility that houses parolees upon release from prison or houses probationers who have violated the terms of their probation is located within the municipality;
(c) without cause and notice, require a residential landlord to submit to a random building inspection;
(d) unless agreed to by a residential landlord and in compliance with state and federal law, collect from a residential landlord or retain:
(i) a tenant's consumer report, as defined in 15 U.S.C. Sec. 1681a, in violation of 15 U.S.C. Sec. 1681b as amended;
(ii) a tenant's criminal history record information in violation of Section 53-10-108; or
(iii) a copy of an agreement between the residential landlord and a tenant regarding the tenant's term of occupancy, rent, or any other condition of occupancy;
(e) require that any documents required from the landlord be notarized; or
(f) prohibit a residential landlord from passing on to the tenant the license or disproportionate fee.
(4) Nothing in this section shall limit:
(a) a municipality's right to audit and inspect an exempt residential landlord's records to ensure compliance with a disproportionate rental fee reduction program; or
(b) the right of a municipality with a short-term or vacation rental ordinance to review an owner's rental agreement to verify compliance with the municipality's ordinance.
(5) Notwithstanding Section 10-11-2, a residential landlord may provide the name and address of a person to whom all correspondence regarding the property shall be sent. If the landlord provides the name and address in writing, the municipality shall provide all further correspondence regarding the property to the designated person. The municipality may also provide copies of notices to the residential landlord.
(6) In addition to a requirement or qualification described in Subsection (1)(e), a municipality may recognize a good landlord training program described in its ordinance.
(7)
(a) If a municipality adopts a good landlord program, the municipality shall provide an appeal procedure affording due process of law to a residential landlord who is denied a disproportionate rental fee reduction.
(b) A municipality may not adopt a new disproportionate rental fee unless the municipality provides a disproportionate rental fee reduction.
(8) A property manager who represents an owner of property that qualifies for a municipal disproportionate rental fee may not be restricted from simultaneously representing another owner of property that does not qualify for a municipal disproportionate rental fee.

Amended by Chapter 230, 2020 General Session