

**RESIDENTIAL BUILDING INSPECTIONS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Dunnigan**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions governing municipal regulation of a residential rental dwelling.

**Highlighted Provisions:**

This bill:

- ▶ prohibits a municipality from requiring:
  - that a rental dwelling be subject to inspection as a condition for licensure;
  - that a rental dwelling meet higher standards than standards for other residential housing; and
  - that a landlord submit to a building inspection without cause and notice.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**10-1-203.5**, as enacted by Laws of Utah 2012, Chapter 289

**10-8-85.5**, as last amended by Laws of Utah 2012, Chapter 289

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



28 Section 1. Section **10-1-203.5** is amended to read:

29 **10-1-203.5. Disproportionate rental fee -- Good landlord training program -- Fee**  
30 **reduction.**

31 (1) As used in this section:

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

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

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

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

41 (i) no more than four residential units; and

42 (ii) one unit occupied by the owner.

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

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

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

49 (iii) compliance with a requirement described in Subsection (4).

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

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

55 (B) is an exempt landlord;

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

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

59 ordinance.

60 (g) "Municipal services" means:

61 (i) public utilities;

62 (ii) police;

63 (iii) fire;

64 (iv) code enforcement;

65 (v) storm water runoff;

66 (vi) traffic control;

67 (vii) parking;

68 (viii) transportation;

69 (ix) beautification; or

70 (x) snow removal.

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

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

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

75 (2) The legislative body of a municipality may charge and collect a disproportionate  
76 rental fee on a business that causes disproportionate costs to municipal services if the  
77 municipality:

78 (a) has performed a municipal services study; and

79 (b) adopts a disproportionate rental fee that does not exceed the amount that is justified  
80 by the municipal services study on a per residential rental unit basis.

81 (3) A municipality may not:

82 (a) impose a disproportionate rental fee on an exempt business;

83 (b) require a landlord to deny tenancy to an individual released from probation or  
84 parole whose conviction date occurred more than four years before the date of tenancy; or

85 (c) without cause and notice, require a landlord to submit to a [random] building  
86 inspection.

87 (4) In addition to a requirement or qualification described in Subsection (1)(e), a  
88 municipality may recognize a landlord training described in its ordinance.

89 (5) (a) If a municipality adopts a good landlord program, the municipality shall provide

90 an appeal procedure affording due process of law to a landlord who is denied a  
91 disproportionate rental fee reduction.

92 (b) A municipality may not adopt a new disproportionate rental fee unless the  
93 municipality provides a disproportionate rental fee reduction.

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

95 **10-8-85.5. "Rental dwelling" defined -- Municipality may require a business**  
96 **license or a regulatory business license and inspections -- Exception.**

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

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

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

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

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

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

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

109 (B) to allow inspections of the rental dwelling if the rental dwelling contains more than  
110 three units as a condition of obtaining a regulatory business license.

111 (b) A municipality may not require:

112 (i) an owner of multiple rental dwellings or multiple buildings containing rental  
113 dwellings to obtain more than one regulatory business license for the operation and

114 maintenance of those rental dwellings[-];

115 (ii) an owner of a rental dwelling containing three or fewer units to submit to an  
116 inspection of the rental dwelling as a condition of licensure; or

117 (iii) a rental dwelling to meet any standard that is stricter than a standard applied to  
118 other residential housing in the municipality.

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

120 (d) If a municipality's inspection of a rental dwelling, allowed under Subsection

121 (2)(a)(ii)(B), approves the rental dwelling for purposes of a regulatory business license, a  
122 municipality may not inspect that rental dwelling except as provided for in Section 10-1-203.5.

123 (3) A municipality may not:

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

127 (b) except as required under the State Construction Code or an approved code under  
128 Title 15A, State Construction and Fire Codes Act, for a structural change to the rental dwelling,  
129 or as required in an ordinance adopted before January 1, 2008, require the owner of a rental  
130 dwelling to retrofit the rental dwelling with or install in the rental dwelling a safety feature that  
131 was not required when the rental dwelling was constructed.

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

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**Legislative Review Note**  
**as of 12-12-14 1:48 PM**

**Office of Legislative Research and General Counsel**