

GOOD LANDLORD PROGRAM AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to a good landlord program.

Highlighted Provisions:

This bill:

- ▶ defines "residential landlord";
- ▶ prohibits a municipality from requiring a residential landlord to deny tenancy to certain individuals;
- ▶ prohibits a municipality from requiring a residential landlord to provide certain information on or contracts with a tenant;
- ▶ permits a municipality to require a copy of an agreement between the owner of record of real property and a third-party provider who manages the property;
- ▶ if a residential landlord owns multiple properties, requires a municipality to charge a disproportionate rental fee reduction for each property that is in compliance; and
- ▶ makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



28 **10-1-203.5**, as enacted by Laws of Utah 2012, Chapter 289

29

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

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

32 **10-1-203.5. Disproportionate rental fee -- Good landlord training program -- Fee**
33 **reduction.**

34 (1) As used in this section:

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

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

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

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

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

45 (ii) one unit occupied by the owner.

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

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

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

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

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

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

58 (B) is an exempt landlord;

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

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

63 (g) "Municipal services" means:

64 (i) public utilities;

65 (ii) police;

66 (iii) fire;

67 (iv) code enforcement;

68 (v) storm water runoff;

69 (vi) traffic control;

70 (vii) parking;

71 (viii) transportation;

72 (ix) beautification; or

73 (x) snow removal.

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

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

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

78 (i) "Residential landlord" means:

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

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

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

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

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

88 (3) A municipality may not:

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

90 (b) require a residential landlord to deny tenancy to an individual released from
91 probation or parole;

92 (i) whose conviction date for an offense described in Section 58-37-8 or 76-3-203.5
93 occurred more than four years before the date of tenancy; or

94 (ii) whose conviction was for an offense other than an offense described in Section
95 58-37-8 or 76-3-203.5;

96 (c) without cause and notice, require a residential landlord to submit to a random
97 building inspection[-]; or

98 (d) require a residential landlord to:

99 (i) collect and provide to the municipality or an agent of the municipality a tenant's
100 consumer report, as defined in 15 U.S.C. Sec. 1681a, in violation of 15 U.S.C. Sec. 1681b as
101 amended;

102 (ii) further disseminate to the municipality or an agent of the municipality a tenant's
103 criminal history record information in violation of Section 53-10-108; or

104 (iii) provide a copy of an agreement between the residential landlord and a tenant
105 regarding the tenant's term of occupancy, rent, or any other condition of occupancy.

106 (4) A municipality:

107 (a) may require a copy of an agreement between the owner of record of real property
108 and a third-party provider who agrees to manage the owner's real property; and

109 (b) may not require that a copy provided under Subsection (4)(a) be notarized.

110 [~~4~~] (5) In addition to a requirement or qualification described in Subsection (1)(e), a
111 municipality may recognize a landlord training described in its ordinance.

112 [~~5~~] (6) (a) If a municipality adopts a good landlord program, the municipality shall
113 provide an appeal procedure affording due process of law to a residential landlord who is
114 denied a disproportionate rental fee reduction.

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

117 (7) If a residential landlord whose business includes more than one property within a
118 municipality, excluding an exempt business on a property, completes, unless exempt, a
119 landlord training program in accordance with Subsection (1)(f)(i)(A), but fails to implement
120 measures to reduce crime as described in Subsection (1)(f)(ii) on a property or fails to operate

121 and manage a property in accordance with Subsection (1)(f)(iii), the municipality:
122 (a) may charge a disproportionate rental fee for each property for which the residential
123 landlord failed to implement measures to reduce crime under Subsection (1)(f)(ii) or failed to
124 operate and manage the rental housing in accordance with applicable municipal ordinance
125 under Subsection (1)(f)(iii); and
126 (b) shall charge a disproportionate rental fee reduction to any remaining property for
127 which the residential landlord has complied with Subsections (1)(f)(ii) and (iii).

Legislative Review Note
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Office of Legislative Research and General Counsel