

GOOD LANDLORD PROGRAM AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: Daniel W. Thatcher

LONG TITLE

Committee Note:

The Political Subdivisions Interim Committee recommended this bill.

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 a tenant or on a contract 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



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **10-1-203.5**, as enacted by Laws of Utah 2012, Chapter 289



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

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

34 **10-1-203.5. Disproportionate rental fee -- Good landlord training program -- Fee**
35 **reduction.**

36 (1) As used in this section:

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

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

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

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

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

47 (ii) one unit occupied by the owner.

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

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

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

54 (iii) compliance with a requirement described in Subsection [~~(4)~~] (6).

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

- 59 (i) (A) completes a landlord training program provided by the municipality; or
60 (B) is an exempt landlord;
61 (ii) implements measures to reduce crime in rental housing as specified in a municipal
62 ordinance or policy; and
63 (iii) operates and manages rental housing in accordance with an applicable municipal
64 ordinance.

65 (g) "Municipal services" means:

- 66 (i) public utilities;
67 (ii) police;
68 (iii) fire;
69 (iv) code enforcement;
70 (v) storm water runoff;
71 (vi) traffic control;
72 (vii) parking;
73 (viii) transportation;
74 (ix) beautification; or
75 (x) snow removal.

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

- 78 (i) are reasonably attributable to the rental housing; and
79 (ii) exceed the municipality's cost to serve similarly-situated, owner-occupied housing.

80 (i) "Residential landlord" means:

- 81 (i) the owner of record of residential real property that is leased or rented to another; or
82 (ii) a third-party provider that has an agreement with the owner of record to manage the
83 owner's real property.

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

- 87 (a) has performed a municipal services study; and
88 (b) adopts a disproportionate rental fee that does not exceed the amount that is justified
89 by the municipal services study on a per residential rental unit basis.

90 (3) A municipality may not:

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

92 (b) require a residential landlord to deny tenancy to an individual released from

93 probation or parole whose conviction date occurred more than four years before the date of

94 tenancy; ~~or~~

95 (c) without cause and notice, require a residential landlord to submit to a random

96 building inspection~~[-];~~

97 (d) unless agreed to by a residential landlord and in compliance with state and federal

98 law, collect from a residential landlord or retain:

99 (i) a tenant's consumer report, as defined in 15 U.S.C. Sec. 1681a, in violation of 15

100 U.S.C. Sec. 1681b as amended;

101 (ii) a tenant's criminal history record information in violation of Section 53-10-108; or

102 (iii) a copy of an agreement between the residential landlord and a tenant regarding the

103 tenant's term of occupancy, rent, or any other condition of occupancy;

104 (e) require that any documents required from the landlord be notarized; or

105 (f) prohibit a residential landlord from passing on to the tenant the license or

106 disproportionate fee.

107 (4) Nothing in this section shall limit:

108 (a) a municipality's right to audit and inspect an exempt residential landlord's records to

109 ensure compliance with a disproportionate rental fee reduction program; or

110 (b) the right of a municipality with a short-term or vacation rental ordinance to review

111 an owner's rental agreement to verify compliance with the municipality's ordinance.

112 (5) Notwithstanding Section 10-11-2, a residential landlord may provide the name and

113 address of a person to whom all correspondence regarding the property shall be sent. If the

114 landlord provides the name and address in writing, the municipality shall provide all further

115 correspondence regarding the property to the designated person. The municipality may also

116 provide copies of notices to the residential landlord.

117 ~~[(4)]~~ (6) In addition to a requirement or qualification described in Subsection (1)(e), a

118 municipality may recognize a good landlord training program described in its ordinance.

119 ~~[(5)]~~ (7) (a) If a municipality adopts a good landlord program, the municipality shall

120 provide an appeal procedure affording due process of law to a residential landlord who is

121 denied a disproportionate rental fee reduction.

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

124 (8) A property manager who represents an owner of property that qualifies for a
125 municipal disproportionate rental fee may not be restricted from simultaneously representing
126 another owner of property that does not qualify for a municipal disproportionate rental fee.

Legislative Review Note
Office of Legislative Research and General Counsel