

1 **GOOD LANDLORD AMENDMENTS**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Brian S. King**

5 Senate Sponsor: Curtis S. Bramble

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions related to disproportionate rental fees.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ prohibits a municipality from requiring a residential landlord to deny tenancy to an
13 individual based on the individual's criminal history.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **10-1-203.5**, as last amended by Laws of Utah 2016, Chapter 86

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

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

24 **10-1-203.5. Disproportionate rental fee -- Good landlord training program -- Fee**
25 **reduction.**

26 (1) As used in this section:

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



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

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

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

- 36 (i) no more than four residential units; and
- 37 (ii) one unit occupied by the owner.

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

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

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

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

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

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

50 (B) is an exempt landlord;

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

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

55 (g) "Municipal services" means:

56 (i) public utilities;

57 (ii) police;

58 (iii) fire;

- 59 (iv) code enforcement;
- 60 (v) storm water runoff;
- 61 (vi) traffic control;
- 62 (vii) parking;
- 63 (viii) transportation;
- 64 (ix) beautification; or
- 65 (x) snow removal.

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

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

70 (i) "Residential landlord" means:

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

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

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

80 (3) A municipality may not:

- 81 (a) impose a disproportionate rental fee on an exempt business;
- 82 (b) require a residential landlord to deny tenancy to an individual [~~released from~~
83 ~~probation or parole whose conviction date occurred more than four years before the date of~~
84 ~~tenancy~~] based on the individual's criminal history;

85 (c) without cause and notice, require a residential landlord to submit to a random
86 building inspection;

87 (d) unless agreed to by a residential landlord and in compliance with state and federal
88 law, collect from a residential landlord or retain:

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

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

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

92 (iii) a copy of an agreement between the residential landlord and a tenant regarding the
93 tenant's term of occupancy, rent, or any other condition of occupancy;

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

95 (f) prohibit a residential landlord from passing on to the tenant the license or
96 disproportionate fee.

97 (4) Nothing in this section shall limit:

98 (a) a municipality's right to audit and inspect an exempt residential landlord's records to
99 ensure compliance with a disproportionate rental fee reduction program; or

100 (b) the right of a municipality with a short-term or vacation rental ordinance to review
101 an owner's rental agreement to verify compliance with the municipality's ordinance.

102 (5) Notwithstanding Section 10-11-2, a residential landlord may provide the name and
103 address of a person to whom all correspondence regarding the property shall be sent. If the
104 landlord provides the name and address in writing, the municipality shall provide all further
105 correspondence regarding the property to the designated person. The municipality may also
106 provide copies of notices to the residential landlord.

107 (6) In addition to a requirement or qualification described in Subsection (1)(e), a
108 municipality may recognize a good landlord training program described in its ordinance.

109 (7) (a) If a municipality adopts a good landlord program, the municipality shall provide
110 an appeal procedure affording due process of law to a residential landlord who is denied a
111 disproportionate rental fee reduction.

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

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