

**Representative Jeremy A. Peterson** proposes the following substitute bill:

**GOOD LANDLORD PROGRAM AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Steve Eliason**

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

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**LONG TITLE**

**General Description:**

This bill amends provisions related to the Good Landlord Program.

**Highlighted Provisions:**

This bill:

- ▶ prohibits a municipality from imposing a disproportionate rental fee on a residential rental unit that is subject to an association; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**10-1-203.5**, as last amended by Laws of Utah 2017, Chapter 136

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

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

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



26 **reduction.**

27 (1) As used in this section:

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

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

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

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

37 (i) contains within a single structure:

38 ~~[(i)]~~ (A) no more than four residential units; and

39 ~~[(ii)]~~ (B) one unit occupied by the owner[-]; or

40 (ii) is subject to an association under Title 57, Chapter 8, Condominium Ownership  
41 Act, or Title 57, Chapter 8a, Community Association Act.

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

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

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

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

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

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

54 (B) is an exempt landlord;

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

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

59 (g) "Municipal services" means:

60 (i) public utilities;

61 (ii) police;

62 (iii) fire;

63 (iv) code enforcement;

64 (v) storm water runoff;

65 (vi) traffic control;

66 (vii) parking;

67 (viii) transportation;

68 (ix) beautification; or

69 (x) snow removal.

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

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

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

74 (i) "Residential landlord" means:

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

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

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

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

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

84 (3) A municipality may not:

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

86 (b) require a residential landlord to deny tenancy to an individual based on the  
87 individual's criminal history unless a halfway house, as that term is defined in Section

88 51-9-412, is located within the municipality;

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

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

93 (i) a tenant's consumer report, as defined in 15 U.S.C. Sec. 1681a, in violation of 15  
94 U.S.C. Sec. 1681b as amended;

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

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

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

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

101 (4) Nothing in this section shall limit:

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

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

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

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

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

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

118 (8) A property manager who represents an owner of property that qualifies for a

119 municipal disproportionate rental fee may not be restricted from simultaneously representing  
120 another owner of property that does not qualify for a municipal disproportionate rental fee.