

Representative Gay Lynn Bennion proposes the following substitute bill:

RESIDENTIAL RENTAL AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gay Lynn Bennion

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions related to residential rental payments and fees.

Highlighted Provisions:

This bill:

- ▶ requires an owner of certain residential rental units to:
 - provide certain notice to a renter of increases in rent; and
 - terminate a rental agreement without penalty to a renter if, after receiving notice of a rent increase, the renter provides notice of intent to vacate;
- ▶ provides an exception to provisions related to notice of increase in rent for residential rental units subject to:
 - month-to-month rental agreements; or
 - low-income housing requirements;
- ▶ provides that an owner's violation of certain statutory provisions only excuses a renter's noncompliance with provisions of a rental agreement that are the subject of the violation;
- ▶ defines terms; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 [57-22-2](#), as last amended by Laws of Utah 2017, Chapter 19

32 [57-22-4](#), as last amended by Laws of Utah 2021, Chapter 98



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

35 Section 1. Section **57-22-2** is amended to read:

36 **57-22-2. Definitions.**

37 As used in this chapter:

38 (1) "Low-income housing tax credit" means the same as that term is defined in Section
39 [59-2-102](#).

40 (2) "Notice of intent to vacate" means written notice of a renter's intent to vacate a
41 residential rental unit.

42 (3) "Notice of rent increase" means written notice of an increase in rent amount.

43 ~~[(1)]~~ (4) (a) "Owner" means the owner, lessor, or sublessor of a residential rental unit.

44 (b) ~~[(A)]~~ "Owner" includes a managing agent, leasing agent, or resident manager is
45 considered an owner for purposes of notice and other communication required or allowed
46 under this chapter unless the agent or manager specifies otherwise in writing in the rental
47 agreement.

48 (5) ~~[(2)]~~ "Rental agreement" means any agreement, written or oral, which establishes or
49 modifies the terms, conditions, rules, or any other provisions regarding the use and occupancy
50 of a residential rental unit.

51 ~~[(3)]~~ (6) "Rental application" means an application required by an owner as a
52 prerequisite to the owner entering into a rental agreement for a residential rental unit.

53 ~~[(4)]~~ (7) "Renter" means any person entitled under a rental agreement to occupy a
54 residential rental unit to the exclusion of others.

55 ~~[(5)]~~ (8) "Residential rental unit" means a renter's principal place of residence and
56 includes the appurtenances, grounds, and facilities held out for the use of the residential renter

57 generally, and any other area or facility provided to the renter in the rental agreement. It does
58 not include facilities contained in a boarding or rooming house or similar facility, mobile home
59 lot, or recreational property rented on an occasional basis.

60 Section 2. Section **57-22-4** is amended to read:

61 **57-22-4. Owner's duties.**

62 (1) To protect the physical health and safety of the ordinary renter, an owner:

63 (a) may not rent the premises unless they are safe, sanitary, and fit for human
64 occupancy; and

65 (b) shall:

66 (i) maintain common areas of the residential rental unit in a sanitary and safe condition;

67 (ii) maintain electrical systems, plumbing, heating, and hot and cold water;

68 (iii) maintain any air conditioning system in an operable condition;

69 (iv) maintain other appliances and facilities as specifically contracted in the rental
70 agreement; and

71 (v) for buildings containing more than two residential rental units, provide and
72 maintain appropriate receptacles for garbage and other waste and arrange for its removal,
73 except to the extent that the renter and owner otherwise agree.

74 (2) Except as otherwise provided in the rental agreement, an owner shall provide the
75 renter at least 24 hours prior notice of the owner's entry into the renter's residential rental unit.

76 (3) (a) Before an owner accepts an application fee or any other payment from a
77 prospective renter, the owner shall disclose in writing to the prospective renter:

78 (i) a good faith estimate of:

79 (A) the rent amount; and

80 (B) the amount of each fixed, non-rent expense that is part of the rental agreement;

81 (ii) the type of each use-based, non-rent expense that is part of the rental agreement;

82 (iii) the day on which the residential rental unit is scheduled to be available;

83 (iv) the criteria that the owner will consider in determining the prospective renter's
84 eligibility as a renter in the residential rental unit, including criteria related to the prospective
85 renter's criminal history, credit, income, employment, or rental history; and

86 (v) the requirements and process for the prospective renter to recover money the
87 prospective renter pays in relation to the residential rental unit, as described in Subsection (4).

88 (b) An owner may satisfy the written disclosure requirement described in Subsection
89 (3)(a)(i) through a rental application, deposit agreement, or written summary.

90 (4) (a) A prospective renter may make a written demand to the owner of a residential
91 rental unit requesting the return of money the prospective renter paid in relation to the rental of
92 the residential rental unit, if:

93 (i) (A) an amount the owner provides in the good-faith estimate described in
94 Subsection (3) is different than the amount in the rental agreement; or

95 (B) the rental agreement includes a type of use-based, non-rent expense that was not
96 disclosed under Subsection (3); and

97 (ii) the prospective renter:

98 (A) makes the written demand within five business days after the day on which the
99 prospective renter receives the rental agreement; and

100 (B) at the time the prospective renter makes the written demand, has not signed the
101 rental agreement or taken possession of the residential rental unit.

102 (b) If a prospective renter makes a written demand in accordance with Subsection
103 (4)(a), the owner shall return all money the prospective renter paid the owner within five
104 business days after the day on which the owner receives the written demand.

105 (5) An owner may not charge a renter:

106 (a) a late fee that exceeds the greater of:

107 (i) 10% of the rent agreed to in the rental agreement; or

108 (ii) \$75; or

109 (b) a fee, fine, assessment, interest, or other cost:

110 (i) in an amount greater than the amount agreed to in the rental agreement; or

111 (ii) that is not included in the rental agreement, unless:

112 (A) the rental agreement is on a month-to-month basis; and

113 (B) the owner provides the renter [~~a 15-day~~] 45 days' notice of the charge.

114 (6) Before an owner and a prospective renter enter into a rental agreement, the owner
115 shall:

116 (a) provide the prospective renter a written inventory of the condition of the residential
117 rental unit, excluding ordinary wear and tear;

118 (b) furnish the renter a form to document the condition of the residential rental unit and

119 then allow the resident a reasonable time after the renter's occupancy of the residential rental
120 unit to complete and return the form; or

121 (c) provide the prospective renter an opportunity to conduct a walkthrough inspection
122 of the residential rental unit.

123 (7) At or before the commencement of the rental term under a rental agreement, an
124 owner shall:

125 (a) disclose in writing to the renter:

126 (i) the owner's name, address, and telephone number; or

127 (ii) (A) the name, address, and telephone number of any person authorized to manage
128 the residential rental unit; or

129 (B) the name, address, and telephone number of any person authorized to act for and on
130 behalf of the owner for purposes of receiving notice under this chapter or performing the
131 owner's duties under this chapter or under the rental agreement, if the person authorized to
132 manage the residential rental unit does not have authority to receive notice under this chapter;
133 and

134 (b) provide the renter:

135 (i) an executed copy of the rental agreement, if the rental agreement is a written
136 agreement; and

137 (ii) a copy of any rules and regulations applicable to the residential rental unit.

138 (8) (a) Before increasing the rent amount, an owner shall provide to each affected
139 renter a notice of rent increase if the increase in rent amount is at least the lesser of:

140 (i) 10% of the current rent amount; or

141 (ii) \$100.

142 (b) An owner shall provide the notice of rent increase described in Subsection (8)(a) no
143 later than the longer of:

144 (i) 90 calendar days before the rent increase takes effect; or

145 (ii) a period of time before the rent increase takes effect as designated in the rental
146 agreement.

147 (c) A notice of rent increase shall include:

148 (i) the amount of the rent increase;

149 (ii) the new total rent; and

150 (iii) the effective date of the rent increase.

151 (d) If a renter intends to vacate a residential rental unit after the renter receives a notice
152 of rent increase, notwithstanding anything to the contrary in the rental agreement, the renter
153 shall provide to the owner notice of intent to vacate not later than 60 days before the end of the
154 time period described in Subsection (8)(b).

155 (e) If an owner receives a notice of intent to vacate within the time period described in
156 Subsection (8)(d), the owner shall terminate the rental agreement:

157 (i) on the effective date of the rent increase, or an earlier date requested by the renter;

158 and

159 (ii) without penalty to the renter.

160 (f) This Subsection (8) does not apply if:

161 (i) the rental agreement is on a month-to-month basis; or

162 (ii) the increase in rent is due to an increase in maximum rents allowed:

163 (A) to qualify for a low-income housing tax credit; or

164 (B) under 24 C.F.R. Sec. 92.252.

165 ~~[(8)]~~ (9) Nothing in this section prohibits any fee, fine, assessment, interest, or cost that
166 is allowed by law or stated in the rental agreement.

167 ~~[(9)]~~ (10) A renter may not use an owner's failure to comply with a requirement of
168 Subsection (2), (3), (4), (5), (6), ~~[or]~~ (7), or (8) as a basis:

169 (a) to excuse the renter's compliance with a provision of a rental agreement except the
170 provision that is the subject of the violation; or

171 (b) to bring a cause of action against the owner.