



**EAGLE MOUNTAIN CITY
CITY COUNCIL MEETING
APRIL 5, 2022**

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|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
| TITLE: | ORDINANCE - An Ordinance of Eagle Mountain City, Utah, Enacting Eagle Mountain Municipal Code Chapter 5.30 Rental Dwelling Business Licensing. | | |
| ITEM TYPE: | Ordinance | | |
| FISCAL IMPACT: | | | |
| APPLICANT: | | | |
| GENERAL PLAN DESIGNATION | CURRENT ZONE | ACREAGE | COMMUNITY |

PUBLIC HEARING:

No

PREPARED BY:

Evan Berrett, Admin

PRESENTED BY:

Evan Berrett

RECOMMENDATION:

Eagle Mountain City staff desired to identify a different approach that would seek to incentivize participation rather than punish non-participation, while still allowing for a mechanism to respond to non-compliant rental properties that are not actively working to resolve issues at their property(ies).

All landlords would be required to be licensed except for owners of temporary rentals (such as AirBnBs and VRBOs) and owners who are renting to immediate family. Licenses must be renewed every two years in January. If a landlord's license remains active, they become eligible to receive a set of incentives that support their activities as a landlord and improve the relationship between the city and the landlord. If a landlord also completed a good landlord training program, the landlord would gain access to additional incentives. Should a landlord's license expire, those incentives are no longer accessible. No fees will be required of landlords for their license. Staff anticipates that with strong participation, the resulting improvements in rental property management in the city will save the City enough money needed to cover any costs related to administering this program.

Any rental property owners or property managers that are not licensed cannot rent until they are licensed. Violating this may come with a penalty of \$50/day of violation. Licenses can be suspended or revoked if the applicant no longer meets the qualifications, or if any code enforcement fines or citations are unpaid. Staff expect that the majority of cases where

enforcement must occur, the Administrative Law Judge would likely reduce monetary penalties on condition of swift resolution of the issue.

BACKGROUND:

Eagle Mountain's growth has included the addition of many rental properties in the City. In contrast to most other cities of a similar population, Eagle Mountain has far fewer professionally managed apartments or other similar rental units. A study conducted by the City of Orem recently found that most code enforcement and criminal issues that come from rental units, are from single family residential units including detached, ADU, and townhome-type units. These units were also the most likely to have problems with utility billing including failing to pay final bills when tenants move away.

Following extensive research including interviews with other cities and more, staff determined that the best means of solving these issues was to improve the City's ability to communicate with landlords. Analysis of the rental properties we could identify at this time found that of the over 500 separate rental property owners, 27% lived outside of Utah and only 29% of those in Utah live in Eagle Mountain. Communication with those landlords has been very challenging for Utility Billing and Neighborhood Improvement staff which has led to difficulty resolving several issues with rental properties.

A recent major change to utility billing account ownership passed by City Council made it possible for the City to get contact information for all landlords. Having this information will greatly improve the City's ability to work with landlords to resolve issues before they result in fines, collections, etc. However, this change does not necessarily identify all rentals, nor collect information of all owners. Particularly for single family properties or properties with ADUs, there is a strong likelihood that utility accounts were already in the name of the tenant. Additionally, this change provides no means of ensuring contact information is kept up to date or to determine when a rental property is no longer being rented.

Feedback from past presentations to City Council on this matter made it clear that the Council is concerned with the quality of rental properties in the City. Staff sought out ways to made additional improvements and determined that a rental dwelling business license would an appropriate solution.

Utah is often given praise in various guidebooks, news articles, or other literature due to how its cities handle landlord licensing. Most cities in Utah require a license for all landlords. Landlords are typically required to complete an application and pay a fee that is calculated using a disproportionate impact study. Utah state law requires that when such fees exist, a means of reducing that fee through good landlord education programs must also exist. Eagle Mountain could certainly follow this same model. However, following interviews with other cities, and conversation with Council, staff determined that this approach was not favorable.

Licensing staff from the cities of Ogden and West Jordan which disclosed that managing such license programs are very burdensome for staff, requiring a significant amount of time tracking down landlords to collect fees. Additionally, staff of each city had heard from landlords that were disgruntled by the idea that the fees they are paying are going towards the costs of resolving issues with those that weren't. The cities mentioned that about 80% of landlords were actively licensed, but the 20% of those that weren't licensed were the ones they had a hard time working with. Essentially, the license was creating more work for staff and good landlords, and not resolving issues for the non-compliant landlords.

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

[ORD--EMMC 5.30 Rental Dwelling Business Licensing](#)
[EMMC 5.30 Rental Dwelling Business Licensing - DRAFT](#)
[Staff Report](#)