

Rental Licensing

Benefits and Best Practices

What Is Rental Licensing?

- Permission to rent property for residential lease
 - Single or multi family
 - Can require even if owner occupied
- Usually one or two year license, anywhere from \$50 to \$500 fee
- Requires an inspection and approval from the City or Town *and permission to inspect otherwise*
- May also allow revocation if a violation (or agreement and conditions to continue)
- Enforcement typically via municipal infraction

When Can License Be Revoked?

Pursuant to your local ordinance:

- Failure to meet required building code as required to issue license
- Failure to maintain property after license issued
- Other violations
 - State law (Lead Paint, Smoke alarms)
 - Other municipal code violations such as noise
 - Violation of agreement after potential revocation

Why require a rental license?

- Ensure rental licensing complies with code, ensuring some level of safety for tenants
 - Tenant safety
 - Smoke detectors, means of egress, infestation
- Allow early detection of a problem
 - Out of state owners
 - Catch violation early before serious complaint
- Open better communication between municipality and landlord

Is A Rental License Another Hassle?

- Usually not for staff with annual or biannual inspection
- Usually not for owners as based on building and property maintenance codes
- Fees should be based on likely cost of issuing the license and completing inspection
- Reinspection for renewal

Main benefit of a rental license?

It can prevent a bigger problem by underscoring at least a minimum

- Building code and
- Property maintenance requirement

By ensuring an inspection

Your Ordinance: What Can Be Required?

- Town or City Code compliance
 - Building Code
 - Property Maintenance Code
 - Others
- Smoke, carbon dioxide detectors

Group Housing or Size Limits?

- Equal Treatment: Cannot target or exclude group homes if permitted by zoning category (i.e., residential)
- Size limits can be difficult to enforce
 - Building code may include space limits
 - Family definition

Size limit enforceability

- If limited to one family per house, often family definition is limited to:
 - Related persons
 - No more than five or more unrelated
- Owner-occupancy more difficult to enforce, based on First Am right of association
- Can you prove family relationship?
- Most effective with evidence of overcrowding
- Most effective with substantial violation

Enforcement limits

- May be able to require use of lease with specific provisions, such as a 2-year lease
 - But not a mandate; tenant can waive
 - Thus, that would be enforced through the tenant rather than as a rental license violation
- Cannot require drug testing for tenants
- Cannot prohibit group home if otherwise permitted by overall zoning

General Enforcement Options

- Usually a municipal infraction
 - Fine
 - Abatement order possibility
- Can seek injunction but only advise for additional violations or identified safety concerns
- Can require tenant to vacate
 - But may raise need or desire for ordinance providing a relocation expense to tenants forced to move for reasons beyond their control

Ordinance Drafting Options

- License requirement frequency
- Fees
- Inspections before license issued
- Compliance requirements: State and local law
- Ability to revoke the license
- Violations and enforcement

Questions?