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?