



Reprinted  
March 4, 2014

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# ENGROSSED HOUSE BILL No. 1403

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DIGEST OF HB 1403 (Updated March 3, 2014 8:16 pm - DI 87)

**Citations Affected:** IC 32-30; IC 36-1.

**Synopsis:** Regulation of residential rental property. Provides that the owner of a rental unit assessed any fee by a political subdivision pertaining to the rental unit may: (1) notify the tenants of the rental unit of the assessment of the fee; and (2) require the tenants of the rental unit to reimburse the owner for the payment of the fee. (Current law refers to "inspection, registration, or other fee".) Requires fees regarding rental units and rental communities to be deposited in a dedicated fund to for reimbursement of costs actually incurred by the political subdivision relating to the imposition and amount of the fee. Restricts the circumstances and conditions in which a political subdivision may require a rental unit's owner or landlord to obtain a permit. Allows an owner of a rental unit to obtain an exemption from  
(Continued next page)

**Effective:** June 30, 2014; July 1, 2014.

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## McMillin, VanNatter, Austin, Turner

(SENATE SPONSORS — HOLDMAN, HEAD)

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January 16, 2014, read first time and referred to Committee on Government and Regulatory Reform.  
January 28, 2014, amended, reported — Do Pass.  
January 30, 2014, read second time, amended, ordered engrossed.  
January 31, 2014, engrossed.  
February 3, 2014, corrected by the Rules Committee. Read third time, passed. Yeas 67, nays 28.  
February 4, 2014, re-engrossed.

SENATE ACTION

February 10, 2014, read first time and referred to Committee on Local Government.  
February 27, 2014, amended, reported favorably — Do Pass.  
March 3, 2014, read second time, amended, ordered engrossed.

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EH 1403—LS 6990/DI 75



Digest Continued

a political subdivision's inspection and inspection fee requirements if the rental unit satisfies certain requirements. Allows a political subdivision to impose a penalty for an act constituting a nuisance or ordinance violation. Allows a successful county, city, or town or a successful defendant to recover attorney's fees incurred in a nuisance action. Provides that a political subdivision may assess an annual registration fee. Repeals superseded statutes relating to local regulation of residential landlord and tenant relations.



Reprinted  
March 4, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1403

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A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 32-30-6-7, AS AMENDED BY P.L.82-2005,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 7. (a) An action to abate or enjoin a nuisance may  
4 be brought by any person whose:  
5 (1) property is injuriously affected; or  
6 (2) personal enjoyment is lessened;  
7 by the nuisance.  
8 (b) A civil action to abate or enjoin a nuisance may also be brought  
9 by:  
10 (1) an attorney representing the county in which a nuisance exists;  
11 or  
12 (2) the attorney of any city or town in which a nuisance exists.  
13 (c) A county, city, or town that brings a successful action under this  
14 section (~~or IC 34-1-52-2 or IC 34-19-1-2 before their repeal~~) to abate

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1 or enjoin a nuisance ~~caused by the unlawful dumping of solid waste~~ is  
 2 entitled to recover reasonable attorney's fees incurred in bringing the  
 3 action.

4 (d) A ~~forestry operation~~ **person** that successfully defends an action  
 5 under this section is entitled to reasonable costs and attorney's fees  
 6 incurred in defending the action.

7 SECTION 2. IC 36-1-20-1.5 IS ADDED TO THE INDIANA CODE  
 8 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JUNE  
 9 30, 2014]: **Sec. 1.5. As used in this chapter, "rental unit**  
 10 **community" means one (1) or more parcels of contiguous real**  
 11 **property upon which are located one (1) or more structures**  
 12 **containing rental units, if:**

13 **(1) the combined total of all rental units in all of the structures**  
 14 **is five (5) or more rental units; and**

15 **(2) the rental units are not occupied solely by the owner or the**  
 16 **owner's family.**

17 SECTION 3. IC 36-1-20-2, AS ADDED BY P.L.212-2011,  
 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JUNE 30, 2014]: Sec. 2. (a) Except as provided in subsection (b), the  
 20 owner of a rental unit assessed any ~~inspection, registration, or other~~ fee  
 21 by a political subdivision pertaining to the rental unit may:

22 (1) notify the tenants of the rental unit of the assessment of the  
 23 fee; and

24 (2) require the tenants of the rental unit to reimburse the owner  
 25 for the payment of the fee.

26 (b) Tenants of a rental unit may not be required to reimburse the  
 27 owner of a rental unit for fees assessed by a political subdivision  
 28 relating to the construction of the rental unit, such as building permit  
 29 fees.

30 SECTION 4. IC 36-1-20-3, AS ADDED BY P.L.212-2011,  
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JUNE 30, 2014]: Sec. 3. Any ~~inspection, registration, or other~~ fee  
 33 assessed ~~under section 2 of this chapter~~ and collected by a political  
 34 subdivision **pertaining exclusively to a rental unit or rental unit**  
 35 **community** must be maintained in a special fund dedicated solely to  
 36 reimbursing the costs ~~reasonably related to services~~ actually ~~performed~~  
 37 **incurred** by the political subdivision ~~that justified relating to~~  
 38 the imposition and amount of the fee. Each fund shall be maintained as a  
 39 separate line item in the political subdivision's budget. Money in the  
 40 fund may not at any time revert to the general fund or any other fund  
 41 of the political subdivision.

42 SECTION 5. IC 36-1-20-3.5 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE  
2 30, 2014] Sec. 3.5. (a) This section does not apply to a political  
3 subdivision with a rental registration or inspection program  
4 created before July 1, 1984.

5 (b) A political subdivision may not require a rental unit's owner  
6 or landlord to do any of the following:

7 (1) Except as provided in subsection (c), obtain a permit to  
8 lease the rental unit.

9 (2) Participate in a class or government program as a  
10 condition for leasing the rental unit.

11 (c) Notwithstanding subsection (b), a political subdivision may  
12 require a rental unit's owner or landlord to obtain a permit only as  
13 follows:

14 (1) A fee may not be charged to obtain a permit.

15 (2) Except when there is a change of ownership of the real  
16 property, a permit does not expire. A political subdivision  
17 may require a new owner of the real estate to obtain a new  
18 permit.

19 (3) Only one (1) permit may be required for a rental unit  
20 community.

21 SECTION 6. IC 36-1-20-4 IS REPEALED [EFFECTIVE JUNE 30,  
22 2014]. Sec. 4. (a) As used in this section, "regulation" refers to an  
23 ordinance, rule, or other enactment by a political subdivision relating  
24 to any of the following:

25 (1) Landlord and tenant relations:

26 (2) Rental agreements:

27 (3) Real property subject to a rental agreement:

28 (b) A regulation that does any of the following may not be adopted  
29 after February 28, 2013:

30 (1) Requires an owner or landlord to be licensed or to obtain a  
31 permit from the political subdivision to lease a rental unit.

32 (2) Requires an owner or landlord to enroll or participate in a  
33 class or government program as a condition for leasing a rental  
34 unit.

35 (3) Imposes or increases a fee or other assessment for any of the  
36 following:

37 (A) Inspection of a rental unit.

38 (B) Registration of an owner, landlord, or rental unit.

39 (C) Any other purpose related to the purposes listed in  
40 subsection (a):

41 (c) This chapter does not prohibit a political subdivision from:

42 (1) establishing a rental unit inspection program; or



1 (2) imposing or increasing a fee relating to the construction of a  
 2 rental unit, such as a building permit fee.

3 (d) This section expires July 1, 2014.

4 SECTION 7. IC 36-1-20-4.1 IS ADDED TO THE INDIANA CODE  
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE  
 6 30, 2014]: **Sec. 4.1. (a) This section does not apply to a political  
 7 subdivision with a rental registration or inspection program  
 8 created before July 1, 1984. This section does not apply to a  
 9 manufactured housing community or mobile home community that  
 10 is licensed, permitted, and inspected by the state department of  
 11 health.**

12 (b) Except as provided in subsection (c), this chapter does not  
 13 prohibit a political subdivision from establishing and enforcing a  
 14 program for inspecting rental units.

15 (c) Except as provided in subsection (d), after June 30, 2014, a  
 16 political subdivision may not inspect a rental unit or impose a fee  
 17 pertaining to the inspection of a rental unit, if the rental unit  
 18 satisfies all of the following:

19 (1) The rental unit is:

20 (A) managed by; or

21 (B) part of a rental unit community that is managed by;  
 22 a professional real estate manager.

23 (2) During the previous twelve (12) months, the rental unit has  
 24 been inspected or is part of a rental unit community that has  
 25 been inspected by either of the following:

26 (A) By or for:

27 (i) the United States Department of Housing and Urban  
 28 Development, the Indiana Housing and Community  
 29 Development Authority, or another federal or state  
 30 agency; or

31 (ii) a financial institution or insurance company  
 32 authorized to do business in Indiana.

33 (B) By an inspector who:

34 (i) is a registered architect;

35 (ii) is a professional engineer; or

36 (iii) satisfies qualifications for an inspector of rental  
 37 units prescribed by the political subdivision.

38 The inspector may not be an employee of the owner or  
 39 landlord.

40 (3) A written inspection report of the inspection under  
 41 subdivision (2) has been issued to the owner or landlord of the  
 42 rental unit or rental unit community (as applicable) that



1 verifies that the rental unit or rental unit community is safe  
2 and habitable with respect to:

- 3 (A) electrical supply and electrical systems;  
4 (B) plumbing and plumbing systems;  
5 (C) water supply, including hot water;  
6 (D) heating, ventilation, and air conditioning equipment  
7 and systems;  
8 (E) bathroom and toilet facilities;  
9 (F) doors, windows, stairways, and hallways;  
10 (G) functioning smoke detectors; and  
11 (H) the structure in which a rental unit is located.

12 A political subdivision may not add to the requirements of this  
13 subdivision.

14 (4) The inspection report issued under subdivision (3) is  
15 delivered to the political subdivision on or before the due date  
16 set by the political subdivision.

17 (d) This subsection applies to all rental units, including a rental  
18 unit that meets the requirements for an exemption under  
19 subsection (c). A political subdivision may inspect a rental unit, if  
20 the political subdivision:

- 21 (1) has reason to believe; or  
22 (2) receives a complaint;

23 that the rental unit does not comply with applicable code  
24 requirements. However, in the case of a rental unit that meets the  
25 requirements for an exemption under subsection (c), the political  
26 subdivision may not impose a fee pertaining to the inspection of the  
27 rental unit. If an inspection of a rental unit reveals a violation of  
28 applicable code requirements, the owner of the rental unit may be  
29 subject to a penalty as provided in section 6 of this chapter.

30 (e) This subsection applies only to a rental unit that meets the  
31 requirements for an exemption under subsection (c). If the  
32 inspection report for the rental unit or rental unit community is  
33 prepared by or for the United States Department of Housing and  
34 Urban Development, the inspection report is valid for purposes of  
35 maintaining the exemption under subsection (c) until:

- 36 (1) the date specified in the inspection report; or  
37 (2) thirty-six (36) months after the date of the inspection  
38 report;

39 whichever is earlier.

40 SECTION 8. IC 36-1-20-5 IS ADDED TO THE INDIANA CODE  
41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE  
42 30, 2014]: Sec. 5. (a) This section does not apply to a political



1 subdivision with a rental registration or inspection program  
2 created before July 1, 1984.

3 (b) This chapter does not prohibit a political subdivision from  
4 establishing and enforcing a registration program for rental units  
5 within the political subdivision.

6 (c) A political subdivision may impose on an owner or landlord  
7 of a rental unit an annual registration fee of not more than five  
8 dollars (\$5).

9 (d) A registration fee imposed under subsection (c) covers all the  
10 rental units in a rental unit community. However, if a rental unit  
11 is not part of a rental unit community, a registration fee may be  
12 imposed for each separate parcel of real property on which a  
13 rental unit is located.

14 (e) If the ownership of a rental unit community or the ownership  
15 of a parcel of real property on which a rental unit is located  
16 changes, a political subdivision may require the new owner of the  
17 rental unit community or new owner of the real estate parcel to:

18 (1) pay an annual registration fee of not more than five  
19 dollars (\$5); and

20 (2) provide updated registration information to the political  
21 subdivision;

22 not later than thirty (30) days after the change of ownership.

23 SECTION 9. IC 36-1-20-6 IS ADDED TO THE INDIANA CODE  
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE  
25 30, 2014]: Sec. 6. (a) This chapter does not prevent a political  
26 subdivision from imposing and collecting a penalty for an act or  
27 omission that is a nuisance or violation of the political subdivision's  
28 enforceable ordinances or codes, subject to subsection (b).

29 (b) A penalty permitted under subsection (a) may not be  
30 imposed until after:

31 (1) reasonable notice of the nuisance or violation has been  
32 given to the owner or the owner's designee;

33 (2) passage of a reasonable time, which must be stated in the  
34 notice, for the nuisance or violation to be cured; and

35 (3) failure of the nuisance or violation to be cured within the  
36 time stated in the notice.





## COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1403, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 4, after "pertaining" insert "**exclusively**".

Page 2, line 4, after "unit" insert "**or rental unit community**".

Page 2, line 13, delete "Except as provided in section 4.1 or 5 of this" and insert "**(a) A political subdivision may not require a rental unit's owner or landlord to do any of the following:**

**(1) Except as provided in subsection (b), obtain a permit to lease the rental unit.**

**(2) Participate in a class or government program as a condition for leasing the rental unit.**

**(b) Notwithstanding subsection (a), a political subdivision may require a rental unit's owner or landlord to obtain a permit only as follows:**

**(1) A fee may not be charged to obtain a permit.**

**(2) Except when there is a change of ownership of the real property, a permit does not expire. A political subdivision may require a new owner of the real estate to obtain a new permit.**

**(3) Only one (1) permit may be required for a rental unit community."**

Page 2, delete lines 14 through 19.

Page 3, line 9, after "to" insert "**the inspection of**".

Page 3, line 9, delete "either" and insert "**all**".

Page 3, delete lines 12 through 19, begin a new line block indented and insert:

**"(2) The rental unit has been inspected or is part of a rental community that has been inspected during the previous twelve (12) months by an inspector who satisfies any of the following:**

**(A) The inspector is employed by or performs inspections for government agencies, such as the United States Department of Housing and Urban Development and the Indiana Housing and Community Development Authority.**

**(B) The inspector is a registered architect.**

**(C) The inspector is a professional engineer.**

**(D) The inspector is employed by or performs inspections for financial institutions or insurance companies authorized to do business in Indiana.**

**(E) The inspector satisfies qualifications for an inspector**



of rental units prescribed by the political subdivision.

(3) The inspector referred to in subdivision (2) has issued written verification to the owner or landlord of the rental unit or rental unit community (as applicable) that the rental unit or rental unit community meets or exceeds the standards described in subsection (b).

(b) An inspection report that shows that a rental unit or a rental unit community is safe and habitable with respect to the following satisfies a political subdivision's inspection requirement for the rental unit:

- (1) Electrical supply and electrical systems.
- (2) Plumbing and plumbing systems.
- (3) Water supply, including hot water.
- (4) Heating, ventilation, and air conditioning equipment and systems.
- (5) Bathroom and toilet facilities.
- (6) Doors, windows, stairways, and hallways.
- (7) Functioning smoke detectors.
- (8) Structure in which a rental unit is located.

A political subdivision may not add to the requirements of this subsection."

Page 3, line 20, delete "(b)" and insert "(c)".

Page 3, line 21, delete "upon receipt of a complaint that" and insert "if the political subdivision has reason to believe, or if the political subdivision receives a complaint that,".

Page 3, delete lines 34 through 42, begin a new paragraph and insert:

"(b) A political subdivision may impose on an owner or landlord of a rental unit an annual registration fee of not more than five dollars (\$5).

(c) A registration fee imposed under subsection (b) covers all the rental units in a rental unit community. However, if a rental unit is not part of a rental unit community, a registration fee may be imposed for each separate parcel of real property on which a rental unit is located.

(d) If the ownership of a rental unit community or the ownership of a parcel of real property on which a rental unit is located changes, a political subdivision may require the new owner of the rental unit community or new owner of the real estate parcel to:

- (1) pay an annual registration fee of not more than five dollars (\$5); and



**(2) provide updated registration information to the political subdivision;  
not later than thirty (30) days after the change of ownership."**

Page 4, delete line 1.

and when so amended that said bill do pass.

(Reference is to HB 1403 as introduced.)

MAHAN, Chair

Committee Vote: yeas 7, nays 5.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1403 be amended to read as follows:

Page 2, line 14, after "(a)" insert "**This section does not apply to a political subdivision with a rental registration or inspection program created before July 1, 1984.**

(b)".

Page 2, line 16, delete "(b)" and insert "(c)".

Page 2, line 20, delete "(b)" and insert "(c)".

Page 2, line 20, delete "(a)" and insert "(b)".

Page 3, line 15, after "(a)" insert "**This section does not apply to a political subdivision with a rental registration or inspection program created before July 1, 1984.**

(b)".

Page 3, line 41, delete "(b)" and insert "(c)".

Page 3, line 42, delete "(b)" and insert "(c)".

Page 4, line 15, delete "(c)" and insert "(d)".

Page 4, line 15, delete "(a)" and insert "(b)".

Page 4, line 21, delete "(a)" and insert "(b)".

Page 4, line 27, after "(a)" insert "**This section does not apply to a political subdivision with a rental registration or inspection program created before July 1, 1984.**

(b)".

Page 4, line 30, delete "(b)" and insert "(c)".



Page 4, line 33, delete "(c)" and insert "(d)".

Page 4, line 33, delete "(b)" and insert "(c)".

Page 4, line 38, delete "(d)" and insert "(e)".

(Reference is to HB 1403 as printed January 28, 2014.)

TRUITT

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1403 be amended to read as follows:

Page 3, line 41, delete "(b)" and insert "(c)".

Page 3, delete line 42, begin a new paragraph and insert:

**"(b) An inspection report described in subsection (a)(3):**

**(1) delivered to a political subdivision not later than thirty (30) days after the date of the report; and**

**(2) that shows that a rental unit or a rental unit community meets or exceeds the standards described in subsection (c);**

**satisfies the political subdivision's inspection requirement for the rental unit or rental unit community.**

**(c) An inspection report must show that a rental unit or rental unit community is safe and habitable with respect to the following:"**

Page 4, delete lines 1 through 3.

Page 4, line 15, delete "(c)" and insert "(d)".

(Reference is to HB 1403 as printed January 28, 2014.)

CANDELARIA REARDON

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COMMITTEE REPORT

Mr. Speaker: Pursuant to House Rule 67, your Committee on Rules and Legislative Procedures has made the following corrections to HB 1403:

Page 4, line 4, delete "(c)" and insert "(d)".

Page 4, line 5, delete "(b)" and insert "(c)".

Page 4, line 5, delete "(a)(3):" and insert "**(b)(3):"**

Page 4, line 9, delete "(c);" and insert "**(d);"**



Page 4, line 12, delete "(c)" and insert "(d)".  
 Page 4, line 25, delete "(d)" and insert "(e)".  
 (Reference is to HB 1403 as reprinted January 31, 2014.)

TORR, Chair

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1403, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 32-30-6-7, AS AMENDED BY P.L.82-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) An action to abate or enjoin a nuisance may be brought by any person whose:

- (1) property is injuriously affected; or
- (2) personal enjoyment is lessened;

by the nuisance.

(b) A civil action to abate or enjoin a nuisance may also be brought by:

- (1) an attorney representing the county in which a nuisance exists; or
- (2) the attorney of any city or town in which a nuisance exists.

(c) A county, city, or town that brings a successful action under this section (~~or IC 34-1-52-2 or IC 34-19-1-2 before their repeal~~) to abate or enjoin a nuisance ~~caused by the unlawful dumping of solid waste~~ is entitled to recover reasonable attorney's fees incurred in bringing the action.

(d) A ~~forestry operation~~ **person** that successfully defends an action under this section is entitled to reasonable costs and attorney's fees incurred in defending the action.

SECTION 2. IC 36-1-20-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2014]: Sec. 1.5. As used in this chapter, "rental unit community" means one (1) or more parcels of contiguous real property upon which are located one (1) or more structures containing rental units, if:**

- (1) the combined total of all rental units in all of the structures**

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**is five (5) or more rental units; and  
(2) the rental units are not occupied solely by the owner or the owner's family."**

Page 3, delete lines 16 through 42, begin a new paragraph and insert:

"SECTION 7. IC 36-1-20-4.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2014]: **Sec. 4.1. (a) This section does not apply to a political subdivision with a rental registration or inspection program created before July 1, 1984. This section does not apply to a manufactured housing community or mobile home community that is licensed, permitted, and inspected by the state department of health.**

**(b) Except as provided in subsection (c), this chapter does not prohibit a political subdivision from establishing and enforcing a program for inspecting rental units.**

**(c) Except as provided in subsection (d), after June 30, 2014, a political subdivision may not inspect a rental unit or impose a fee pertaining to the inspection of a rental unit, if the rental unit satisfies all of the following:**

**(1) The rental unit is:**

**(A) managed by; or**

**(B) part of a rental unit community that is managed by; a professional real estate manager.**

**(2) During the previous twelve (12) months, the rental unit has been inspected:**

**(A) by or for:**

**(i) the United States Department of Housing and Urban Development, the Indiana Housing and Community Development Authority, or another federal or state agency; or**

**(ii) a financial institution or insurance company authorized to do business in Indiana; or**

**(B) by an independent inspector who:**

**(i) is a registered architect;**

**(ii) is a professional engineer; or**

**(iii) satisfies qualifications for an inspector of rental units prescribed by the political subdivision.**

**(3) A written inspection report of the inspection under subdivision (2) has been issued to the owner or landlord of the rental unit or rental unit community (as applicable) that verifies that the rental unit is safe and habitable with respect**



to:

- (A) electrical supply and electrical systems;
- (B) plumbing and plumbing systems;
- (C) water supply, including hot water;
- (D) heating, ventilation, and air conditioning equipment and systems;
- (E) bathroom and toilet facilities;
- (F) doors, windows, stairways, and hallways;
- (G) functioning smoke detectors; and
- (H) the structure in which a rental unit is located.

A political subdivision may not add to the requirements of this subdivision.

(4) The inspection report issued under subdivision (3) is delivered to the political subdivision on or before the due date set by the political subdivision.

(d) This subsection applies to all rental units, including a rental unit that meets the requirements for an exemption under subsection (c). A political subdivision may inspect a rental unit, if the political subdivision:

- (1) has reason to believe; or
- (2) receives a complaint;

that the rental unit does not comply with applicable code requirements. However, in the case of a rental unit that meets the requirements for an exemption under subsection (c), the political subdivision may not impose a fee pertaining to the inspection of the rental unit. If an inspection of a rental unit reveals a violation of applicable code requirements, the owner of the rental unit may be subject to a penalty as provided in section 6 of this chapter.

(e) This subsection applies only to a rental unit that meets the requirements for an exemption under subsection (c). If the inspection report for the rental unit is prepared by or for the United States Department of Housing and Urban Development, the inspection report is valid for purposes of maintaining the exemption under subsection (c) until:

- (1) the date specified in the inspection report; or



**(2) thirty-six (36) months after the date of the inspection report; whichever is earlier."**

Page 4, delete lines 1 through 34.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1403 as printed February 4, 2014.)

HEAD, Chairperson

Committee Vote: Yeas 7, Nays 1.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1403 be amended to read as follows:

Page 4, line 24, delete ":" and insert "**or is part of a rental unit community that has been inspected by either of the following:**".

Page 4, line 25, delete "by" and insert "**By**".

Page 4, line 31, delete "; or" and insert ".".

Page 4, line 32, delete "by an independent" and insert "**By an**".

Page 4, between lines 36 and 37, begin a new line double block indented and insert:

**"The inspector may not be an employee of the owner or landlord."**

Page 4, line 40, after "unit" insert "**or rental unit community**".

Page 5, line 29, after "unit" insert "**or rental unit community**".

(Reference is to EHB 1403 as printed February 28, 2014.)

HOLDMAN

