

ORDINANCE NO. _____

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**AN ORDINANCE REGARDING
RENTAL LICENSING**

The city council of Inver Grove Heights does ordain:

Section 1. Enactment. Title 11, Chapter 11, Sections 1 through 11 are hereby enacted as follows:

RENTAL LICENSE

4-11-1 POLICY; PURPOSE; OBJECTIVE; INTENT:

- A. Policy: It is the policy of the city to enhance the supply of safe, sanitary and adequate structures and living conditions for its citizens and to prevent the deterioration of the existing rental structures in the city.
- B. Purpose: The purpose of this Chapter is to carry out the policy stated in subsection A of this Chapter by establishing minimum standards and procedures for their enforcement consistent with the right to personal privacy; for the protection of life, limb, health, property, safety and welfare of the general public; and the owners and occupants of residential rental dwellings.
- C. Objectives: The objectives of this Chapter include, but are not limited to, the following:
 - 1. Protection and preservation of the stability and character of residential areas within the city.
 - 2. The prevention and correction of conditions that adversely affect the life, safety, health and general well-being of owners, operators, and occupants of residential and dwellings in the city.
 - 3. The establishment of minimum standards for light, space, ventilation, cooling, heating, sanitation, protection from the elements, life safety, safety from fire and other hazards, and for the safe and sanitary maintenance necessary to ensure the health and safety of owners, operators, and occupants of residential dwellings.
 - 4. The establishment of minimum standards for the maintenance of residential and multi-family dwellings, both owner-occupied and non-owner occupied dwellings.
 - 5. The prevention of blighted and deteriorating structures in the city.

6. The preservation of the value of land and structures in the city.
 7. The establishment of minimum standards for the licensing of single- and multi-family owner and non-owner occupied rental dwellings.
- D. Intent; Relation to City Code Provisions: The city council intends that the rental licensing code be an integral part of the city's program of health, safety, building and land use regulation. This code is to be construed liberally in conjunction with other provisions of the city code to give effect to the policy, purpose and objectives of this Chapter, but is not to be construed to modify, amend or otherwise alter the provisions of the city code relating to health, safety, structure or land use regulation.
- E. Adoption of International Property Maintenance Code: Except as modified or amended by the Minnesota State Building Code (or as it may be amended) or by city ordinance, or by this Chapter, the International Property Maintenance Code is adopted by reference and is made a part of this code as if fully set out at length. One copy of the International Property Maintenance Code, together with a copy of this code, each marked "Official Copy," must be kept on file at city hall and be available for public inspection. The chief building official must keep a reasonable number of additional copies of the International Property Maintenance Code and this code available for use and inspection by the public at reasonable times. The following provisions of the International Property Maintenance Code are modified as follows:
1. References to plumbing, mechanical, fire, and electrical codes shall be replaced by current Minnesota State-adopted plumbing, mechanical, fire, and electrical codes.
 2. Section 101.2 is replaced as follows: Scope. The provisions of this code shall apply to all residential rental structures and premises and constitute minimum requirements and standards for premises, structures, equipment and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life safety, safety from fire and other hazards, and for safety and sanitary maintenance; for the responsibility of owners, operators and occupants; for the occupancy of existing structures and premises and for the administration and enforcement of this code.
 3. The following sections are deleted: Sections 102.3 (Application of other codes), 103 (Department of Property Maintenance Inspection), 104 (Duties and Powers of the Code Official), 106 (Violations), 107 (Notices and Orders), 109 (Emergency Measures), 110 (Demolition), 111 (Means of Appeal).
 4. Section 102.7.1 is replaced as follows: Conflicts. Where conflicts occur between provisions of the International Property Maintenance Code and the Minnesota State Building Code, the provisions of the Minnesota State Building Code shall apply.
 5. In Section 202 (General Definitions), the following definitions are deleted: Exterior Property, Garbage, Inoperable Motor Vehicle, Rubbish, Yard.

6. In Section 202 (General Definitions), the following definitions are replaced with the definitions in Section 4-11-2 of this code: Dwelling Unit, Let, Owner, Structure.
7. The following sections are deleted: Sections 302.1 (Sanitation), 302.3 (Sidewalks and Driveways), 302.4 (Weeds), 302.7 (Accessory Structures), 302.8 (Motor Vehicles), 302.9 (Defacement of Property), 303 (Swimming Pools, Spas and Hot Tubs), 304.3 (Exterior Structures – Premises Identification), 304.6 (Exterior Structures – Exterior Walls), 308 (Rubbish and Garbage).

4-11-2 DEFINITIONS:

Except as expressly provided in this code, words, terms and phrases used in this Chapter have the meanings given them by the city code. In cases where conflicting definitions of a word, term or phrase make its precise meaning unclear in its application to particular facts, the city administrator is authorized to resolve the definition. For purposes of this Chapter the terms defined in this Chapter have the meanings given them.

BUILDING CODE; ZONING CODE: “Building code” means Title 9 Chapter 1 of the city code; “zoning code” means Title 10 of the city code.

CHIEF BUILDING OFFICIAL, BUILDING OFFICIAL, OR HOUSING OFFICIAL: The “building official” or “housing official” means the chief building official or designee in the department of community development, building inspection division and other city departments designated by the city administrator to administer this code.

CITY CODE: The Inver Grove Heights city code of ordinances.

COMMON AREAS: Halls, lobbies, corridors, passageways, utility rooms, recreational/multiuse rooms, along with facility and yard areas not under the exclusive control of one person or family, in or adjacent to a multiple dwelling.

DWELLING: A building or a portion of a building designed for residential occupancy. The term includes single-family/multi-family dwellings, manufactured homes, hotels, motels and boarding houses.

DWELLING UNIT: A single-family dwelling or a discrete portion of a dwelling or detached structure/garage designed for occupancy by one family.

FAMILY: An individual, or two (2) or more persons related by blood, marriage or adoption, or a group of not more than four (4) persons not so related, living together as a single housekeeping unit using common cooking facilities.

LET: To rent, lease or grant the use and possession of real property whether or not compensation is paid.

MULTI-FAMILY DWELLING: Any residential structure designed to provide occupancy to more than one family unit.

OWNER, OWNER-OPERATOR OR OPERATOR: Any person, firm or corporation who alone, jointly, or separately with others is in actual possession of or has charge, care or control of a dwelling or dwelling unit or structure in the city as owner, employee or agent of the owner or as trustee or guardian of the estate of the person who is the titleholder, and such person is bound by the provisions of this code to the same extent as the owner.

PROPERTY MAINTENANCE CODE OR INTERNATIONAL PROPERTY MAINTENANCE CODE: The international property maintenance code, 2012 edition, published by the International Conference of building officials.

RENTAL: An owner or non-owner occupied single- or multi-family dwelling or dwelling unit that is let to a party other than the owner of the property or a member of the owner's family.

REPAIR: To restore to a sound, acceptable state of operation, serviceability or appearance.

STRUCTURE: That which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

4-11-3 LICENSE REQUIRED:

- A. General Rule: No person, partnership, business entity, or corporation shall operate a rental dwelling or rental dwelling unit in the city without a license.
- B. Application: Application for a license must be made to the city upon forms provided by the city. After the city has received a completed application, including all required documentation, the appropriate fees, the license will be submitted to the city council for consideration. Incomplete applications will be rejected by the city and will not be submitted to the city council.
 - 1. Natural Person: If the applicant is a natural person, the applicant may be required to provide the following information:
 - a. Name, place, and date of birth.
 - b. Street resident addresses of where the applicant has lived during the past five years and telephone numbers.
 - c. Whether the applicant is a citizen of the United States or a resident alien.
 - d. Whether the applicant has ever been known by a name other than the applicant's name and, if so, the name or names used and information concerning dates and places used.

- e. The type, name, and location of every business or occupation in which the applicant has been engaged during the preceding five years and the names and addresses of the applicant's employers and partners, if any, for the preceding five years.
 - f. Whether the applicant has ever been convicted of a felony, gross misdemeanor, misdemeanor, including violations of a municipal ordinance, but excluding minor traffic violations, directly related to the business for which a license is sought. If so, the applicant must furnish information as to the date, time, place of conviction, and nature of the offenses.
 - g. A physical description of the applicant.
 - h. If the applicant does not manage the business, the name of the managers or other persons in charge of the business and all information concerning each of them pursuant to city code section 4-11-3, subd. B(1)(a) through (g).
2. Partnership: If the applicant is a partnership, the applicant may be required to provide the following information.
- a. The names and addresses of all general and limited partners and all information concerning each general partner pursuant to city code section 4-11-3, subd. B(1)(a) through (g).
 - b. The names of the managing partners and the interest of each partner in the licensed business.
 - c. A copy of the partnership agreement: If the partnership is required to file a certificate as to a trade name pursuant to Minnesota Statutes, section 333.01, a certified copy of the certificate must be attached to the application.
 - d. The applicant's federal tax identification number and Minnesota employer identification number.
 - e. If the applicant does not manage the business, the name of the managers or other persons in charge of the business and all information concerning each of them pursuant to city code section 4-11-3, subd. B(1)(a) through (g).
3. Corporation: If the applicant is a corporation or other organization, the applicant may be required to provide the following information:
- a. The name of the corporation or business and the state of incorporation.
 - b. A copy of the Articles of Incorporation or Association Agreement. If the applicant is a foreign corporation, a Certificate of Authority as required by Minnesota Statutes, section 303.06 must be attached.

- c. The applicant's federal tax identification number and Minnesota employer identification number.
 - d. The name of the managers or other persons in charge of the business and all information concerning each manager, proprietor, or agent pursuant to city code section 4-11-3, subd. B(1)(a) through (g).
 - e. A list of all persons who control or own an interest in excess of 5% in such organization or business or who are officers of the corporation or business and all information concerning the persons pursuant to city code section 4-11-3, subd. B(1)(a) through (g). This provision, however, does not apply to a corporation whose stock is publicly traded on a stock exchange and the corporation is applying for a license to be owned and operated by it.
4. Additional Information From All Applicants: All applicants must provide the following additional information:
- a. Whether the applicant holds a current business or rental license or has ever held a license from any governmental unit, including the city.
 - b. Whether the applicant has ever had a license in any city or state denied, revoked, or suspended and the reason for the denial, revocation, or suspension.
 - c. The name of the business, if it is to be conducted under a designation, name, or style other than the name of the applicant and a certified copy of the certificate as required by Minnesota Statutes, section 333.01.
 - d. The legal description of the premises to be licensed.
 - e. If the applicant does not own the business premises, a true and complete copy of the executed lease for the premises.
 - f. Whether all real estate and personal property taxes that are due and payable for the premises have been paid and, if not paid, the years and amounts that are unpaid.
 - g. A written declaration by the applicant, under penalty of perjury, that the information contained in the application is true. If the applicant is a corporation, an officer must sign the written declaration. If the applicant is a partnership, a general partner must sign the written declaration. If the applicant is an unincorporated association, the manager or managing officer must sign the written declaration.
 - h. The criminal history background report required by Section 4-11-3(L).
 - i. Such other information as the city may require.

5. Property owner Information:

- a. The name, address, and complete information of the property owner, if the property owner is not the applicant.
- b. The name, address and complete information of at least one officer, manager or director, if the property owner is a business entity.

6. Property Contact Information: For single-family residential dwellings, the license applicant must provide 24-hour contact information for one person in any of the following categories. For all other types of dwellings, the license applicant must provide 24-hour contact information for two people in any of the following categories:

- a. At least one owner of the rental dwelling or rental dwelling unit;
- b. At least one person, if different from the owner, who is responsible for compliance with this and any other code requirement pertaining to the rental dwelling or rental dwelling unit, such as a property manager, who must reside in the Twin Cities 7-County metropolitan area.
- c. Any of the owner's agents responsible for management of the rental dwelling or rental dwelling unit, such as a property management company and the name and contact information of a person at the property management company.
- d. Any vendors and all vendees, if the rental dwelling or rental dwelling unit is being sold pursuant to a contract for deed.
- e. If there is a Home Owner's Association, the name and contact information of two of the officers of the Association.

The city must be notified in writing of any changes to the name(s) provided on the application.

7. Number and Type of Units: The license application must contain the number of units and types of units (condominium, apartment, townhome, etc.) within the rental dwelling. If the number or types of units change, the licensee must notify the city.

C. Fees: Rental dwelling owners shall pay a fee as set by resolution adopted by the city council. The license fee is not refundable.

D. Insurance Coverage: The applicant must file with the city a Certificate of Insurance from an insurance company duly licensed and qualified to do business in Minnesota, on a form approved by the city.

1. Coverage Requirements. The insurance policy must provide the following coverage in not less than the amounts hereinafter provided:

- a. Comprehensive General Liability:
 - 1) Bodily injuries, including death resulting therefrom sustained by any one person - \$100,000 and \$300,000 per any one occurrence;
 - 2) Property Damage Liability - \$100,000 per occurrence; and
 - b. Worker's Compensation: Coverage as required by Minnesota Statutes, section 176.181, subd. 2.
2. Coverage Changes and Cancellation: The applicant may not cancel or change the insurance without 15 days prior written notice to the city by certified mail. The Certification of Insurance must be continuously in effect until 15 days after receipt of the written notice of cancellation or change, provided however, the Certification must not extend for more than two years.
- E. Changes in Ownership: A license is non-transferable. If there is a change in the ownership of the rental dwelling or rental dwelling unit, a new license is required.
 - F. Biennial License: Persons wishing to let rental dwellings or rental dwelling units must make an application to the city on a biennial basis, provide the information required by this Chapter and pay the applicable license fee. The license term shall begin on April 1 and expire two years thereafter on March 31.
 - G. Tenant Register: As a condition of the license, the applicant must, as a continuing obligation, maintain a current register of tenants and other persons who have a lawful right to occupancy of rental dwellings or rental dwelling units. In its application, the applicant must designate the name of the person or persons who will have possession of the register and must promptly notify the city of any change in the identity, address or telephone numbers of such person. The register must be available for inspection by city officials at all times.
 - H. Display of License Certificate: The license certificate must be exhibited in a conspicuous place at or near the entrance to the rental dwelling. One license certificate must be displayed for each building.
 - I. Crime-Free Lease Addendum: As a condition of the license, the applicant must use the Minnesota Crime-Free Lease Addendum or its equivalent, as part of its leases.
 - J. Compliance with Provisions: An existing license will not be issued or renewed unless the rental dwelling unit and its premises conform to this Chapter, the ordinances of the city and the laws of the state, unless a license with conditions is approved that allows time for compliance.
 - K. Renewal and Late Fees:

1. An application for license renewal must be filed at least sixty (60) days prior to the license expiration date.
2. An applicant who fails to submit a completed renewal application at least sixty (60) days prior to the expiration date shall pay a late fee equal to 50% of the annual fee, in addition to the annual fee.

L. Investigations:

1. In order to protect the general welfare of the public for all applications, a criminal history background report from the Minnesota Bureau of Criminal Apprehension is required for the property owners, if the property is owned by individuals, or for all officers, managers, or directors, if the property is owned by a business entity. If the applicant, owners, officers, managers, or directors do not reside in Minnesota, a criminal history report from the appropriate government agency in the state of residency is also required. The applicant shall provide the criminal history background report as part of its application.
2. Authorization: At the time of making an initial or renewal license application, the applicant must provide written authorization to the city to investigate all facts set out in the application. The information obtained from the investigation shall be used to assist the Police Chief in making a recommendation as to whether the applicant should be granted a license. The recommendation may be based on any of the following criteria:
 - a. Whether the applicant was convicted of a crime or offense in the last five years involving or directly relating to the business for which a license is sought; and
 - b. Whether there is a material misrepresentation in the application.

4-11-4 EXEMPTIONS:

This Chapter does not apply to the following:

- A. Hospitals
- B. State licensed residential care facilities
- C. Assisted living facilities
- D. Nursing homes
- E. Hotels or motels
- F. Single-family homes in which an individual owns the single-family home and resides in a portion of the building in which there is a rental dwelling unit and there are a total of no more

than 3 persons within the rental dwelling unit that are unrelated to the owner and to each other.

G. Accessory Dwelling Units pursuant to city code section 10-18-1.

H. Supervised Student Housing pursuant to city code section 10-14-2.H.

4-11-5 RESPONSIBILITY FOR ACTS OF MANAGER:

Licensees are responsible for the acts or omissions of their Managers as it pertains to the rental dwelling.

A. It is the responsibility of the licensee to ensure that every rental dwelling and rental dwelling unit is maintained in compliance with all city codes and state laws. A violation of any of the following laws and codes constitutes a public nuisance and is a violation of this Chapter:

1. Building code (Title 9, Chapter 1),
2. Zoning code (Title 10),
3. Animal Control (Title 5, Chapter 4),
4. Fire Prevention Code (Title 9, Chapter 2),
5. Property Nuisances (Title 5, Chapter 9),
6. Miscellaneous Offenses (Title 5, Chapter 5),
7. International Property Maintenance Code.

4-11-6 INSPECTIONS:

A. General rule: For the purpose of safeguarding the health and safety of the general public and of the occupants of all buildings or to determine compliance with the code, an order or a permit or license, the chief building official, housing official, building inspector, code compliance specialist, Fire Department personnel, police officers or their respective representatives or designees (“authorized officer”) may conduct inspections to determine the condition of the buildings and premises located within the city. For the purpose of making the inspection, the authorized officer is authorized to enter, examine and survey the buildings or premises at all reasonable times.

1. Notice: Prior to making the inspection, the authorized officer will inform the occupants of the building or premises to be inspected of the date and time of the inspection by personal service or regular mail postmarked not less than 72 hours prior to the time the

inspection is made.

2. Access: After the written notice has been given, the owner, occupant or operator of the building, must give the authorized officer free access to the building and its premises, for the purpose of the inspection, examination or survey, provided that the inspection, examination or survey must not have for its purpose the harassment of the owner or occupant and the inspection, examination or survey is made so as to cause the least amount of inconvenience to the owner or occupant.
 3. Emergency access: The authorized officer must be allowed immediate entry:
 - a. At any time when in the opinion of the authorized officer an actual emergency tending to create an immediate danger to public health and safety exists; or
 - b. At any time when the inspection, examination or survey may be requested by the owner or occupant.
- B. Application for search warrant: Upon a refusal of any owner or occupant to permit the authorized officer access to a dwelling, dwelling unit or premises to make an inspection, and upon a belief of probable cause that the dwelling, dwelling unit or premises do not conform to the requirements of this subchapter, the authorized officer may make application to the appropriate court for an order or warrant directing the inspection and search of the dwelling, dwelling unit or premises for its conformity to the requirements of this subchapter, and any evidence or information from the inspection or search may be used in any court proceedings.
- C. Interference with official duties: It is unlawful for any person to prevent, delay or interfere with representatives of the city while it is engaged in the performance of its duties.

4-11-7 COMPLIANCE ORDERS:

- A. If the City determines that a city code violation has occurred, when appropriate, a compliance order shall be issued to the owner of the property. The compliance order shall contain the following information:
1. A description or address of the property on which the city code violation has occurred;
 2. The nature of the violation, including a reference to the appropriate city code section or state law;
 3. A compliance deadline, providing a reasonable time for compliance based on the nature of the violation;
 4. A statement that failure to correct the violation may result in the imposition of a criminal citation or denial, suspension or revocation of the license.

- B. Service of Compliance Order: The compliance order shall be served on the owner by regular or certified mail sent to the last known legal address or by personal service.
- C. If an owner or the owner's agent in charge of a dwelling unit licensed under this Chapter fails to make corrective actions listed in the compliance order, the housing official may recommend the action to be taken on the license and the appropriate city official may issue a misdemeanor criminal citation.

4-11-8 LICENSE HEARING:

A. New or Renewal Application Consideration:

- 1. The city council must take action on each new and renewal license application within a reasonable time following receipt of the recommendation from a city official regarding the application.
- 2. Procedure: At the city council meeting at which the license application is considered, any person must be provided an opportunity to be heard for or against the license. The city council may then take any of the following actions:
 - a. Approve the license,
 - b. Deny the license,
 - c. Approve the license with reasonable conditions, or
 - d. Continue the license application for additional information.
- 3. License with Reasonable Conditions: The city council may add reasonable conditions upon approval of a license, if deemed appropriate.

B. Denial, Suspension, or Revocation Consideration: At the recommendation of a city official, the Council or its designee may hold a hearing to take action on a rental license to deny, suspend, or revoke a license or to consider other actions against the business. In addition to those grounds enumerated in section 3-2-10 of this code, any license may be denied, suspended, or revoked for one or more of the following reasons:

- 1. The proposed use does not comply with the Zoning Code.
- 2. The proposed use does not comply with a health, building, maintenance, or other provisions of the city code or state law.
- 3. The applicant has failed to pay all of the appropriate fees related to the license, or is delinquent on any other city fees.

4. The applicant has made fraudulent statements, misrepresentations, or false statements in the application or investigation for or in the course of the applicant's business.
 5. Conviction of any crime or offense in the previous five (5) years involving or relating to the business that is licensed or the type of licensed activity and failed to show competent evidence of sufficient rehabilitation and present fitness to perform the duties of the business.
 6. The applicant's rental license in this city or any other city has been denied, revoked, or suspended by this city or any city, the state, or another government unit within the last 5 years.
 7. The applicant has violated city codes for property maintenance or nuisance activities related to rental properties owned or operated in this city or any other city within the last 5 years.
 8. Failure to allow inspections of the licensed premises, for the purpose of ensuring compliance with the law, at any time it is occupied or open for business.
 9. Real estate or personal property taxes on the business premises have become delinquent and the property owner and the applicant are the same person or entity, or have any common ownership between the property owner and the applicant where they are a different person or entity.
 10. Violation of any regulation or provision of the city code or Zoning Ordinance applicable to the activity for which the license has been granted, or any regulation or state law that may be applicable.
 11. The applicant or licensee has been found guilty of professional misconduct, either criminally or civilly.
 12. The activity has been conducted without a license.
 13. Other good cause.
- C. Suspension or Revocation Hearing: A hearing for consideration of suspending or revoking a license will be conducted before the city council or its designee. At the hearing, the licensee has the right to be represented by counsel, the right to respond to the charges, the right to present evidence through witnesses under oath and the right to confront and cross-examine witnesses under oath.
1. Final Decision: Following the hearing, the city council or its designee may take any of the following:
 - a. Take no action on the license;

- b. Allow the business activity to continue but add reasonable conditions to the license;
 - c. Suspend the license;
 - d. Revoke the license.
2. Findings: Any actions taken following a hearing shall be adopted by resolution with findings and shall be sent to or served upon the licensee. If the license is suspended, the dates of suspension shall be fixed; if the license is revoked, the effective date of the revocation shall be fixed. The decision by the city council or its designee following a hearing is final.
3. Notification to Tenants: Upon suspension or revocation of a license, the city will notify all affected tenants that the license has been revoked or suspended.

4-11-9 SUMMARY ACTION:

- A. Emergency: When the conduct of any owner or owner's agent, representative, employee or lessee, or the condition of the rental dwelling or rental dwelling unit, or the property in or on which it is located, is detrimental to the public health, sanitation, safety and general welfare of the community, or residents of the rental dwelling or rental dwelling unit so as to constitute a nuisance, fire hazard, or other unsafe or dangerous condition and thus give rise to an emergency, the chief building official has the authority to summarily condemn or close individual rental dwelling units or areas of the rental dwelling as the chief building official deems necessary. The chief building official will post the date the rental dwelling or rental dwelling unit shall be vacated and no person shall reside in, occupy or cause to be occupied that rental dwelling or rental dwelling unit until the chief building official permits it.
- B. Notice: No person shall remove the posted notice, other than the chief building official or a designated representative.

4-11-10 NO WARRANTY BY CITY: By enacting and undertaking to enforce this Chapter, neither the city nor its Council, agents or employees warrant or guaranty the safety, fitness or suitability of any rental dwelling or rental dwelling unit in the city. Owners and occupants should take appropriate steps to protect their interests, health, safety and welfare.

4-11-11 VIOLATIONS: A violation of this Chapter is a misdemeanor.

Section 2. License Term. The initial license term for all rental licenses shall begin the date the City identifies in a written notice to rental property owners that such licenses shall be required, or _____, 2016, whichever is sooner, and shall expire on March 31, 2018. Thereafter, license terms shall be as stated in Section 4-11-3 F.

Section 3. Effective Date. This Ordinance shall be in full force and effect _____
_____.

Passed this _____ day of _____, 2016.

George Tourville, Mayor

Attest

Michelle Tesser, Deputy City Clerk

DRAFT