

FILED

NOV 21 2016

Melissa Peckinpaugh
MUNCIE CITY CLERK

MUNCIE COMMON COUNCIL ORDINANCE NO. 48-110

**AN ORDINANCE TO ESTABLISH A RENTAL REGISTRATION PROGRAM
FOR THE CITY OF MUNCIE**

WHEREAS, the Indiana Association of Realtors worked with the Indiana General Assembly to pass HEA 1403, enacting IC 36-1-20, authorizing political subdivisions to establish registration programs for rental units within their jurisdiction subject to specific conditions and limitations; and

WHEREAS, IC 36-1-20 caps the amount local units may charge for rental registration fees at five (\$5) dollars per parcel; and

WHEREAS, in preparation of this ordinance, several ordinances and best practices were carefully reviewed, including the Evansville rental registration program, approved September 8, 2014, and the South Bend landlord registration program, approved September 15, 2016; and

WHEREAS, acknowledging data from the U.S. Census Bureau's 2015 American Community Survey recognizes that fifty (50) percent of all housing units in the City of Muncie are rental units; and

WHEREAS, such a program would be beneficial to the people and government of the City of Muncie, with some specific benefits including:

- Providing a direct contact to owners of rental properties for complaints about the property
- Developing positive and improved communications among landlords, tenants, and the community
- Providing accurate information which is informative and accessible to landlords, tenants, and the general public
- Enhancing housing quality and neighborhood stability through improved information and communication

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MUNCIE THAT:

SECTION 1. There is hereby established the rental registration program, which shall read as follows:

I. IC 36-1-20 et, seq., authorizes political subdivisions in the State of Indiana to establish registration programs for rental units within their jurisdiction subject to specific conditions and limitations.

II. Definitions: For the purposes of this Article, the following definitions shall apply:

1. *Building* means any residential structure, dwelling unit or accessory building in which is affixed to the land.
2. *Building Commission* means the Muncie Building Commissioner's office.
3. *City* means the City of Muncie, Indiana.
4. *Dwelling Unit* means a group of rooms or a room occupied or intended for occupancy as separate living quarters, and may encompass permanent provisions for living, sleeping, eating, cooking, and sanitation.
5. *Lease* means offering a building or dwelling unit for use or occupation for a definite period of time in exchange for remuneration, whether it be for money, property, or any other form of payment.
6. *Landlord* means any owner of a house that has leased the building or dwelling unit to a tenant for living.
7. *Municipal Code* means the Code of Ordinances of the City of Muncie.
8. *Owner* means any person who, alone, jointly, or severally with others, shall have title to any building or dwelling unit with or without accompanying actual possession thereof.
9. *Property Manager* means a person, operator, firm, partnership, corporation, or other legal entity designated by the owner to manage a residential rental building including the authority to receive notices or citations that lives within the state of Indiana.
10. *Rent or Rental* means offering a building or dwelling for use in exchange for remuneration that is automatically renewed periodically.
11. *Rental Unit Community* means one or more parcels of contiguous real property upon which are located one or more structures containing rental units if the total of all rental units is five or more.
12. *Tenant* means an occupant of a residential building.

III. Program

1. Beginning January 1, 2017, all owners or landlords of rental properties within the city must register with the city. There shall be a six (6) month transition period to allow all landlords to be registered and pay all fees for the first year only. The due date will be June 1, 2017 for the first year and January 1 for all years following. The registration form shall include the following:

- A. The name, telephone number, and a physical business of domicile address of the owner. A secondary address may be used for availability to the public.
 - B. The name and address of:
 - i. A property manager authorized to manage the rental unit; and
 - ii. A person who is authorized to act as an agent for the owner for purposes of service of process and receiving and receipting for notices and demands.
 - C. An affirmation that the rental units, the real property of which the rental units are a part, and any other rental unit property owned by the owner in the city, are not subject to any citation of violation of the state and local codes and ordinances,
 - D. A statement of the number of rental units on each separate parcel of real property covered by the registration.
2. Beginning on January 1, 2017, an owner or landlord of a rental unit must pay to the city an initial registration fee of \$5.00. Only one registration fee is required for all rental units in a rental community. A separate registration fee must be paid for each separate parcel of property on which a rental unit is located.
 3. In the event of a change of ownership, the new owner or landlord must, not later than thirty (30) days after the change of ownership, pay the registration fee and provide updated registration information.
 4. Registrations must be renewed annually, along with the \$5 registration fee.
 5. Landlords will have thirty (30) days to inform the city of any changes to registration information.
 6. Landlords shall register via the Rental Registration Application that can be found in the Building Commissioner's Office in City Hall or the Building Commissioner's online website.

IV. Rental Registration Fund. Pursuant to IC 36-1-20-3, the funds generated from this program may not divert into the general fund and may be solely for the purposes set forth in IC 36-1-20-3. A separate non-reverting fund shall be created and designated as the Rental Registration Fund.

V. Inspections

1. A written inspection report will be required once the property becomes registered with the city.
2. The city may not inspect a rental unit or impose a fee pertaining to the inspection if the rental unit satisfies all of the following:

- A. The rental unit is managed by a professional real estate manager or is part of a rental unit community that is managed by a professional real estate manager.
- B. During the previous twelve (12) months, the rental unit has been inspected or is part of a rental unit community that has been inspected by either of the following:
 - i. By or for:
 - a. The United States Department of Housing and Urban Development, the Indiana Housing and Community Development Authority, or another federal or state agency; or
 - b. A financial institution or insurance company authorized to do business in Indiana.
 - ii. By an inspector who:
 - a. Is a registered architect;
 - b. Is a professional engineer; or
 - c. Satisfies qualifications for an inspector of rental units prescribed by the city.
 - d. The inspector may not be an employee of the owner.
- C. A written inspection report of the inspection has been issued to the owner or landlord of the rental unit or rental unit community (as applicable) that verifies that the rental unit or rental unit community 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,
 - 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.
 - i. The city may not add to the requirements of this subdivision.
 - ii. The inspection report issued is delivered to the city on or before the due date set by the political subdivision.
 - iii. The city may inspect a rental unit, if the political subdivision has reason to believe; or receives a complaint;
 - iv. 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.

- v. If the inspection report for the rental unit or rental unit community is prepared by or for the United States Department of Housing and Urban Development, the inspection report is valid until:
 - a. The date specified in the inspection report; or
 - b. Thirty-six (36) months after the date of the inspection report; whichever is earlier.

VI. Penalties and Enforcement

1. Failure to register as required is subject to admission of violation and payment of a Rental Registry penalty for each rental unit or rental unit community in violation of \$250.
2. Failure to update the registration within thirty (30) days of a change in ownership as required is subject to admission of violation and payment of a penalty for each rental unit or rental unit community of \$150.
3. Failure to renew the registration as of January 1 each calendar year as required is subject to admission of violation and payment of a penalty for each rental unit or rental unit community in violation of \$150.
4. Failure to pay any fees and registry fines will result in a lien being placed on the property for the amount owed.
5. Pursuant to IC 36-1-20-6, the penalties above may not be imposed until after:
 - A. A notice of violation has been issued to the owner or the owner's designee by First Class U.S. Mail.
 - B. Passage of thirty (30) days, which must be stated in the notice for the violation to be cured; and
 - C. Failure of the violation to be cured within the time stated in the notice.

VII. Community Aspects

1. The city will appoint a government liaison, will host proactive meetings with government officials, Ball State University, and local landlord associations yearly.
2. The list of registered landlords and properties will be accessible showing available properties, which allow the public to find information about properties near them as well as advertise the compliant landlords.
3. The complete list of registered properties, available properties, and registered landlords will be available through the city website

SECTION 2. This Ordinance shall be in full force and effect upon passage by the Common Council of the City of Muncie and signature of the Mayor.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF MUNCIE, INDIANA, THIS THE _____ DAY OF _____, 2016.

	Yeas	Nays	Abstained	Absent
Doug Marshall	_____	_____	_____	_____
Dan Ridenour	_____	_____	_____	_____
Lynn Peters	_____	_____	_____	_____
Brad Polk	_____	_____	_____	_____
Jerry Dishman	_____	_____	_____	_____
Julius Anderson	_____	_____	_____	_____
Linda Gregory	_____	_____	_____	_____
Nora Powell	_____	_____	_____	_____
Alison Quirk	_____	_____	_____	_____

Passed by the Common Council of the City of Muncie, Indiana, this _____ day of _____, 2016

 Jerry Dishman, President
 City Council, City of Muncie

Presented by me to the Mayor for his approval, this _____ day of _____, 2016.

 Melissa Peckinpaugh
 City Clerk, City of Muncie

The above Ordinance is approved (vetoed) by me this _____ day of _____, 2016.

Dennis Tyler
Mayor, City of Muncie

ATTEST:

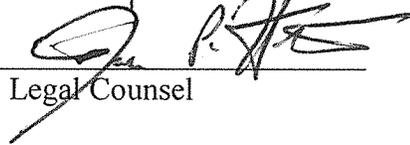
Melissa Peckinpaugh, City Clerk

This ~~Resolution~~/Ordinance is proposed by:



Council Member

This ~~Resolution~~/Ordinance is approved in form



Legal Counsel

AMENDMENTS FOR MUNCIE CITY COUNCIL ORDINANCE NO. 48-16

AN ORDINANCE TO ESTABLISH A RENTAL REGISTRATION PROGRAM FOR
THE CITY OF MUNCIE

Page 1

Replace the 4th Whereas with:

Whereas, acknowledging data from the U.S. Census Bureau's 2015 American Community Survey recognizes that approximately fifty (50) percent of all housing units in the City of Muncie are rental units; and

Page 3

Replace IV Rental Registration Fund with:

Pursuant to IC 36-1-20-3, the funds generated from this program may not divert into the general fund at any time or any other fund of the political subdivision. Funds must be maintained in a special fund designated as the Rental Registration Fund and dedicated solely to reimbursing the costs reasonably related to services actually performed by the political subdivision that justified the imposition and amount of the fee. Each fund shall be maintained as a separate line item in the political subdivision's budget.

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Under V 2 A

The rental unit is managed by a professional real estate manager or is part of a rental unit community that is managed by a professional real estate manager; and

Under V 2 B i b

A financial institution or insurance company authorized to do business in Indiana; or

Under V 2 B ii d

The inspector may not be an employee of the owner; and

Under V 2 C h

The structure in which a rental unit is located; and

Under V 2 C i

The city may not add to the requirements of this subdivision; and

Under V 2 C ii

The inspection report issued is delivered to the city on or before the due date set by the political subdivision; and

Under V 2 C iii

The city may inspect a rental unit, if the political subdivision has reason to believe; or receives a complaint; and

Under V 2 C iv

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; and