

Section 714 Rental Licensing

714.010 Purpose and Scope. It is the purpose of this Chapter to assure that rental housing in the City is decent, safe and sanitary and is operated and maintained in accordance with the City's regulations. The implementation of a rental-licensing program is a mechanism to ensure that rental housing will not become a nuisance to the neighborhood; will not foster blight and deterioration; and/or will not create a disincentive to reinvestment in the community. The operation of rental housing entails certain responsibilities. Owners of rental housing are responsible to take the reasonable necessary steps to ensure that the citizens who occupy rental housing units may pursue the quiet enjoyment of the normal activities of life in the surrounding area that are: safe, secure, and sanitary; free from crimes and criminal activity, noise, nuisances or annoyances; free from unreasonable fears about safety of persons and security of property; and suitable for raising children.

714.020 Definitions. For the purpose of this Chapter, the following terms shall be defined as set forth below.

- (A) **Agent.** A person designated in writing by the Owner as the Owner's representative.
- (B) **Certificate of Compliance.** A document issued by the City, stating that the dwelling unit has been inspected and is in compliance with applicable property maintenance codes and regulations.
- (C) **City Manager.** The City Manager or the City Manager's designated agent.
- (D) **Dwelling.** A building or one or more portions thereof occupied or intended to be occupied for residential purposes; but not including rooms in motels, hotels, nursing homes, boarding houses, tents and recreational vehicles.
- (E) **Dwelling Unit.** A residential accommodation located within a dwelling that includes permanently installed cooking and sanitation facilities, designed or intended for use as living quarters for a single family.
- (F) **Dwelling Unit, General ("GDU").** A dwelling unit located in a building containing dwelling units that may be detached, attached side-by-side, stacked ceiling to floor and/or having a common entrance and do not have common ownership.
- (G) **Dwelling Unit, Multi-Family ("MFD").** A community, complex or building containing eleven (11) or more dwelling units that may be attached side-by-side, stacked ceiling to floor and/or have a common entrance and have a common owner.
- (H) **Occupant.** A person who lives or sleeps in a dwelling unit;

- (I) Owner. A person who is the recorded or unrecorded owner of the dwelling unit.
- (J) Person. An individual, firm, corporation, association, partnership or any other legal entity.
- (K) Rent. To permit occupancy of a dwelling unit by a person other than the legal Owner thereof, pursuant to a written or unwritten agreement, whether or not a fee is required by the agreement.
- (L) Rental Dwelling. A dwelling unit that has been rented, but excluding accessory apartments and boarding rooms where the Owner of the dwelling unit is an occupant.

714.030 General Licensing Provisions.

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- (A) License Required. No person shall rent a dwelling unit to another for occupancy unless the City has issued either a GDU or MFD rental license for the dwelling unit. The application for a dwelling unit rental license will be reviewed by the City Manager in accordance with the provisions of this Chapter and other applicable regulations of the municipal code.
- (B) License Application. The Owner of a dwelling unit may submit an application for a GDU or a MFD rental license on forms provided by the City Manager. A person who has been issued a GDU or a MFD rental license shall give notice, in writing, to the City Manager, within five (5) business days of any change in the information contained on the license application.
- (C) License Fees. Licensing fees shall be prescribed, from time to time, by Council Resolution, and maintained on file in the office of the City Manager. The required fees shall be submitted along with the application for a new or renewal license. Applications for a renewal license submitted after the license term expiration are subject to a penalty fee.
- (D) License Terms. All dwelling unit rental licenses shall expire on December 31st of each year except as otherwise provided herein or in cases of suspension or revocation.
- (E) Issuance of License. The City shall issue a dwelling unit rental license if the dwelling unit is in compliance with the provisions of this Chapter, and the real estate taxes and municipal utility bills for the dwelling unit have been paid. Real estate taxes will not be considered to be due and payable for the purposes of this Section while a proper and timely appeal of such taxes is pending and is diligently pursued to completion by the licensee.

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- (F) Posting of License. MFD rental licenses shall be posted in a conspicuous public corridor or hallway or lobby of the building in which the dwelling unit is located if said area is present. The license shall be framed with a clear covering.
- (G) Renewal of License. A Licensee may continue to rent a dwelling unit after the expiration date of the GDU or MFD rental license provided that the Owner or its Agent has filed with the City Manager, on or before the expiration date, the appropriate renewal license application and license fee.
- (H) Transfer of License.
 - (1) GDU Rental License. A GDU rental license shall not be transferable to another person or to another dwelling unit.
 - (2) MFD License. A MFD rental license is transferable for a fee, to any person who has acquired legal ownership of the building in which the dwelling unit is located. The transfer shall be effective for the unexpired portion of the rental license period, provided that the transfer application is filed with the City Manager prior to the actual change of legal ownership and that the transferee is not disqualified from holding the license due to prior revocation or suspension of a license. Failure to submit the license transfer form and the transfer fee may result in termination of the rental license.
- (I) Resident Agent Required. Owners who do not reside within the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington Counties (the “Metro Area”) must appoint an agent who does reside within the Metropolitan area to be responsible for the maintenance of the dwelling unit, receipt of service of notice of violation, receipt of compliance order, institution or remedial action to effect such order, and acceptance of all service of process pursuant to law, the City Manager shall be notified in writing of any change in the identification of the agent within five (5) business days of such change.

714.040 Conditions of License. Dwelling unit rental licenses shall be issued subject to the following conditions:

- (A) Conformance to Laws. No dwelling unit rental license shall be issued or renewed unless the rental dwelling and its premises conform to all applicable ordinances of the City, including but not limited to Section 211, Property Maintenance, of the Municipal Code and Section 714.040(E), Conduct on Licensed Premises of this Chapter. The City Manager is authorized to conduct inspections of rental dwelling units to determine the

compliance of the applicable provisions of the municipal code including, but not limited to, Chapter 211, Property Maintenance.

- (B) Inspections. No dwelling unit rental license shall be issued or renewed unless the Owner of the rental unit(s) agrees in the application to permit inspections of said unit. It shall be the responsibility of the operator or agent to inform tenants of the scheduled inspections. The City reserves the right to perform or require additional inspections if deemed necessary by the City or at the request of the tenant.
- (1) Initial/Routine Inspections. Upon receipt of a complete application for a dwelling unit rental license, an inspection of the premises shall be conducted thereafter by the City Manager to ensure that the dwelling unit and premises is in substantial compliance with all applicable City regulations.
- a. Prior to conducting an inspection, the City Manager shall mail notification to the Owner or its Agent and provide reasonable notice of the scheduled inspection date.
 - b. Licensed units be inspected by the City Manager in accordance with the following:
 1. General Dwelling Unit: All units every two years.
 2. Multi-Family Dwelling Unit: One-third of all units annually.
- (2) Complaint Activated Inspection. Inspections may be scheduled based on complaints received by the City.
1. Written notification to inspect a property shall be mailed to the owner and/or its agent of the property stating the proposed date and time of the inspection. Such notification shall give a minimum of seven (7) days advance notice and the reason for said inspection. Notification shall be sent to the owner and/or its agent of the property via registered and certified mail.
 2. If the owner and/or agent of the property request a change in proposed date of inspection, request must be made within (72) in advance hours of proposed inspection date.
 - a. It shall be the responsibility of the owner and/or manager to notify the tenants of the property of the scheduled inspection.
 - b. Owner and/or its agent must be on site at the time of inspection for entry and security purposes.

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- (C) Access to Premises. Every occupant of a rental dwelling unit shall, upon reasonable notice, give the owner or agent and the City Manager or authorized representative access to any part of the dwelling unit or its associated properties at all reasonable times for the purpose of making inspections, repairs, or alterations as are necessary to effect compliance with the provisions of this code. If any owner, occupant, or other person in charge of the building refuses to permit free access and entry to the structure or premises under his control for inspection pursuant to this Ordinance, whereupon, the City Manager may seek a court order authorizing such inspection.
- (D) Tenant Register. The Owner or its Agent shall keep or cause to be kept, a current register of occupancy for each dwelling unit which shall be made available for viewing or copying by the City Manager as requested. Said register shall provide, at a minimum, the following information:
- (1) Address of dwelling unit;
 - (2) Number of Bedrooms in dwelling unit;
 - (3) Number of adults and children (under 18 years of age) currently occupying the dwelling unit.
- (E) Conduct on License Premises. Tenant leases for all licensed rental housing units shall contain language applicable to occupants of the licensed premises which prohibits the occupants from engaging in disorderly conduct. For purposes of this section, an occupant will be considered disorderly if the occupant violates:
- (1) Section 209.010 relating to noise.
 - (2) Minnesota Statute 152.01 et seq. relating to the possession of controlled substances.
 - (3) Minnesota Statutes 609.72 relating to disorderly conduct.
 - (4) Minnesota Statutes 340A.701, 340A.702 and 340A.703 relating to the sale of intoxicating liquor.
 - (5) Minnesota Statutes 609.321, Subdivision 9, relating to prostitution or acts of prostitution.
 - (6) Shoreview Code Section 604 relating to weapons.

- (7) Minnesota Statutes 609.66 et seq. relating to the unlawful use or possession of firearms.
- (8) Minnesota Statute 609.2242 relating to assault.
- (9) Minnesota Statute 260C, et seq. relating to contributing to the need for protection or services or delinquency of a minor.
- (10) Minnesota Statute 609.75 through 609.76 relating to gambling.

(F) Fire Safety. The Owner or its Agent is responsible to comply with the provisions of Section 212.030, Uniform Fire Code.

714.050 Compliance Order. If the initial, routine or complaint activated inspection or tenant conduct incidents indicates that the Owner is not in compliance with the Rental Licensing Regulations, the City shall send a compliance order to the Owner.

(A) Content of Order. The Compliance Order shall:

- (1) Be in writing.
- (2) Describe the location and nature of the violations of this code.
- (3) Establish a reasonable time period for the correction of such violation.
- (4) Be served upon the Owner or its Agent and/or the occupant, as the case may require. Such notice shall be deemed to be properly served if a copy thereof is:
 - (a) Personally served on Owner or its Agent;
 - (b) Sent by registered or certified mail to Owner's or its Agent's last known address, or
 - (c) Upon failure to affect notice through (a) or (b) above, notice may be posted at the main entrance to the dwelling unit.

(B) Tenant Conduct Violations. If the compliance order specifies tenant conduct violations, the following additional regulations shall apply:

- (1) Upon determination by the City Manager that a dwelling unit on the licensed premises was used in a disorderly manner, as described in Section 714.040(E) of this ordinance, the City Manager shall give written notice via certified mail to the Owner or its Agent of the violation as provided in Section 714.050(A)(4) and direct the

owner/licensee to take steps to prevent further violations. This shall include a written report submitted by the licensee outlining the actions taken, and proposed to be taken, by the Owner or its Agent to prevent further disorderly use of the premises. This written report must be submitted to the City Manager within five days of receipt of the notice of disorderly use and must detail all actions taken by the licensee in response to all notices of disorderly use of the premises.

- (2) An action to deny, revoke, suspend, or not renew a license under this section may be initiated by the City Manager who must give to the Owner or its Agent written notice of a hearing before the City Council to consider such denial, revocation, suspension or non-renewal per Section 714.030(C) of this ordinance.

714.060 License Suspension or Revocation. A dwelling unit rental license is subject to suspension or revocation by the City Council for the reasons specified herein. Prior to suspension or revocation, the Owner or its Agent shall be notified in writing at least five (5) days prior to the City Council's consideration of such action. In the event that a dwelling unit rental license is suspended or revoked by the City Council, it shall be unlawful for the Owner or its Agent to thereafter permit any new occupancies for vacant, or thereafter vacated dwelling units, until the dwelling unit rental license has been reinstated. Upon decision to suspend, revoke, deny or not renew a license, no new application for the same facility will be accepted for a period specified in the Council's written decision, not exceeding one-year. Issuance of a new dwelling unit rental license after suspension or revocation shall be made in the manner provided for obtaining an initial license, except that the license fee shall be equal to one hundred fifty (150) percent of the original license fee. A dwelling unit rental license may be suspended or revoked for any of the following reasons:

- (A) Failure of Owner or its Agent to operate or maintain the dwelling unit in compliance with the provisions of the City's regulations, including the failure to correct deficiencies noted in a compliance order, within the time specified in the notice.
- (B) The license was procured by misrepresentation of material facts, by fraud, by deceit or by bad faith.
- (C) The Owner or its Agent made oral or written misrepresentations of material facts in or accompanying the application.
- (D) Failure to pay any license, penalty, reinspection or reinstatement fee required by City Council Resolution.
- (E) The Owner or its Agent has failed to comply with any condition set forth in any other permits granted by the City.

- (F) The activities of the Owner or its Agent create or have created a serious danger to the public health, safety or welfare.
- (G) The Owner or its Agent manage and operate the unit in a manner that permits conditions that injure, annoy, or endanger the safety, health, morals, comfort and repose of any member of the public.
- (H) A determination that the licensed premises have been used in a disorderly manner as described in Subdivision 714.040(E) shall be made upon substantial evidence to support such a determination. It shall not be necessary that criminal charges be brought in order to support a determination of disorderly conduct, nor shall the fact of dismissal or acquittal of such a criminal charge operate as a bar to adverse license action under this subdivision.
- (I) Failure of the Owner or its Agent to allow access and entry to the structure or premises under his control for inspection pursuant to this Ordinance.

714.070 Conduct Pending Eviction. No adverse license action shall be imposed where the instance or disorderly use of a licensed premises occurred during the pendency of eviction proceedings (unlawful detainer) or within thirty (30) days of notice given by the Owner or its Agent to a tenant to vacate the premises, where the disorderly use was related to conduct by the tenant or by other occupants or guests of the tenant's unit. Eviction proceedings shall not be a bar to adverse license action, however, unless they are diligently pursued by the Owner or its Agent. Further, an action to deny, revoke, suspend, or not renew a license based upon violations of this section may be postponed or discontinued at any time it appears that the Owner or its Agent has taken appropriate measures which will prevent further instances of disorderly use.

714.080 Reinspection Fee. There is no fee for an initial inspection to determine the existence of a housing maintenance code violation, nor any fee for the first reinspection to determine compliance with an order to correct a code violation. A fee shall be charged for all subsequent reinspections when the violation is not corrected by the time specified in the written notice. The fee shall be established by resolution from time to time of the City Council.

714.090 Posted to Prevent Occupancy. Whenever any dwelling or dwelling unit has not obtained the required license, or has been denied a license or has had its dwelling unit rental license suspended or revoked or is deemed unfit for human habitation, it shall be posted with a placard by the City Manager to prevent further occupancy.

714.100 Failure to Obtain License. If it is determined that a rental dwelling unit is being operated without a valid license, the City reserves the right to conduct an immediate inspection with proper notice in accordance with 714.040(B) of this Section. It shall be unlawful for an owner, designated agent or operator, after notice, to

continue operation of a rental dwelling unit without submitting an application for a license under this Chapter, along with the necessary license fee. Once an application has been made, it shall be unlawful for the owner, or his /her duly authorized agent, to permit any new occupancies of vacant, or thereafter vacated rental units until such time as the license is issued.

714.110 Liability. Neither the City nor its employees or agents shall be deemed liable for damages to a third person or property by reason of this Chapter.