

CITY-COUNTY GENERAL ORDINANCE NO. 195, 2014

PROPOSAL FOR A GENERAL ORDINANCE to amend the Revised Code by adding a new Chapter 851 establishing the Indianapolis Landlord Registration Program.

BE IT ORDAINED BY THE CITY-COUNTY COUNCIL OF THE
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:

SECTION 1. "The Revised Code of the Consolidated City and County" is hereby amended by adding a new Chapter 851, to read as follows:

**CHAPTER 851 - INDIANAPOLIS
LANDLORD REGISTRATION PROGRAM**

Sec. 851-101. Program established.

Rental Units and Communities are a vital part of the fabric of our city. They play a critical role in finding good and affordable living for our residents. Thus, by reason of their operation, use, or occupancy they affect or are likely to affect the public health, safety and general welfare of the city.

In many cases, identifying a landlord is very difficult due to the property being registered under an LLC or an out-of-state owner. Thus it is hard to hold negligent landlords accountable for properties that are negatively impacting their tenants and the surrounding neighborhood. It is also very hard to connect the dots and identify a bad landlord that owns many properties around the city and is causing a burden on the tax payers to deal with their code violations.

The chronology of events before a property becomes abandoned and thus a financial and public health liability for Indianapolis has shown in many of those cases that the properties were poorly kept rentals. Property ownership comes with responsibility and when someone rents a property to the public, there are additional responsibilities. Many properties that are poorly kept have owners who are, and at times deliberately so, difficult to track down. To address this issue, the Indianapolis Landlord Registration Program is hereby established.

Sec. 851-102. Authority.

Effective June 30, 2014, House Enrolled Act No. 1403 (2014) allows political subdivisions to establish and enforce registration and inspection programs for rental units within the political subdivision, subject to certain conditions and limitations.

Sec. 851-103. Definitions.

- (a) *Department* means the Department of Code Enforcement or its designee
- (b) *Landlord* has the meaning set forth in IC 32-31-3-3.
- (c) *Owner* has the meaning set forth in IC 32-31-3-4.
- (d) *Tenant* has the meaning set forth in IC 32-31-3-10
- (e) *Person* has the meaning set forth in IC 32-31-3-5.
- (f) *Rental Unit* has the meaning set forth in IC 32-31-3-8, with the sole exception being an owner-occupied structure that has a single sleeping unit being rented to a Tenant.
- (g) *Rental Unit Community* has the meaning set forth in IC 36-1-20-1.5.

Sec. 851-104. Registration Program.

(a) Beginning on January 1, 2015, all owners or landlords of rental units within the city must register with the department via a method or form prescribed by the department. The registration form shall include the following:

- 1) the name, telephone number, and address of the owner;

- 2) the name and address of:
 - a. a person residing in Indiana authorized to manage the rental unit; and
 - b. a person who is authorized to act as agent for the owner for purposes of service of process and receiving and receipting for notices and demands;as provided in IC 32-31-3-18;
- 3) an affirmation that the rental units, the real property of which the rental units are a part, and any other rental unit property owned or registered by the owner in Marion County, are not subject to any un-remediated citation of violation of the state and local codes and ordinances;
- 4) an affirmation that there are no delinquent real property taxes, assessments, or penalties (other than those that are the subject of an ongoing appeal) with respect to the property, or any other rental unit property owned or registered by the owner in Marion County;
- 5) a statement of the number of rental units on each separate parcel of real property covered by the registration.

(b) Beginning on January 1, 2015, an owner or landlord of a rental unit must pay to the department an initial registration fee as provided in Section 131-501. Only one registration fee is required for all rental units in a rental unit community. If a rental unit is not part of a rental unit community, a separate registration fee must be paid for each separate parcel of real property on which a rental unit is located, unless they are all registered at the same time.

(c) 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 as provided in Section 131-501 and provide updated registration information to the department.

(d) Registrations must be renewed annually. The renewal fee may be up to the amount as provided in Section 131-501, as determined by the department.

(e) The owner or landlord must notify the department within thirty (30) days of any changes to registration information.

Sec. 851-105. Inspection Program.

- (a) Notwithstanding IC 36-1-20-4, no inspection program will be implemented to enforce the provisions of this chapter.

Sec. 851-106. Landlord Registration Fund.

There is hereby created a special fund, to be designated as the "Landlord Registration Fund." This fund shall be a continuing, non-reverting fund, with all balances remaining therein at the end of the year, and such balances shall not revert to the city or county general funds. The controller shall deposit in this fund all fees assessed and collected pertaining exclusively to a rental unit or rental unit community. This fund shall be dedicated solely to reimbursing the costs actually incurred relating to the Indianapolis Landlord Registration Program.

Sec. 851-107. Penalties and Enforcement.

(a) Failure to register as required by Section 851-104 is subject to admission of violation and payment of a civil penalty for each rental unit or rental unit community in violation in an amount provided in Section 103-52 of the Code.

(b) Failure to update the registration within 30 days of a change in ownership as required by Section 851-104 is subject to admission of violation and payment of a civil penalty for each rental unit or rental unit community in violation in an amount provided in Section 103-52 of the Code.

(c) Failure to renew the registration as of January 1st each calendar year as required by Section 851-104 is subject to admission of violation and payment of a civil penalty for each rental unit or rental unit community in violation in an amount provided in Section 103-52 of the Code.

(d) Failure to update the registration within 30 days of a change in anything other than ownership as required by Section 851-104 is subject to admission of violation and payment of a civil penalty for each rental unit or rental unit community in violation in an amount provided in Section 103-52 of the Code.

(e) In addition to civil penalties, the department may seek injunctive relief to enforce the provisions of this Chapter.

(f) The penalties allowed under subsections (a) through (d) may not be imposed until after:

- 1) a notice of violation has been issued to the owner or the owner's designee by personal service or by first class United States Mail, postage prepaid;
- 2) passage of thirty (30) days, which must be stated in the notice, for the violation to be cured; and
- 3) failure of the violation to be cured within the time stated in the notice.

SECTION 2. Section 103-52 of the "Revised Code of the Consolidated City and County," regarding civil penalties for ordinance violations is hereby amended by the addition of the underscored language, to read as follows:

Sec. 103-52. Schedule of Code provisions and penalties.

The following Code (or ordinance) provisions and their respective civil penalties are designated for enforcement through the ordinance violations bureau:

| <i>Code Section</i> | <i>Subject Matter</i> | <i>Civil Penalty</i> |
|---------------------|---|----------------------|
| 851-107(a) | <u>Failure to register as a landlord</u> | 500.00 |
| 851-107 (b) | <u>Failure to update the landlord registration upon change in ownership</u> | 250.00 |
| 851-107 (c) | <u>Failure to renew annual registration as a landlord</u> | 100.00 |
| 851-107 (d) | <u>Failure to update the landlord registration upon change in information, other than ownership</u> | 100.00 |

SECTION 3. Section 131-501 of the "Revised Code of the Consolidated City and County," regarding license and permit fees, is hereby amended by the addition of the underscored language, to read as follows:

Sec. 131-501. Schedule of license and permit fees.

The following fees are established for their respective licenses and permits issued by the city or county:

| Code Section | License or Permit | Fee |
|--------------|--------------------------------|--------|
| 851-104 | <u>Rental registry/renewal</u> | \$5.00 |

SECTION 4. Should any provision (section, paragraph, sentence, clause, or any other portion) of this ordinance be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the Council in adopting this ordinance. To this end the provisions of this ordinance are severable.

SECTION 5. This ordinance shall be in full force and effect upon adoption and compliance with IC 36-3-4-14.

SPONSORS: Barth, Miller, Adamson
 DRAFTED: Biesecker