

SUBSTITUTE NO. 1 TO ORDINANCE NO. 17-041

AN ORDINANCE TO AMEND CHAPTER 5 OF THE CITY CODE RELATING TO MANDATORY LANDLORD TRAINING AND RENTAL INSPECTIONS AS CONDITIONS FOR RENTAL BUSINESS LICENSES

**Rev. 1
#4426**

Sponsor:

**Council
Member
Freel**

Co-Sponsor:

**Council
Members
Dixon
McCoy**

WHEREAS, the proper management of rental dwelling housing is important to the health, safety, and welfare of persons residing in such housing, as well as to City residents generally; and

WHEREAS, the City Council enacted Section 5-92(b) of the City Code to require all owners, operators, and lessors of any rental dwelling unit to attend and successfully complete a City approved landlord training program as a condition of the rental license; and

WHEREAS, the City has determined that a landlord training program is unnecessary for the vast majority of owners, operators, and lessors of rental dwelling units that responsibly manage their rental dwelling units; and

WHEREAS, the City has determined that the landlord training program would still be beneficial for first-time owners, operators, and lessors of rental dwelling units; and

WHEREAS, the City has determined that the landlord training program would still be beneficial for certain owners, operators, and lessors of rental dwelling units that are required to obtain a provisional business license pursuant to Section 5-37(b) of the City Code; and

WHEREAS, the City has determined that it would also be beneficial for first-time owners, operators, and lessors of rental dwelling units to obtain a rental inspection from the Department of Licenses and Inspections as a condition of the rental license.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Chapter 5 of the City Code is hereby amended by amending Section 5-92

thereof by deleting the stricken language as follows:

Sec. 5-92. - Rental dwelling units.

- (a) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

First-time owner, operator and/or lessor means an owner, operator and/or lessor of any rental dwelling unit in the City of Wilmington who/which has not previously owned, operated and/or leased any rental dwelling unit in the City of Wilmington.

Rental dwelling unit means any room or group of rooms located within one or more buildings and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping, cooking and eating, and which is let or rented to another for the purpose of living therein. In determining the number of rental dwelling units under this section, a rental dwelling unit occupied by the licensee shall not be included.

- (a) (b) The license fee specified by section 5-101 shall be paid per year by the owner, operator and/or lessor of any rental dwelling unit at the same time and as a condition of such license. Notwithstanding any exemptions from payment provided by section 5-31(1), any non-profit entity that owns, operates or leases a rental dwelling unit shall pay the fees set forth in this section as a condition of such license. ~~For the purpose of this section, a rental dwelling unit means any room or group of rooms located within one or more buildings and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping, cooking and eating, and which is let or rented to another for the purpose of living therein. In determining the number of dwelling units under this provision, a dwelling unit occupied by the licensee shall not be included.~~
- (b) (c) As a condition of the rental license, ~~the~~ a first-time owner, operator and/or lessor of any rental dwelling unit shall attend and successfully complete a city approved landlord training program prior to the ~~within one year from the date of~~ issuance of a license, ~~or license renewal.~~ If a first-time owner, operator and/or lessor is an entity rather than an individual, then the individual with the largest equity interest in the entity shall attend and complete the training. This condition shall be deemed satisfied when ~~an~~ a first-time owner, operator and/or lessor provides written proof of successful completion of a city approved landlord training program at the time of application for a license, ~~or license renewal.~~ ~~Completion, or prior completion, of a landlord training program sponsored or conducted by the Delaware Attorney General's Office, as evidenced by written proof of successful completion, shall satisfy this condition.~~

(d) As a condition of the rental license, a first-time owner, operator and/or lessor of any rental dwelling unit shall obtain a rental inspection from the Department of Licenses and Inspections. This condition shall be deemed satisfied when a first-time owner, operator and/or lessor provides written proof of successful completion of a rental inspection by the Department of Licenses and Inspections at the time of application for a license.

~~(e)~~(e) The owner, operator and/or lessor of any rental dwelling unit shall submit an application for a rental license to the department of finance, which shall contain:

(1) The name and address of the operator and the name and address of the owner if the operator is not the owner, and such address shall not be a post office box;

(2) The location of the rental dwelling or rental dwelling units including the street and number of each entrance;

(3) The number of rental dwelling units available for rent;

(4) If the owner or operator is a corporation, the name and address of such corporation and the name and address of its president, secretary, any other officer of the corporation, and registered agent shall be given;

(5) If the owner or operator does not actually reside within the county or is not customarily present at an office in the city for the purpose of transacting business, then such owner or operator shall designate a resident managing agent to be in control of the rental dwelling or rental dwelling units who:

a. Will be responsible for the maintenance and operation of the rental dwelling or rental dwelling units in accordance with the provisions of this chapter; and

b. Will be authorized to receive notices and process on behalf of the owner or operator in connection with the enforcement of the code. If the owner or operator is a corporation, or in the event that a corporate managing agent is designated by an owner or operator, the corporation shall designate an officer or agent as the managing agent;

(6) A waiver by the owner or operator of all notice of violations except the sending of a copy of such notice by certified mail with return receipt requested to his address as indicated on the application, or if the owner or operator is a corporation, to the address of the managing agent as indicated on the application;

(7) Any additional information that the commissioner of licenses and inspections may require;

(8) A certification, under penalty of perjury, that all statements therein contained are to the best of his knowledge and belief, true and correct.

~~(d)~~ (f) Every applicant for a rental business license shall, at the time of application, register on his application all rental dwelling unit(s) owned, controlled, operated or managed by applicant. By registering a rental dwelling unit on the business license application, an applicant, owner or operator is certifying that said unit(s) may be properly let or rented to another under all applicable laws. Failure to register all rental dwelling unit(s) on the business license application, or registering a rental dwelling unit which may not be properly let or rented to another, shall constitute grounds for denial of a business license or revocation of a rental business license such that the licensee may no longer conduct such business in the city.

~~(e)~~ (g) Every owner or operator of a rental dwelling unit applying for a business license under this chapter shall at the time of application present with his application for a business license:

(1) A certificate of occupancy issued by the department of licenses and inspections pursuant to the zoning ordinance of the city; and

(2) A certificate of zoning issued by the department of licenses and inspections pursuant to the zoning ordinance of the city.

~~(f)~~ (h) The owner or operator shall notify the department of finance of any change in the information given on the application form within 30 days of the occurrence of such change.

~~(g)~~ (i) Failure to comply with the provisions of this section shall be grounds for revocation of the licensee's license and such failure shall be prosecuted as a violation of this article.

SECTION 2. Chapter 5 of the City Code is hereby amended by amending Section 5-37

thereof by adding the underlined language to read as follows:

Sec. 5-37. - Compliance with code requirements; provisional business license.

(a) In accordance with and in addition to the provisions of section 5-36, all licensees, their agents and employees, engaged in the conduct of any business, profession, pursuit or calling licensed under this article, or performing any act pursuant to this article, shall strictly comply with all applicable provisions of this Code, particularly including, but not limited to, such Code provisions regarding the payment of taxes, water and sewer charges, fees and other charges of any kind which are related to the operation of such

licensed business and which are payable to the city, and such Code requirements regarding compliance with the building, fire, health and sanitation, housing, zoning, and noise control and abatement codes, and any other rules and regulations affecting the public health, safety and welfare, as a condition to any license issued pursuant to this article.

(b) In lieu of renewing a business license, a special provisional business license may be issued to a business that 1) has been sent a notice of public nuisance under section 5-58, and 2) has been identified by the commissioner of licenses and inspections as a business that should be subject to a provisional business license. The provisional business license shall be issued with reasonable conditions designed to abate public nuisance activity. The conditions placed on the provisional business license shall solely be determined by the commissioner of licenses and inspections. However, to the extent possible, the commissioner may obtain the licensee's input in determining said conditions. The conditions may include a requirement that the owner, operator and/or lessor of any rental dwelling unit shall attend and successfully complete a city approved landlord training program. A provisional business license, as issued, shall authorize continuation, without penalty, of the business, pending the issuance or denial of a business license. If the conditions of the provisional business license have been adhered to and the public nuisance is abated, a business license shall be issued to the licensee. If the conditions of the provisional business license have not been adhered to, the application for business license renewal may be denied.

...

SECTION 3. This Ordinance shall become immediately effective upon its passage by City Council and approval by the Mayor, except for the requirement for first-time owners, operators and/or lessors to attend a City approved landlord training program, which shall become effective on July 1, 2018.

First Reading October 19, 2017
Second Reading October 19, 2017
Third Reading.

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this ____ day of
December, 2017.

Senior Assistant City Solicitor

Approved this ____ day of _____, 2017.

Mayor

SYNOPSIS: This Ordinance amends Chapter 5 of the City Code by repealing the requirement that all owners, operators, and lessors of any rental dwelling unit attend and complete a City approved landlord training program as a condition of the rental license, except for first-time owners, operators, and lessors of any rental dwelling unit. In addition, it allows the Commissioner of Licenses and Inspections to require attendance and completion of a City approved landlord training program as a condition for the issuance of a provisional business license. Finally, it requires all first-time owners, operators and/or lessors of any dwelling unit to obtain and pass a rental inspection from the Department of Licenses and Inspections as a condition of the rental license. All provisions of this Ordinance shall become effective immediately upon its passage by City Council and approval by the Mayor, except for the requirement for first-time owners, operators and/or lessors to attend a City approved landlord training program, which shall become effective on July 1, 2018.

FISCAL IMPACT STATEMENT: This Ordinance has no anticipated fiscal impact.