

**AN ORDINANCE TO AMEND CHAPTER 5 OF THE CITY CODE REGARDING BUSINESS LICENSE FEES PAYABLE WITH RESPECT TO RENTAL DWELLING UNITS**

#0505

Sponsor:

Council Member Cabrera

Co-Sponsor:

Council Member Johnson

WHEREAS, the City of Wilmington is a home rule municipality created pursuant to 22 Del. C. ch. 8 and, as such, it has all express and implied powers and authority of local self-government and home rule, including the authority to impose various fees and taxes; and

WHEREAS, the City has determined that the increase of business license fees for rental dwelling units enacted pursuant to the Floor Amendment to Substitute No. 1 to Ordinance No. 23-014 will (i) negatively impact the number of rental dwelling units available within the City, (ii) increase rental rates for housing in the City, (iii) negatively impact other City revenues, and (iv) reduce the number of construction jobs available to City residents; and

WHEREAS, in light of the foregoing, City Council deems it necessary and appropriate to amend Section 5-101 of the City Code to modify the business license fees payable with respect to rental dwelling units.

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

**SECTION 1.** Section 5-101 of the City Code is hereby amended by deleting the stricken language and adding the underlined language to read as follows:

**Sec. 5-101. – Schedule of Fees.**

- (a) The following rates shall be annual fees imposed under this article, except as otherwise specifically provided:

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Financial/real estate service:

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Rental dwelling units:

\* \$75.00 per unit, unless (i) all the rental dwelling units owned by the licensee at any applicable tax parcel are used for low-income housing or senior citizen housing, in which case the fee shall be \$75.00 per unit, (not to exceed a an aggregate licensing fee of ~~\$5,000.00~~ \$3,000.00 per such applicable tax parcel) or (ii) a licensee owns fifty (50) or more rental dwelling units at any applicable tax parcel that are not otherwise classified as low-income housing or senior citizen housing pursuant to the preceding clause (i), in which case the fee shall be \$100.00 per rental dwelling unit (not to exceed an aggregate licensing fee of \$5,000.00 per such applicable tax parcel). The departments of land use and planning, licenses and inspections, and/or finance shall promulgate regulations establishing the procedures and standards for eligibility for the capped fee, including the definitions of low-income and senior citizen. \*

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**SECTION 2.** This Ordinance shall become effective as of January 1, 2025, upon its passage by City Council and approval by the Mayor.

First Reading.....November 7, 2024  
Second Reading.....November 7, 2024  
Third Reading.....

Passed by City Council,

\_\_\_\_\_  
President of City Council

ATTEST: \_\_\_\_\_  
City Clerk

Approved this \_\_\_\_ day of \_\_\_\_\_, 2024.

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Mayor

**SYNOPSIS:** This Ordinance amends Section 5-101 of the City Code to (a) increase business license fees payable by licensees owning 50 or more rental dwelling units, which are not classified as low-income housing or senior citizen housing, from \$75.00 to \$100.00 per unit, (b) impose a \$3,000 cap on business license fees payable with respect to rental dwelling units within any tax parcel that are classified as low-income housing or senior citizen housing, and (c) impose a \$5,000 cap on business license fees payable with respect to rental dwelling units within any tax parcel.

**FISCAL IMPACT STATEMENT:** This Ordinance is anticipated to reduce City revenues from business license fees related to rental dwelling units by \$85,000.