

AN ORDINANCE TO AMEND CHAPTERS 5 AND 34 OF THE CITY CODE REGARDING PRE-RENTAL INSPECTIONS OF RENTAL DWELLINGS

#0072

**Sponsor:
Council
Member
Owens**

WHEREAS, the City Code has long included provisions regarding the mandatory inspection of rental dwelling and rental dwelling units by the Department of Licenses and Inspections; and

WHEREAS, rental property inspections are an integral part of the rental process that safeguard both landlords' and tenants' interests and well-being; and

WHEREAS, conducting an inspection prior to tenant occupancy fosters a positive landlord-tenant relationship from the outset by ensuring that the property is safe and compliant with applicable legal requirements; and

WHEREAS, pre-rental inspections enable landlords to identify and address minor issues before they escalate into costly repairs, thereby preserving property values and attractiveness to tenants; and

WHEREAS, pre-rental inspections contribute to the overall quality of the housing stock and enhance neighborhood aesthetics; and

WHEREAS, prior to 2006, Chapter 34 of the City Code required pre-rental inspections to be conducted by L&I, and

WHEREAS, on April 6, 2006, Council passed Substitute No. 1 to Ordinance No. 06-016, which eliminated pre-rental inspections and replaced it with periodic inspections every two (2) years for buildings with five (5) or few dwelling units, and every five (5) years for buildings with six (6) or more units; and

WHEREAS, on December 10, 2020, Council passed Substitute No. 1 to Ordinance No. 20-007, which re-instituted pre-rental inspections by L&I of all dwellings and dwelling units prior to the lease, rental, or renewal of an existing lease agreement of such unit; and

WHEREAS, then-Mayor Purzycki vetoed Substitute No. 1 to Ordinance No. 20-007 because the ordinance required the City to inspect each dwelling unit for each year in which a lease is entered (estimated 15,000 rental units), which would place an enormous strain on L&I's limited resources and would cost the City a projected \$541,000.00 annually; and

WHEREAS, the present ordinance addresses Mayor Purzycki's concerns by only requiring pre-rental inspections prior to the issuance of any new rental license and prior to the supplemental registration of a new rental unit; and

WHEREAS, the objective of this Ordinance is to take measures to protect and promote the health, safety and well-being of those residing in Wilmington, while also endeavoring to ensure that the City's housing stock remains strong.

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

SECTION 1. Section 5-92 of the City Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

Sec. 5-92. – Rental dwelling units.

(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.~~ An inspection of the rental dwelling unit is required prior to the issuance of any new rental license or prior to the registration of an additional rental dwelling unit supplementing an approved rental license application. The department of licenses and inspection shall conduct the initial inspection to ensure compliance with the city's building code, as adopted by sections 4-26 and 4-27, as well as the occupancy limitations contained in section 34-86.

SECTION 2. Section 34-45 of the City Code is hereby amended by deleting the stricken language and adding the underlined language to read as follows:

Sec. 34-45. – Inspections of rented or leased dwellings or buildings for residential occupancy, to include installment sales; no warranty of condition.

~~(a) *Inspection of a rental dwelling or building.* Any person who leases or rents any dwelling or any dwelling unit shall:~~

- ~~(1) Cause the same to be inspected by the commissioner of licenses and inspections, or his designee every two years for each dwelling or building consisting of five or fewer units. An initial rental inspection shall be required for each such dwelling or building consistent with a rental inspection schedule set by the commissioner of licenses and inspections. The two year period referenced in this subsection shall be calculated based upon the rental inspection schedule set by the commissioner of licenses and inspections. Inspections of dwellings or buildings required under this subsection may consist of a random sampling of units in the dwelling or building as determined by the commissioner of licenses and inspections or his designee. The purpose of all rental inspections shall be enforcement of the provisions of the City Code concerning life safety items which include, but are not limited to: smoke/carbon monoxide detectors, heating sources, hot water sources, electrical systems, sanitary disposal sources, water damage, roofs and means of egress and ingress;~~
- ~~(2) Cause the same to be inspected by the commissioner of licenses and inspections, or his designee every five years for each dwelling or building consisting of six or more units. An initial rental inspection shall be required for each such dwelling or building consistent with a rental inspection schedule set by the commissioner of licenses and inspections. The five year period referenced in this subsection shall be calculated based upon the rental inspection schedule set by the commissioner of licenses and inspections. Inspections of dwellings or buildings required under this subsection may consist of a random sampling of units in the dwelling or building as determined by the commissioner of licenses and inspections or his designee. The purpose of all rental inspections shall be enforcement of the provisions of the City Code concerning life safety items which include, but are not limited to: smoke/carbon monoxide detectors, heating sources, hot water sources, electrical systems, sanitary disposal sources, water damage, roofs and means of egress and ingress.~~
- ~~(3) With the exception of the initial rental inspection, a waiver of a subsequent rental inspection required under subsections (1) and (2) above may be granted by the commissioner of licenses and inspections if all the following conditions are present:
 - ~~a. The dwelling or building has no outstanding violations of the building, housing, sanitation, vegetation, animal, zoning or licensing provisions of the City Code at the time the waiver is requested;~~~~

- ~~b. The property owner and/or property manager has not been convicted of, or pled guilty or no contest to, or assessed a civil penalty for any violations of the building, housing, sanitation, vegetation, animal, zoning or licensing provisions of the City Code within the applicable two or five year period preceding the waiver request;~~
- ~~c. The dwelling or building has not been the subject of a notice declaring said dwelling or building to be unfit for human habitation by the department of licenses and inspections within the applicable two or five year period preceding the waiver request;~~
- ~~d. The property owner and, if applicable, the property manager, is properly registered and licensed by the department of licenses and inspections; and~~
- ~~e. The property owner and, if applicable, the property manager, are in good standing with regard to any city financial obligations.~~

~~A waiver must be requested by the owner of the property, or if applicable, the property manager, each time a rental inspection is required. A request for waiver must be in writing and on a form provided by the department of licenses and inspections.~~

- ~~(4) If the dwelling unit is unoccupied at the time of the rental inspection, cause any violations cited during the rental inspection to be corrected prior to permitting any tenant or lessee or any other persons to occupy such dwelling or dwelling unit. If the dwelling unit is occupied at the time of the rental inspection, cause any violations cited during the rental inspection to be corrected within the time period designated by the commissioner of the department of licenses and Inspections or his designee, and cause the dwelling unit to be re-inspected upon correction of the violation(s).~~

~~The provisions of this section shall apply to the lease or rental of any dwelling or dwelling unit whether it is to be leased to the current tenant or to a new tenant and whether the same is to be done by the current owner or a new owner. In any instance in which a tenant remains in possession during a change in ownership by sale, exchange or any other transfer, the prerental inspection requirements of this chapter shall be applicable and shall be given full force and effect, and any violations cited shall be corrected within a reasonable period of time as shall be determined at the sole discretion of the commissioner of licenses and inspections.~~

~~(a) *Inspection of a rental dwelling or building.* Any dwelling or any dwelling unit that is leased or rented shall be subject to the following inspections:~~

- ~~(1) *Initial Inspection.* An initial inspection of the interior and exterior of a rental dwelling unit is required prior to the issuance of a new rental license or prior to the registration of an additional rental dwelling unit supplementing an approved rental license application. The department of licenses and inspections shall conduct the initial inspection to ensure compliance with the city's building code, as adopted by sections 4-26 and 4-27, as well as the occupancy limitations contained in section 34-86. It shall be the responsibility of the owner, operator,~~

and/or lessor to schedule the inspection and be present for the inspection. The city shall publish on the city's website a checklist of items that will be inspected during the initial inspection. Following the initial inspection, the department of licenses and inspections shall either issue a letter stating the rental dwelling unit passed the initial inspection or a report identifying the noncompliance with the applicable code sections. Upon abatement of the violations, the department of licenses and inspections shall reinspect the rental dwelling unit. The rental license will only be issued if the department of licenses and inspections determines the rental dwelling unit is in compliance with the applicable code sections.

(2) *Periodic inspections.* After the initial inspection, all residential rental properties shall be inspected no less frequently than every five (5) years as set forth in the policies and procedures to be established by the department of licenses and inspection. These periodic inspections shall occur notwithstanding the fact that more frequent or other inspections may be required and be conducted in the investigation of complaints regarding the dwelling, or as deemed necessary by the city, for reasons such as reasonable threats to the safety of occupants of the residential rental unit, reasonable threat to the safety of users of rights-of-way and adjoining properties and reasonable concern that the residential rental unit is the subject of additional code violations.

(3) *Other inspections.* Other inspections of a residential rental property may occur, including without limitation:

i. Prior to the initial occupancy of newly constructed residential rental units, newly erected residential rental units, or substantially rehabilitated residential rental units;

ii. Prior to the sale of any residential rental unit or the structure in which it is located;

iii. Upon a change in occupancy of the residential rental unit;

iv. Upon receipt of complaints regarding any residential rental property subject to this article;

v. Upon the occurrence of disruptive conduct at such residential unit;

vi. When residential rental units of the owner or any related party of the owner receive three (3) notices of violation within any twelve-month period; or

vii. For any other reasonable cause.

This article shall not be construed as to limit the authority of either the department of licenses and inspections or law enforcement to conduct inspections or enforcement actions under city ordinances or the city code or valid search warrants, or to require that a property be made available for inspection whenever there is probable cause that a violation of the city ordinances and/or the City Code may be present.

(d) *Fee.* If more than one re-inspection is necessary to determine compliance with any violation cited during the initial rental inspection, an additional fee in the amount of \$250.00 will be assessed for each re-inspection, commencing with a second re-inspection. Said re-inspection fee may be waived for good cause shown at the discretion of the code enforcement officer.

SECTION 3. This Ordinance shall become effective on January 1, 2026.

First Reading.....

Second Reading....

Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this _____ day of _____ ,
2026

Mayor

SYNOPSIS: This Ordinance amends Chapters 5 and 34 of the City Code to provide for inspections of rented or leased dwellings or buildings prior to the issuance of a residential property rental license or prior to the registration of an additional rental dwelling unit that supplements an approved rental license application. In addition, this Ordinance eliminates the two- or five-year inspection cycles and instead requires that all residential rental properties be inspected at least once every five (5) years as set forth in policies and procedures established by L&I.

FISCAL IMPACT: The fiscal impact of this legislation is unknown at this time.