

2019 HOUSE POLITICAL SUBDIVISIONS COMMITTEE

HB 1227

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee

Prairie Room, State Capitol

1/24/2019

HB1227

Job # 31449

☐ Subcommittee

☐ Conference Committee

Committee Clerk: Carmen Hickle

Explanation or reason for introduction of bill/resolution:

Relating to prohibiting residential rental licensure fees

Minutes:

1

Chairman J. Dockter: Opened the hearing on HB 1227.

Rep. Vetter: Introduced HB 1227. (Handout 1).

Rep. Johnson: Do other cities require the same information and don't charge the fee?

Rep. Vetter: Not that I know of.

Vice Chairman Pyle: The city of Casselton charges the trash removal by apartment.

Rep. Johnson: So that would come through on your utility bill?

Vice Chairman Pyle: Yes, but your question was does a city require this information.

Rep. Johnson: My guess in Grand Forks this is an administrative fee for processing paperwork.

Rep. Vetter: This was put into place many years ago, there are homes being rented by the university and when the students would have parties PD would not know who to write the ticket to. It's easier to write a ticket to the person owning the property than the student renting. We are the only city that charges to rent your property.

Rep. Hatlestad: Are you with this bill threatening zoning regulations of the city?

Rep. Vetter: We are not talking about zoning. This is prohibiting residential rental licenses.

Rep K. Koppelman: The city is charging a fee to the renter or property owner?

Rep. Vetter: To the property owner for the right to rent the property.

Rep. Adams: Do they charge you for a ticket of occupancy each year?

Rep. Vetter: No

Rep. Adams: Do you have a certificate of occupancy.

Rep. Vetter: I'm not sure.

(10:38) Blake Crosby: Executive Director of League of Cities; (Handout 2,3). Read his testimony.

Rep. Johnson: The process of monitoring and expecting is ongoing; can you go into that? How does it work? Do they send out someone?

Mr. Crosby: I do not have full details on that. They go in on a 4-year process. The neighborhoods were concerned about safety, law enforcement, fire, traffic, noise, they wanted to clamp down but the city asked for a compromise. This was the compromise with landlords and the citizens that lived in those neighborhoods.

Chairman J. Dockter: Closed the hearing.

Reopens for committee work.

Rep. Adams: Made a do not pass motion.

Rep. Longmuir: Second the motion.

Rep K. Koppelman: I'm going to resist a do not pass motion because for a city to say we are going to charge a fee and this is property rights issue. They decide to rent it out because it is their property, and then the city wants to charge a fee. They are not using anything violates zoning regulations, I assume they are paying water, sewer, garbage plus property taxes.

Rep. Fegley: If you have a R-1 which is a single family residence and put 5 non-family people in there doesn't that violate that ordinance. It's not a single family residence anymore.

Chairman J. Dockter: It will start becoming an issue with older neighborhoods when the residents pass away or go to a nursing home the homes are being bought by investors. There will be 5 or 6 vehicles in these neighborhoods that should be single family.

Rep. Adams: This was agreed on by the property owners. The \$25 is a rotation on inspections to ensure the house it up to code. That is basically what the money is for.

Rep K. Koppelman: How does setting a fee solve that? It doesn't make the neighborhood more livable.

Rep. Guggisberg: I don't see this as a zoning problem because it is zoned so they can rent there. They are just charging a fee which is common for cities to do. We do fire inspection if they use a welder or torch they have to get that inspected which is an extra

fee. They are several different things that take work for a city, this is not to penalize but a service the city provides and someone has to pay for it.

Rep. Fegley: Cities have their ordinances and I believe we should leave it up the cities, and the state shouldn't be a part of it.

Vice Chairman Pyle: Did Rep. Vetter go to city council and ask to have this removed?

Rep. Adams: Inaudible.

Rep. Hatlestad: Did Grand Forks change their ordinance for that area from R-1 to R-5?

Rep. Adams: Inaudible.

Vote #1 yes 7, no 7, absent 0.

Chairman J. Dockter: We can keep this and do no recommendation.

Rep K. Koppelman: Made a do pass motion.

Rep. Ertelt: Second the motion.

Vote #2 yes 9, no 5, absent 0

Carrier: Rep K. Koppelman

Date: 1-24-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1227

House Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Adams Seconded By Rep. Longmuir

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:		/			
Rep. Ertelt:		/			
Rep. Fegley:	/				
Rep. Hatlestad:	/				
Rep. Johnson		/			
Rep K. Koppelman:		/			
Rep. Longmuir	/				
Rep. Magrum:		/			
Rep. Simons:		/			
Rep. Toman:		/			
Rep. Strinden:	/				
Rep. Adams:	/				
Rep. Guggisberg	/				

Total (Yes) 7 No 7

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 1-24-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1227

House Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Koppelman Seconded By Rep. Ertelt

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:	/				
Rep. Ertelt:	/				
Rep. Fegley:		/			
Rep. Hatlestad:		/			
Rep. Johnson	/				
Rep K. Koppelman:	/				
Rep. Longmuir		/			
Rep. Magrum:	/				
Rep. Simons:	/				
Rep. Toman:	/				
Rep. Strinden:	/				
Rep. Adams:		/			
Rep. Guggisberg		/			

Total (Yes) 9 No 5

Absent 0

Floor Assignment Rep. Koppelman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1227: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1227 was placed on the Eleventh order on the calendar.

2019 SENATE POLITICAL SUBDIVISIONS

HB 1227

2019 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee

Red River Room, State Capitol

HB 1227

3/7/2019

Job # 33397

☐ Subcommittee

☐ Conference Committee

Committee Clerk: Mary Jo Wocken

Explanation or reason for introduction of bill/resolution:

Relating to prohibiting residential rental licensure fees.

Minutes:

Written attachment #1 pg1-3: Rep. Vetter Written attachment # 2: Phil Vanyo Written attachment # 3: Blake Crosby for Ken Vein Written attachment #4-: Senator Kreun Written attachment #5: Sen. Kreun handouts 5- #12

Chairman Burckhard opened the hearing on HB1227. Senators Burckhard, Anderson, D. Larson, Kannianen, Dotzenrod were present. Senator J. Lee was absent.

Representative Vetter: (:23-4:48) introduced the bill and spoke in support of HB1227.
Written attachment #1.

Senator Anderson: Some cities probably accomplish a similar goal by saying that if I want to rent out an apartment in my house I have it inspected. They have to check to see if I have a CO2 detector, carbon monoxide detector and so forth. So often times either a fee for that or some way that other cities might accomplish that other than just say, if you want to rent your property you have to pay us \$50 a month or something. So, how do you see this bill affecting the cities right to say if you're going to rent to somebody else you have those things inspected and those other requirements in place?

Representative Vetter: Well currently other cities do have a similar program that Grand Forks has. Fargo has one and I believe that Bismarck has something similar to that. But they just don't charge. The problem that I have is charging them to say if you want to rent this property, you need to pay. For instance, Fargo does it right now. They have a program where they inspect their rental properties, they just don't charge for that license. The money comes out of their general funds.

Senator Anderson: So, my question is does this prevent the city from charging a fee for that inspection?

Representative Vetter: It does not prevent them from charging for an inspection or any other type of those types of things, but what it does prevent is that it prevents them from charging

a fee to just rent your property. In my particular case, I rent out my basement apartment and in order to rent my basement apartment I need to pay the city to rent it.

Senator Larson: Does that mean then that you pay a monthly fee or a one-time fee?

Representative Vetter: No it is yearly fee, an annual fee.

Senator Larson: So, is this annual fee whether you rent it for the whole year, or just you like some people in Bismarck do when the legislators are in town, and they decide to go south so it is only a part of the year. So is that like an annual fee whether its part time or full time?

Representative Vetter: If the capitol was in Grand Forks, then yes you would have to pay a fee to rent out your house to the legislators.

Senator Anderson: So, this might be a question for the city of Grand Forks, but how would they treat somebody for example who builds some apartment buildings and has 200 units in the city of Grand Forks. Would they pay by the unit or not pay a fee or how does that work?

Representative Vetter: Actually this is just deals with residential properties, so an apartment I believe the definition for residential is I believe anything four units and below is what I believe it is. So in the case of an apartment complex, this bill won't have any effect on that. I am not quite sure if they do charge for their apartments or not. I am not quite sure

Phil Vanyo, North Dakota Association of Realtors, spoke in support of HB1227. **Written testimony #2.** (9:57-18:37)

Chairman Burckhard: The city council is elected to determine the budget and laws of this city, correct? The city of Grand Forks this was done as a result of the will of the city council. That is normal is it not?

Mr. Phil Vanyo: To rezone was after multiple times of it being to keep it the same, that wasn't good enough. They kept on. The licensing fees was, there wasn't an attempt to say let's get the parking deal under control. Let's get the loud parties under control. In all honesty and with no disrespect to Senator Kreun was on the city council and I really respect the man I really do. But it almost appeared at the time that this was going against residential homeowners because commercial buildings are affected by this. This has nothing to do with commercial rentals. This is single family dwellings. So I do agree the city council is there to look out. But they weren't hearing all the sides in my opinion.

Senator Dotzenrod: For this fee, are there services that they come to the homeowner for that fee? Is there like a building inspection, fire code inspection, carbon monoxide detectors in the home and maybe some enhanced law enforcement that might be required by the city to check on city coming and going? Is there some cost that the city feels they have and maybe I should wait if there are others' here who could answer that? It does appear that they impose this fee and there may be some cost that they feel they need to recover because of these rentals. Is there any argument to that effect?

Mr. Phil Vanyo: I own the properties before the licensing fees were put in place and we had the same services. So there was an inspection and you're required to get a certificate of occupancy on any home that you're going to rent out. Of course when they get built have a

certificate of occupancy on new buildings. That was already in place. The inspections are there to look for safety issues. They look for carbon monoxide, smoke detectors, hand rails, safety issues for them. So those are already in place. Now did the fees help offset their budget? That is pretty much what it is.

Senator Anderson: You mentioned the zoning and many cities control this by their zoning requirements. They did rezone R-1 as you indicated now did they grandfathered everybody who had a rental apartment prior to going to R-1 is that what happened?

Mr. Phil Vanyo: Yes.

Senator Anderson: So the four units were down and grandfathered and nobody else can rent their apartment now because it is zoned R-1?

Mr. Phil Vanyo: No you can still rent but in the case of R-2 to R-1, nothing could be changed in there to make it a duplex or multi-family home. So you can rent any house in the city. But in this particular case, it was already zoned R-2 and at the meeting, in the petition they came up with a boundary area around UND. They came up saying this is area where they had a feeling of concern over. While again the planning and zoning department recommended not to change it, at the meeting, that I was at, and I sat down asking for any other questions, they made the motion to expand the territory. It passed 7-0. It wasn't even like was that even an issue in those other areas. They just in my opinion overstepped their bounds.

Opposition Testimony

Blake Crosby, North Dakota League of Cities: I do not have prepared testimony because I anticipated that the Council Vice President from Grand Forks (23:20) He read the testimony of Mr. Ken Vein. **Written testimony #3.** We are opposed to HB1227. He asked for a do not pass on HB1227.

Senator Anderson: This is kind of unrelated here, but the League of Cities was not here at the previous bill where we were talking about establishing minimum wage requirements within the city, I see this as kind of a similar thing as the state says you can't take away somebody's local property rights, or you can't take away their ability to do business across the state. It is kind of similar to when Minot wanted parking meters and we said you can have parking meters but the people said we couldn't. Sometimes we're in favor of local property or local cities rights and sometimes not. Can you explain that to me?

Mr. Blake Crosby: I do believe that we submitted testimony in opposition to the dictation that you cannot establish a minimum wage. But even with the three of us trying to do lobbying activities we're stressed really thin. We are general theory is, we are opposed to mandates. Local government is local government and they should be making the decisions. So, we are opposed to mandates all across the board. We've discussed it numerous times, amongst myself and my staff, and if we have not stood up in public and oppose mandates we have submitted written testimony that opposes mandates. We do stick to one side of the equation.

Senator Curt Kreun: (30:54-49:05) District 42, where I live and my district is in the heart of the area which was created for the use of the city ordinance and the ability to blend the landlords and the home owners' residence together. **Written attachment #4.** City council

written attachment #5; Rezoning Task Force **Written attachment #6**; Neighborhood Development Concerns Committee, **written attachment #7**; Ordinance Information **written attachment #8**; The Rental Inspection Program, **written attachment #9**; Map rezoning from R2 to R-1, **written attachment # 10**.

Senator Anderson: In reference to the map here of Senator Kreun. We've heard just a minute ago that there were R-1 was established and I don't see a R-1 on here anywhere.

Senator Kreun: No, it stayed R2 with the restrictions that were put on within the university district. Those restrictions are on there and they can still inside of that district can still be made into duplexes and those homes can still be made into duplexes if they want. Outside that area they cannot, that gray area. That was part of the agreement that we came up with over the period of time.

Senator Kreun: Continued with his explanations of the handouts presented to the committee. (38:56) Procedure for Handling complaints on Rentals (**written attachment #11**); 1st Mailing and Procedure for Rental Inspection Programs (**written attachment #12**).

The issue for 1227 is the \$25. It's not really the issue of the whole portion of it. Yes, we do these inspections, we do health inspections, the safety inspections, we do that and I believe they go through everyone at least once every 5 years. But the main reason was in our conversations and in during this portion, we wanted to keep track of the 3 strikes that these three landlords would have. If they got the police called for these issues that are on their they would get a strike. We wanted to also keep track of the landlords because there are a lot of absentee landlords out there. So that is not a part of the inspection it. We also wanted to inform and keep up to date the landlords when they had an infraction. We would make a special effort to make sure that the landlords is there was a police report and what not, would get that police report and follow up on it because what happens down the road, is if their records stays clean over a period of time, I think after 3 years, one of those infractions falls off. If they work well and meet the criteria those infractions if they get them, and to be very honest with you, the landlords have been pretty good. We have not taken one license away because of those infractions. That is part of my concern is that we'll still keep doing that, no matter if it's the \$25 or not. But the problem is during these negotiations it got heated at times, and there was a lot of emotions that took place over this period of time. One of the things when we got down to the very nitty gritty of and almost ready to solve it the residents came up with they wanted some bite into this thing. He continued with lengthy explanations. If you have a fee in there it has some value, because they get the license for it. This was the reason for this fee and I adamantly disagree that it had anything to do with the city. People that were there, the residents wanted that fee and it has a very high fee that they asked for, we negotiated it down to keep track of those items for the residents and the landlords. The only thing that I find out is that we used this in our contract with our rental agreement with our renters. I think that is probably one of the reasons why we've never had to actually utilize the rescinding of the license. So it works out very well.

Senator Diane Larson: Have you found that fee that Grand Forks is charging has solved any problems?

Senator Kreun: Yes. Senator Diane Larson: The fee itself is a good problem solver because it's kind of stick that you have over those property owners, is that kind of the way you were, or how you said it.

Senator Kreun: If I said that that is not what it is. It is basically making the residents feel that they have something to manage at that time. Actually to be honest with you, two of these people that are with one being on this new list. When I went door to door to get this particular job, I got invited into their house and had coffee with them to thank me for doing that. I didn't even recognize him or remember their name. But it is working. They brought this up yet and it still works and it still is viable and so I firmly believe that was the tipping point whether you believe it or not, it is a silly \$25 thing but that was the tipping point that kept everybody happy.

Senator Diane Larson: One of the things that was mentioned is the number of parking spaces per bedroom. I would think that there would be a lot of three bedroom homes that would only have 2 cars in a family for example. So I don't know why it's per bedroom instead of just per cars or something. I was curious as to how you came up with that.

Senator Kreun: That is part of the parking ordinance throughout the city of Grand Forks. When you have residential rental areas and with your larger apartment complexes on there. There are parking requirements and they are hard surface. People were parking on the neighbor's front yard, on their own front yards, people parking kiddywampus in front of people's driveways. All of that took place and that is the problems that we solved in this. Now, are they all solved for everyday? No, body is perfect and that's not going to happen. But overall these are the things solved the problems and actually worked quite well together.

Senator Dotzenrod: I was hesitant to ask questions here because we are late, but if there isn't going to be anymore testimony I wanted to ask Senator Kreun a question. It is fairly short question and I hope a short answer.

Senator Dotzenrod: It seems to me that when you have the fee your able and the bookkeeper or treasurer in the city is able to separate out so that they know at the end of the year how much revenue was generated by the fee. So I assume that is true. Is it also true that they are able at the city level to determine how much expense that they feel that they had during the course of the year that they can attribute to match and provide service that would equate to that or is it just blended into the General Fund?

Senator Kreun: They do keep track of the calls that is part of it. They do keep track of the landlords and they have that. But as far as if the police are called and it's kind of melded because we had the university police, and we have the city police on there but they both make the calls. So yes, we can track some of those issues and the money of course does go into the General Fund.

Chairman Burckhard closed the hearing on HB1227.

2019 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Red River Room, State Capitol

HB 1227
3/14/2019
Job # 33748

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Mary Jo Wocken

Explanation or reason for introduction of bill/resolution:

Relating to prohibiting residential rental licensure fees.

Minutes:

Chairman Burckhard called the committee together for discussion of HB1227. All senators are present.

Chairman Burckhard: I have two in favor, and have 2 opposed. Phil Vanyo from the North Dakota Association of Realtors, Government Affairs Committee, and of course the introducer of the bill, Representative Vetter was in favor of the bill. League of Cities was opposed and Senator Kreun from District 42 was opposed. Now he would say this is a local issue.

Senator D. Larson: Then the realtors were saying this was a private property rights issue, so. It is a hard one to figure.

Senator J. Lee: Long before you had the hearing Senator Kreun had been talking about this with me, and I know that you got some of the history when the hearing took place. The reason for that as a little refresher and you can tell me if I am getting it incorrectly please. It was a human cry from the personal home owners about the kind of problems that were taking place with the same rental houses that were being bought. That happens in most college towns. They ended being brought up in Fargo, in many cases torn down and a great big building put into their place. In this case it is a matter of small houses or duplexes being rental properties. So I think it is important to understand a little bit about the history. So there we're something like 18 hearings over a period of time with the public involved meetings and the agreement was that there would be a \$25 a year fee for the owners of rental property in order to accommodate the fact that there are additional challenges for the city to be a part of that. It is kind of in a way like the ET zoning thing for Minot in that there is a differential that you see. It is really easy to inconsistent about this too, I also get that part. But anyway, there were people who were on the petition who requested it in the first place, who now had apparently had forgotten and they had their names on the other one. So, he was kind of chuckling about the fact that we all have poor memories sometimes. But \$25 for a land lord to make sure that you have the kind of enforcement that you want and police coming in when there is a party and that stuff seems to be the reason why it was done in the first place. I don't have any

heartburn one way or the other here, but, I see why they did it. It was done very collaboratively and I did kind of appreciate the kind of process that he was telling that took place which I think we have free clearly described in his testimony.

Chairman Burckhard: My notes would suggest that there was reference made to a landlord 3 strike rule where it kind of kept track of how many nuisances calls they've had about this property and I think some of the money was used for records to keep so they could keep track of that and I think it was also suggested that Rep. Vetter never brought this issue up to the city commission in Grand Forks, so they weren't aware of it, so he just wants to around and make the state make the decision. So that's what my notes would say.

Senator Dotzenrod: This again to me falls in that category of a local problem, where local leaders met, and established a process that went on for almost 2 years. They came up with a local solution. Then we get a bill introduced in our legislature that says, wait a minute, what are your local people doing down there. We are going to pass the law that says you can't do that. It is another, we're going to get more of these, this is a pattern telling local governments all the things that you have solutions and their locally devised meetings and hearings and so on, that where we don't approve of it. The question is it a property right. I look at this question and say if it is a property right that's been taken away, then I would agree with them. But I think it is not really a property right, I think it is a fee for service. The city has providing a zoning or different sort of tighter zoning in that area, that takes more law enforcement and takes more inspections, health department inspections that go on and so I looked at this and I thought well the city has done due diligence here. They've really put their effort into this to try and make this work. I think the process is pretty impressive what they did there. It has been in effect now for 12-13 years. Generally speaking of those problems' they were encountering before they did this have marginally been resolved now by this process. So, as I said on the earlier bill, those that fall under this category to me I just can't support.

Senator Anderson: After people testified in favor of this bill, I had the impression that they had rezoned this R-1 and said you could only have one except then they let the others out. But that wasn't the case really. That area is zoned R-2 and there is this just additional fee and some off parking requirements that if you rent an apartment and so forth. So, I am king of in agreement that the city settle this on an amicably basis and not everybody agreed to pay the \$25 but I think they solved the problem locally.

Chairman Burckhard: So you agree it is a local issue. **Senator Anderson:** I think so.

Senator Kannianen: 3 bills into one conversation here trying to be consistent with what we are talking about with local control and when the state should be involved. I think that whenever a situation crosses boundary lines of a political sub, I think that is where we maybe have the responsibility to sometimes referee but, so that's why I voted the way I did on the living wage bill because I think it can cross political subs. I agree I am going to vote against the bill for that reason, that it is a political subdivision issue. Then the Minot ETA I am going to vote for that one because I think that crosses political sub policy lines.

Chairman Burckhard: Do we have a motion on this bill.

Senator Judy Lee moved a do not pass on HB1227

Senate Political Subdivisions Committee
HB1227
March 14, 2019
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Senator Dotzenrod: 2nd that motion

Roll call vote: 5 yea-1 no -0 absent

Carrier: Senator Dotzenrod

Date: 3.14.2019
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1227

Senate Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sen. Judy Lee Seconded By Senator Dotzenrod

Senators	Yes	No	Senators	Yes	No
Chair Randy Burkhard	X		Sen. Jim Dotzenrod	X	
Vice chair Howard Anderson	X				
Sen. Diane Larson		X			
Sen. Judy Lee	X				
Sen. Jordan Kannianen	X				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Senator Dotzenrod

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1227: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO NOT PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1227 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

HB 1227

#1
1-24-19
HB1227

Chairman Docktor, Vice Chair Pyle and members of Political Subdivisions, my name is Steve Vetter. I represent District 18 which has a little of South Grand Forks, Downtown, half of North Grand Forks, a small rural area north of town which extends out to include the Grand Forks Air Force Base. I am serving in my 2nd session.

House bill #1227 is a simple bill that prohibits a political subdivision from charging a property owner for using property rights that are already the property owners. That property right is the right to rent/lease the property or the right of disposition. It is a simple bill, but it will have lasting effect because it will set a precedent on who owns that right, the property owner or the city?

I would like to review what I have learned training as a Real Property Appraiser. In order give value of property, an appraiser must know the rights come with the property. When a property owner owns a property, it comes along with what called of 'Bundle of Rights'. It could be described as holding a bundle of sticks, each stick being a right of that the property owner owns.

What is a Bundle of Rights?

A bundle of rights is a set of legal rights afforded to the real estate title holder. It can include the right of possession, the right of control, the right of exclusion, the right of enjoyment and the right of disposition. Real estate ownership carries with it a complex set of rights, and the bundle of rights concept has traditionally been the way in which those rights are assigned.

Right of Possession

The right of possession refers to the rights given to the title holder of a particular property. These rights may be limited in certain instances, such as when a title holder fails to pay required property taxes, but in most regards, the title holder is considered the owner of the property.

Right of Control

The right of control allows the title holder the ability to manage the use of the property in any means deemed legal within the jurisdiction in which the property exists. Entry into an area regulated by a homeowners' association may lead to additional restrictions being in place, though the restrictions are not technically legal standards.

Right of Exclusion

The right of exclusion allows the title holder to limit who may or may not enter the property. This applies to most situations except when certain easements are in place, or when a warrant authorizing the search of the property is properly acquired and served by a member of the law enforcement community.

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Right of Enjoyment

The right to enjoyment asserts the title holder's right to participate in any activities he finds pleasurable while on the property. The activities in question must fall within the confines of the law.

Right of Disposition

The right of disposition protects the title holder's right to transfer ownership, either permanently or temporarily, to another qualified party at will. The title holder can sell, rent/lease, or transfer ownership or use of the property at will.

An exclusion exists if the property owner owes a current mortgage on the property, as he must pay off the debt before ownership can be transferred. An exclusion also applies in cases where the property is subject to a lien, such as when a homeowner has failed to pay property taxes

Grand Forks is currently the only city that charge residential property owners to exercise their right of disposition. Do want the city in which live to do the same as Grand Forks? I have a basement apartment at the property I live at. Take look at my notice (on the next page) I receive every year to pay a fee to rent my basement apartment. It started as a \$10 fee, \$20 last year and now a \$25 fee. What keeps them from charging \$100 or more? And of course, along with the rental license comes inspections every few years

The amount of the fee is not important. It is the principal of the matter.

You have an important matter before you today. You are deciding if property owners in North Dakota own all of their 'bundle of rights' or do cities have the right of disposition on property in North Dakota?

If you believe property rights belong to the property owners of North Dakota, then please vote Yes for a "Do Pass" recommendation on House Bill 1227.

I will stand for any questions.



**CITY OF GRAND FORKS
OFFICE OF BUILDING INSPECTIONS**

255 N 4TH STREET • GRAND FORKS, ND 58203 • PHONE (701) 746 – 2631

#1
HB 1227
1-24-19

RENTAL SINGLE FAMILY RENEWAL

550124

License effective from 1/1/2019 to 12/31/2019

Renewal Sent Date: 11/27/2018

PLEASE SIGN BELOW AFTER REVIEWING THE FOLLOWING RENTAL INFORMATION & MAKING ANY NECESSARY CHANGES.

RENTAL PROPERTY INFORMATION

OWNER / DOING BUSINESS AS: VETTER, STEVEN

RENTAL PROPERTY ADDRESS: 804 S 17TH ST
Grand Forks ND 58201

PRIMARY CONTACT PHONE:

PROPERTY MANAGER INFORMATION

MANAGER NAME: _____

MANAGER ADDRESS: _____

MANAGER PHONE: _____

RENTAL INFORMATION

RENTAL # OF UNITS: _____

NUMBER OF BEDROOMS (UNIT A): _____

DESIGNATION (UPSTAIRS, APT 1, UNIT A): _____

NUMBER OF BEDROOMS (UNIT B): _____

DESIGNATION (DOWNSTAIRS, APT 2, UNIT B): _____

PLEASE RETURN THIS COMPLETED FORM WITH PAYMENT BY 12/31/2018.

TOTAL AMOUNT DUE: \$25.00

SIGNATURE OF APPLICANT

DATE

VETTER, STEVEN

804 S 17TH ST
GRAND FORKS, ND 58201

3



#2
1-24-19
Michael R. Brown
Mayor

City of Grand Forks

255 North Fourth Street • P.O. Box 5200 • Grand Forks, ND 58206-5200

(701) 746-2607
Fax: (701) 787-3773

**TESTIMONY ON HOUSE BILL 1227
House Political Subdivisions Committee
January 24, 2019**

**Todd Feland, City Administrator
City of Grand Forks, ND**

Mr. Chairman and members of the committee, my name is Todd Feland, and I am the City Administrator for the City of Grand Forks. I want to thank you for the opportunity to provide testimony and express my opposition to House Bill 1227.

Several years ago and in response to community and neighborhood concerns, the City of Grand Forks implemented a residential rental inspection program that includes a residential license fee structure of \$25 per year for a single rental unit and \$50 per year for duplex residential rental units. A particular citizen and neighborhood concern was in the vicinity of the University of North Dakota where single family residential neighborhoods were being rapidly turned into rental units and causing stress and concern in these existing single family neighborhoods. The stress and concern related in part to rental unit conditions, parking and traffic control, number of residents per rental unit, and parties among other neighborhood concerns. After several City Council public hearings on the matter, the City Council implemented a compromise among the affected interests to include the residential inspection program in which the City of Grand Forks would monitor and inspect these single and duplex residential rental units under local and reasonable regulatory guidelines and charge a nominal administrative fee.

I am pleased to report that this local public policy response has been a significant success in Grand Forks for the affected stakeholders and is a positive example of local government listening to various local citizen concerns and interests, and finding a constructive and reasonable way forward on these challenging local and neighborhood matters.

The passage of House Bill 1227 is not in the best interests of the City of Grand Forks nor any other North Dakota political subdivision. Thank you for your time and consideration. I respectfully ask for a DO NOT PASS on House Bill 1227.

January 24, 2019

HB 1227

House Political Subdivisions

Rep. Jason Dockter, Chair

Good morning Chairman Dockter and Committee members. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

I am here in opposition to HB 1227. This bill only effects one city and should not be before the Legislature. I will read the City of Grand Forks testimony and I am sure you will agree that the citizens of Grand Forks, who were concerned about the disruptions in their neighborhoods, were within their rights to ask the city to regulate and monitor the single-family homes that were being turned into rental units.

If the landlords of those units have concerns, they should be aired before Grand Forks City Council so all sides of the issue and all concerned parties can be heard. Trying to circumvent the local public hearing process is not appropriate.

Thank you for your time and consideration. I respectfully ask for a DO NOT PASS on HB 1227.

I will try to answer any questions.

HB 1227

3.7.2019

att #1 p.1

From: Vetter, Steve M. smvetter@nd.gov
Subject: HB1227

Date: Mar 7, 2019 at 8:27:59 AM

To: Vetter, Steve M. smvetter@nd.gov

HB1227

Chairman Burckhard and members of the Senate Political Subdivisions, my name is Steve Vetter, I represent district 18, which is a small chunk of South Grand Forks, downtown, half of North Grand Forks and a small rural area extending to the Grand Forks Air Force Base. I am serving in my 2nd session.

HB 1227 prohibits a political subdivision from charging a residential property owner for the right to right their own property. That property right is the right of disposition which entails the right to rent/lease the property. It is a simple bill with large implications because it sets a precedent. Who owns the right to rent a property? Does the property owner or does the city own this right?

I would like to review what I learned when starting my career as a Real Property Appraiser. Because in order to give value to a property an appraiser must know the rights that come with property to properly value the property. When a property owner owns a property, it comes along with what is called a bundle of rights. It could be described as holding a bundle of sticks with each stick being a right of that property owner owns.

A bundle of rights is a set of legal rights afforded to the real estate title holder. It can include the right of possession, the right of control, the right of exclusion, the right of enjoyment and the right of disposition. Real estate ownership carries with it a complex set of rights, and the bundle of rights concept has traditionally been the way in which those rights are assigned. The right of disposition protects the title holder's right to transfer ownership either permanently or temporarily, to another qualified party at will. The title holder can sell, rent/lease, or transfer ownership or use of the property at will. An exclusion exists, for example, if the property owner owes a current mortgage on the property as he/she must pay off the debt before ownership can be transferred.

*L.B. 1227
3.7.2019
Att #1 p. 2*

Grand Forks is currently the only city that charges residential property owners to exercise their right of disposition. You take a look...

How did this happen? How did Grand Forks usurp this property right to rent property from residential property owners in Grand Forks?

The Realtors Association support this bill and I believe they will be testifying in support of this bill after me. The person testifying was around and had rental property in the area by UND when the Grand Forks residential rental license was started around 12 years ago. So, he could give you 1st hand knowledge of what happened.

The amount of the fee is not the important part it is the principal of the matter. Once a right is taken away, it is rarely returned. Once a fee is established, it goes up and rarely goes down.

The opponents might say its just a Grand Forks issue or its a local control issue. Two things I would counter with: When a right has been taken away from property owners and the city is resistant to this change, there is only one option, to go to the higher power to solve the issue, which in this case, is the State. 2nd, because I introduced this bill and the House passed it, it is now has more public knowledge that a city charges to people to rent their residential houses. If this bill fails, it would be like giving permission to other cities in the State to charge property owners to rent their house. I hope that does not happen

You have an important matter before you today as you are deciding if property owners in North Dakota own the right to rent their property or is that the right of the city? HB 1227 is a simple bill with large implications because it sets a precedent. Who owns the right to rent a property?

L.B. 1227

3.7.2019

att #1 p.3

If you think it is the right of the property owner to rent his or her property then
Vote for a Do Pass recommendation for HB 1227 Thank you and I will stand for
questions

House Bill 1227

Chairman Burckhard & members of the political subdivision committee.

For the record my name is Phil Vanyo. I am a member of the North Dakota Association of Realtors, and for the past 3 ½ years, I have been a member of the NDAR Government Affairs Committee. 2 years of that time has been as Vice Chairman, and the last 1 ½ years I have been serving as Chairman. I am the office manager of Coldwell Banker Forks Real Estate in Grand Forks, as well as a Realtor. I'm also a property owner in Grand Forks, ND & have been since 2000. I am here for 2 reasons today.

- 1) To speak on behalf of the North Dakota Association of Realtors,
- 2) To express my opinions as a property owner in Grand Forks.

First, I would like to speak on behalf of the North Dakota Association of Realtors: Our vision statement is "to be the trusted voice of real estate & the advocate for a better real estate future." For this reason, our association's obligation is to speak up and support property owner's rights. Currently Grand Forks has a rental license fee assessment in addition to numerous rules for property owners who wish to rent their investment property. We do not believe that what is currently in place in Grand Forks is fair for property owners and should be disallowed by supporting HB1227.

Is it right for a city to determine if you can rent out your property or not? A property owner should be allowed to do what they want with their investment. As far as I am aware, there is not another city in ND currently requiring license fees, and we don't feel Grand Forks should be either.

The requirements for having a rental property in Grand Forks already comes with additional expenses or restrictions. Here's what Grand Forks requires, in addition to paying the license fee:

- 1) You must have hard surfaced off street parking spaces in the amount of 1 spot for each bedroom. No other home owner in Grand Forks must do this. Only those home owners who intend to rent out their properties. Is it right to be told you have to have hard surface parking for vehicles? And hard surface doesn't mean gravel or rock. It is cement or asphalt.
- 2) If you have a duplex, which I did, the city charges you double for fees. 2 license fees, and 2 garbage container fees, even if you didn't need or want them. Tri-plexes would be triple charges.
- 3) Three strikes and you're out violation. If you have three calls to your property for any violation of noise ordinance, disturbance, etc., you lose the ability to rent that property out, per the licensing rules. These rules listed above are only applied to single family, duplexes, and tri-plexes.

I mentioned I was here also supporting the bill because I am a property owner in Grand Forks. In approximately 2005, there were some homeowners around UND who were concerned about loud parties, uncontrolled parking, & the fact their taxes were getting higher due to property values increasing in their neighborhoods. They blamed the high demand for rental units was the cause of higher property values, and they didn't like it. The city councilman of their ward suggested getting a petition started to request changing the zoning from R-2 to R-1 (R-2 allows for Duplex & R-1 single family dwelling). They collected signatures and submitted it to the City Council. The Mayor set up a task force, of which I was a member of, & we had multiple meetings. These meetings also included the GF Planning & Zoning Department head. After 2 or 3 months of various research and discussion, and with the

H.B. 1227
3-7-2019
Att # 2p.2

suggestion of the GF Planning and Zoning Department, it was reported back to the City Council NOT to rezone. What was recommended was to enforce the parking and noise ordinances that were already in place. A few months went by, and the topic was brought up again at a City Council meeting to revisit the idea of changing the zoning from R-2 to R-1. Again, there was a task force set up, which again included myself, select others, and the GF Planning & Zoning Department. Again, the task force, along with the Planning and Zoning Department recommended to keep the area zoned as R-2 and enforce the parking and noise ordinances. In addition, and in between the time periods of the second task force meetings, a group of people started going door to door around UND & collected signatures on a petition to keep the area zoned as R-2. This petition had about 50 more signatures than the group who signed the petition to change from R-2 to R-1.

At the city council meeting where the task force recommended for the second time to keep the area zoned R-2, the petition with signatures to keep the area R-2 was presented. The President of the City Council acknowledged receipt of a signed petition but made the comments "We don't even know if these people live here, so we can't take this petition seriously", and basically discarded the signed petition.

The City Council then requested the City Attorney to look into what it would take to overrule Planning & Zoning recommendations. The City Attorney did so, and said it would just take a majority vote of the City Council.

So, after 6 months of task force meetings were held, which included research and discussions, the City Council overruled the decision recommended by their own Planning and Zoning Department.

In addition to the efforts targeted in an area around UND to be changed to R-1, the topic of licensing fees came into the conversations. In the end, the licensing was put into place with the regulations I mentioned earlier. However, the licensing fees ONLY apply to single family units, duplexes, or triplexes. How is that fair?

I believe the concerns of the home owners around UND in 2005-2006 would have been a non-issue if UND had adequate housing on campus. They didn't, and what they did have wasn't in very good condition. Currently those buildings have been demolished, and many new units with many more rooms have been built. The new buildings have greatly reduced the students needs to live off-campus.

A few weeks ago, after the ND House approved supporting HB1227, there was an article in the Grand Forks Herald. In the article the GF city administrator mentioned the license fees were put in place as a result of the will of the people..... I disagree. I believe the licensing, the licensing fees, and all other requirements to allow you to rent your home "legally" in Grand Forks, was done as a result of the will of the city council, and without consideration of property owners rights. The implementation of rental licensing, or rental licensing fees did not fix any problems. Enforcing noise ordinances, issuing parking tickets, and having adequate campus housing helped fix the problem.

I really appreciate the time the Senators & Representatives of North Dakota sacrifice to work on behalf of the State of ND, the ND citizens & the ND property owners. On behalf of the North Dakota Association of Realtors, and myself as a ND property owner, I am asking you to help protect property owner's rights, and eliminate the requirement of a license fee on rentals. Please support a DO PASS of HB 1227. Thank you very much for your time.



City of Grand Forks

255 North Fourth Street • P.O. Box 5200 • Grand Forks, ND 58206-5200

(701) 746-2607

Fax: (701) 787-3773

H.B. 1227
3.7.2019
att #3 p.1
Michael R. Brown
Mayor

**TESTIMONY ON HOUSE BILL 1227
Senate Political Subdivisions Committee
Thursday, March 7, 2019**

**Ken Vein, City Council Vice President
City of Grand Forks, ND**

Chairman Burckhard and members of the Senate Political Subdivisions Committee, my name is Ken Vein, and I am the Grand Forks City Council Vice President. I want to thank you for the opportunity to provide testimony and express my opposition to House Bill 1227.

In 2004 and in response to community and neighborhood concerns, Mayor Michael R. Brown and the Grand Forks City Council formed a task force to address numerous concerns expressed by single family homeowners living east of the University of North Dakota campus. The task force met 18 times over a 10 month period to address concerns related to single family homes and associated neighborhoods being changed into rental properties. The concerns included the following:

- Loud parties;
- Excessive on-street parking and parking on front yard lawns;
- Poorly maintained properties;
- Number of people living in rental units;
- Safety issues for children in the neighborhoods;
- Absentee landlords; and
- Increased crime in neighborhoods.

In January 2006, the City of Grand Forks adopted seven ordinances specifically related to the concerns addressed through the task force meetings. The ordinances addressed the following matters to include:

- Defines police enforcement;
- Loud party regulations;
- Rental license requirements;
- Mass rezoning to R-2 to R-1; and

H.B. 1227
3.7.2019
att #3 p.2

- Parking requirements;

The Grand Forks City Council implemented a compromise among the affected interests to include the residential rental program for single and duplex rental units under a local and reasonable regulatory framework and charged a nominal annual administrative fee. The residential rental inspection program includes a residential license fee structure of \$25 per year for a single residential rental unit and \$50 per year for a duplex residential rental unit.

I am pleased to report that this local public policy response has been a significant success in Grand Forks for the affected stakeholders and is a positive example of local government listening to various local citizen concerns and interests, and finding a constructive and reasonable way forward on these challenging local and neighborhood matters.

The passage of House Bill 1227 is not in the best interests of the City of Grand Forks nor any other North Dakota political subdivision. Thank you for your time and consideration. I respectfully ask for a DO NOT PASS on House Bill 1227.

ckreun

NB1227
3.7.2019
att #4.

Mr. Chairman Dist 42 in the heart of the area
which created the use of city ordinances and a fee
to blend landlords and Home owner residents together.

No Small Task. From Citizens request the Mayor asked
to have a Task force to analyze this area (See Map
and hand out.) then came the 18 public meetings
which usually filled the room. Along with landlord
only meeting (Private) and some times I was invited
to these interesting meeting. Had to deal with retired
Judge Kirk Smith. I am handing out what the
results of our 2 yr project which resulted in a
resolution that has lasted 13 years with very
positive results. Now lets talk about HB 1227

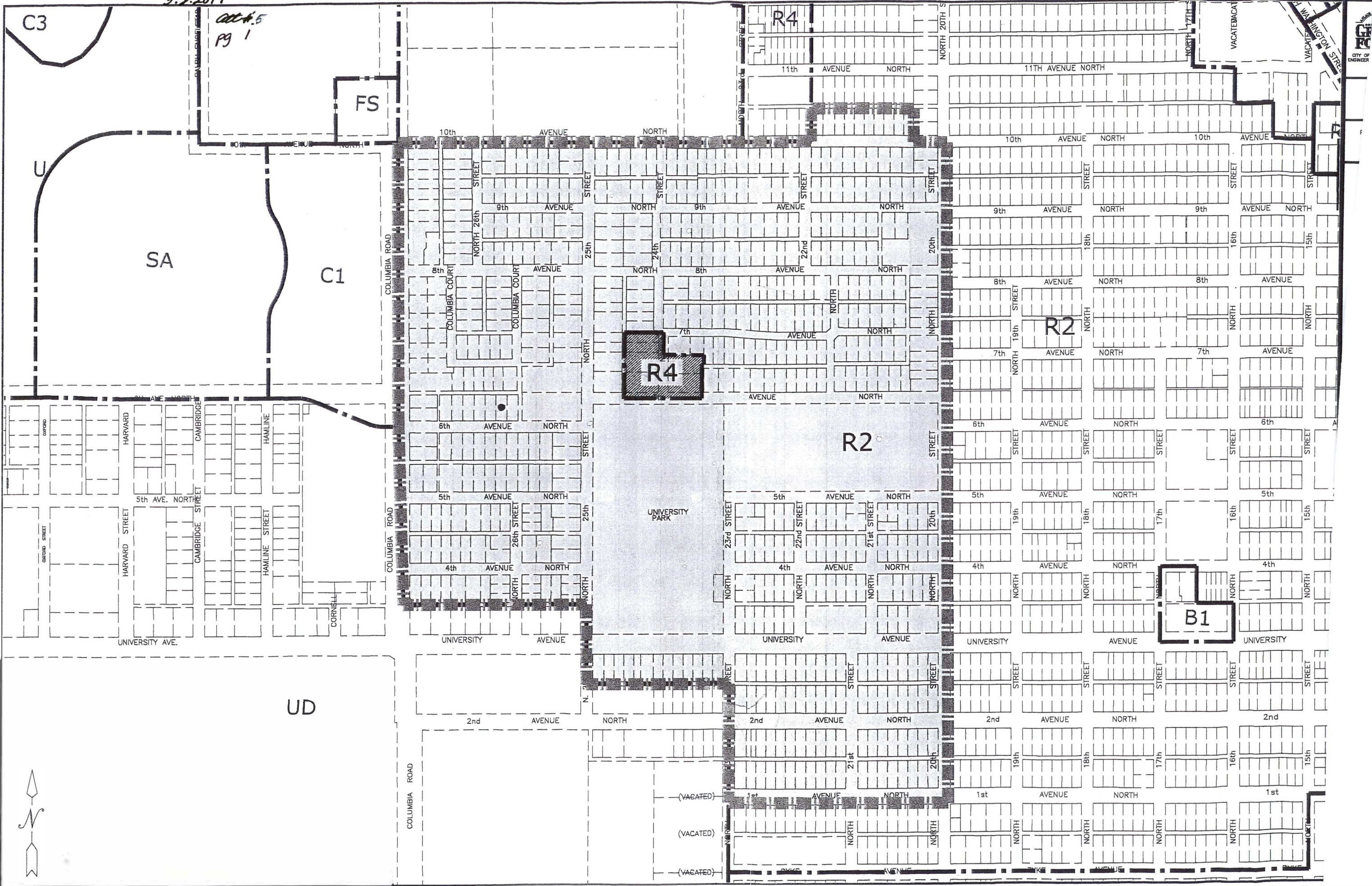
One of the last items brought up was enforcement
of ordinances Residents wanted large fines. that came
with 3 strike program. and of course landlords didn't
want any. So came the negotiation of the license fee.
Fee has no value to much intrusive. Thus \$15.00 ± believe
was the solution decided by Residents + Landlords. We
take this away we will have breached their trust.
the main problem is this was never brought to City Council
this a local issue and certainly not a legislative issue

Local
Council

H.B. 1227
3.8.2019

Att #5
pg 1

CITY OF
ENGINEER



N.B. 1227
3.7.2019

att #6p.1

AGENDA UND REZONING TASK FORCE

**MEETING DATE: NOVEMBER 15, 2004
ROOM A-101, GRAND FORKS CITY HALL**

AGENDA DISCUSSION ITEMS

- **APPROVAL OF NOV. 2ND AND NOV. 8TH MEETING MINUTES
SENT BY E-MAIL TO THE TASK FORCE MEMBERS**
- **LOCATION MAP FOR OUT OF TOWN DUPLEX OWNERS**
- **HOW &/OR WHO DETERMINES WHEN A SINGLE FAMILY
RESIDENCE CONVERTS TO A DUPLEX**
- **HOW &/OR WHO NOTIFIES THE CITY WHEN A SINGLE
FAMILY RESIDENCE CONVERTS TO A DUPLEX**
- **HOW ARE DUPLEX REGULATIONS ENFORCED WHEN A
CONVERSION IS MADE**
- **HOW ARE OFF-STREET PARKING RULES ENFORCED
WHEN A CONVERSION IS MADE**
- **HOW ARE THE UNRELATED PERSON RULES ENFORCED**
- **REZONING FROM R-2 TO R-1 IMPACTS**
- **OTHER DISCUSSION ITEMS**

COMMITTEE ON REZONING ISSUES IN UND AREA
OCTOBER 2004

L.B.1227
3.7.2019

att# 6 p.2

Dorette Kerian, Chairperson
City Council
dkerian@grandforksgov.com

Curt Kreun
City Council
ckreun@grandforksgov.com

Robert Kweit
P&Z
777-3541
robert.Kweit@und.nodak.edu

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Ryan Rauschenberger
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Hilary Klinicke
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mmklinicke@hotmail.com

Kim Novak
2103 9th Avenue North
787-4878 (w)
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kim.novak@gfschools.org

Interested Citizens

Tim Egeland
1314 So. 38th Street - 739-1499
tegeland@sunflowerseed.com

Greg Krause
718 No. 25th Street - 777-3216
greg.Krause@operations.und.edu

STAFF

Dennis Potter, Planning Department
dpotter@grandforksgov.com

Rahn Farder, Police Department
rfarder@grandforksgov.com

Don Shields, Health Department
dshields@grandforksgov.com

Bev Collings, Inspections Office
bcollings@grandforksgov.com

Pete Haga, Mayor's Office
phaga@grandforksgov.com

setbacks, he would need to redraft a portion of this. He stated if the rezoning is passed and the rezoning ordinance is amended to include this language, they will still be considered a non-conforming use, this particular amendment only comes into effect if you had a catastrophic destruction of the premises.

N.B. 1227
3-7-2019

att #6
p.3

Council Member Christensen asked if this language stated that any structure that is deemed to be non-conforming will be construed to have all the rules dealing in paragraph 18-0209, items 5 through 10; there are setbacks; that what he is looking to make sure is that if property owner has a house that has a setback of x feet on each side that when we change the rule as far as the number of people that can live in it is that he can still operate his house and can still fix his house, repair it and live under the rules that he had before regarding side yard setbacks, front yard setbacks, etc. Mr. Swanson stated that is all true under standard non-conforming use, as long as they are not seeking to alter use or expand the footprint of the building we do not change the setbacks; and that adding onto the back side of the house would not be allowed, if want to remodel a room under Sections of 18-0407, would be allowed but as soon as you try to increase the living space from what is existing that will not be permitted. He also stated that if an R-2 structure they will not be allowed to expand that structure unless it is converted to an R-1 use, and at that point would have to meet existing R-1 setbacks with respect to any change in the footprint of the structure or additional living space.

Council Member Christensen asked how we allow them to have the setbacks to remodel their homes if we change it from an R-2 to R-1, because these people don't have the same width, these lots were developed in a setting where they didn't have the same widths for lots that we have now in an R-1 in this community.

Mr. Swanson stated that would take significant re-writing of the non-conforming use section, that what he is asking for is to allow any non-conforming use in an R-2 zone to expand their existing footprint. Mr. Christensen stated what he is asking for is if property came to the City and wanted to add onto their home in an R-1 district but the R-1 rules require a bigger lot so run out of space, why not allow them to add onto their homes so long as they only get to have 4 unrelated people, and that is all we're really after. Mr. Swanson stated because you don't allow anyone else anywhere else in the city to expand a non-conforming use; and that you have a use that is inconsistent with the general zone dealing with and trying to convert that non-conforming use into your predominant rezoned use, to allow an exception that would allow expansion, can do it but adverse to the theory, then why do we want a non-conforming use section at all.

Mr. Gengler stated one thing that should be pointed out to describe a scenario, that if were to rezone from R-2 to R-1 and take into account all the existing duplexes, that he hasn't done a thorough research, but did randomly select a number of duplexes and tried to apply that logic of today's R-2 rules and for the most part most of them could not be reconstructed even under R-2 rules, especially side by side structures, because literally squeezed in on a lot that in today's standards is insufficient, and at that point would basically be telling those people that they could not rebuild, and thought that this paragraph explained it sufficiently.

Council Member Brooks stated the issue that has always concerned him is that they have some citizens in that area who brought forth a petition that initiated this, and his concern has always been the issue of housing stock and wanted to stop losing our housing stock to apartments, still going to achieve what he sees as a goal here and that is to maintain our housing stock without losing any more to additional apartment units, but that we still have restrictions on the number of renters and still meets the concerns of the citizens. He moved approval of the proposal set forth in pages 207 and 208 of staff report which relates to the rezoning from an R-2 to an R-1. Council Member Kreun seconded the motion.

Council Member Gershman introduced an amendment to the ordinance as follows: Any residential structure existing as of January 17, 2006 made nonconforming by the adoption of this ordinance which subsequently suffers damage in excess of sixty percent (60%) of its replacement cost by fire, explosion,

3.7.2019

Att #6 p.4

March 4, 2019

Representative Curt Kreun
North Dakota State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0360

RE: Vote "NO" to HB 1165 and HB 1227

Dear Representative Kreun:

The legislation addressing HB 1165 and HB 1227 are of paramount interest to us as residents of Grand Forks, ND, to whom these bills directly affect. This issue directly impacts our neighborhoods in Wards 1 and 2 as we contain significant portions of rental properties within city limits.

Our primary concerns with HB 1165 is that not only is the language of the bill vague and ambiguous in whether it applies to nonconforming use or nonconforming structure, its overall intent is also unclear. HB 1165 encroaches on the City of Grand Forks' current policies to bring properties and structures into conformance with current zoning and building codes which will likely have adverse impacts upon adjoining or neighboring properties.

In addition, the proposal of HB 1227 is a direct attack on Grand Forks' Rental Licensing Program which is a quality grassroots example of residents and local government working together to address an issue. Within the last ten years, Grand Forks' Wards 1 and 2 have increasingly seen single family and duplexes bought up for rentals in which associated challenges have arisen such as parking issues and loud parties to the physical deterioration of the building structures. A group of proactive Ward 2 residents came together and formed a neighborhood committee and worked directly with the City of Grand Forks for a resolution that befit rental owners and residents of the neighborhoods in which properties are rented. The resolution created the Rental Licensing Program which, among many other standard, requires a nominal fee to the rental owner to assist paying for the additional administrative costs for law enforcement, etc., to deal with the neighborhoods' changing needs.

To date, the City of Grand Forks and Grand Forks Council Members have not received any feedback contrary to its current regulation of nonconforming uses and structures, or the Rental Licensing Program. We, the undersigned, believe HB 1165 and HB 1227 to be efforts by State government to usurp local government's ability to govern itself. This is particularly egregious considering the City of Grand Forks works case-by-case with property owners should they not meet the current nonconforming use and structure policies in order to cause the least hardship. And that the Rental Licensing Program has had a significantly positive impact on neighborhoods with high numbers of rental properties, which is a neighborhood matter specific to Grand Forks.

H.B. 1224
Att #6 p.5
3-7-2019

Thank you for your consideration on these matters. As our representative, we encourage you to stand strong in your opposition to bills HB 1165 and HB 1227 in order to retain Grand Forks' neighborhoods and rental relationships.

Sincerely,

Katherine Dachtler, Grand Forks Ward 2 Councilperson

Danny Weigel, Grand Forks Ward 1 Councilperson

21.B.1227
3.7-2019
att #10
Pg. 6

At the request of the Mayor and City Council in 2004, a task force was formed (UND Area Rezoning Task Force and UND Neighborhood Development Concerns Committee?) to address numerous concerns expressed by homeowners living east of the UND campus. The group met 18 times over a 10-month period to address concerns relating to rental properties, which included:

- Loud parties
- Excessive on-street parking
- Parking on front yard lawns
- Poorly kept properties
- Number of people living in rental units
- Safety issues for children
- Absentee landlords
- Increased crime in the area

In January 2006 the City adopted 7 ordinances specifically relating to the concerns addressed through the task force meetings. Below is a list of the ordinances and a brief description:

Ordinance # Description

4112	Defines Police enforcement
4113	Loud party regulations
4114	Rental licensing requirements
4119	Mass rezoning from R-2 to R-1
4120	Requires 1 parking stall per bedroom in 1 and 2 Family units
4121	Requires hard surfaced parking areas (driveways)
4122	Prohibits parking on front yard lawn and provides for a fine

H.B. 1227
att #7 P1
3-7-2019

1. Noel E. Lortier
2. Diana Lortier
3. Murray Smith
4. Donna Smith
5. Jay W.
6. Clarice Wroess
7. Gin Cast
8. Jay W.
9. Paula Nelson
10. Karen Verbe
11. ~~Donna Nelson~~
12. M. D.
13. Jennifer Turlin
14. Maddie Hoff
15. Hilary J. Klincke
16. Cynthia W. W.
17. Karlene Micken
18. Michael Diet
19. Danni Dierken
20. Cathy Perry
21. D. C. Perry
22. Scott Cox

23. ~~Brynn King~~
24. ~~Ch. King~~
25. Susan Dorem
26. Jeff Dorem
27. Anne
28. Mith M.
29. ~~Joan Dorem~~
30. Addyne Gibbs
31. Margaret Seba
32. Jerome Seba
33. Anyusha!
34. ~~Rosie Korsch~~
35. Brad Thorton
36. Graham Dorem
37. Mith R.
38. Jody Drake
39. Grace Bergman
40. J. Bergman
41. Jany Swenson
42. Sherrie Lundmark
43. _____
44. _____

- \$25 per year

- Inspection = 5 yr. reinspection

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ORDINANCE NO. 4114

ORDINANCE ENACTING ARTICLE 6 OF CHAPTER XXI OF THE GRAND FORKS CITY CODE RELATING TO RESIDENTIAL RENTAL LICENSES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND FORKS, NORTH DAKOTA, THAT:

SECTION I. ADOPTING CLAUSE

Article 6 of Chapter XXI of the Grand Forks City Code relating to residential rental licenses is hereby enacted to provide as follows:

21-0601. Purpose.

The purpose of this article is to protect the public health, safety and general welfare of the residents of the City of Grand Forks; to insure that rental units meet safety, health, fire and zoning codes; to require absentee and local landlords to correct violations and properly maintain rental property within the city; to maintain a quality of character and stability of rental units within the city; to correct and prevent rental housing conditions that adversely affect or are likely to adversely affect the life, safety, general welfare and health of the residents of the City of Grand Forks; to prevent overcrowding of rental units; to assist in enforcing minimum standards for the maintenance of rental units and to prevent slum and blight; to assist in establishing and enforcing minimum conduct standards for owners and occupants of rental units; and to protect the character, use and enjoyment of the neighborhoods throughout the city.

21-0602. Definitions.

The following words and terms, as used in this article, shall have the following meanings, unless the context clearly indicates otherwise:

1. "Dwelling" - Any building, structure, or enclosure wholly or partly used or intended to be used for living, sleeping, cooking, or eating purposes by human occupants, which is rented or offered for rent by any person or persons to any other person or persons for use for residential purposes by such other person or persons.
2. "Rental" - The leasing of a rental unit to a nonowner for a fixed or nonfixed period of time.
3. "Rental Unit" - Any room or group of rooms located within a dwelling and forming a single habitable unit.
4. "Rent" - Rent means any consideration or value paid or exchanged for the use of a rental unit, including but not limited to money, services, or other items of value, or a combination thereof paid or delivered at fixed intervals periodically agreed upon.

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5. "Owner" - The individual or individuals, natural or corporate, in possession of lawful title to property. In the absence of substantial evidence to the contrary, the ownership of records of the Grand Forks County Recorder's office shall be conclusive evidence of the ownership of property regulated pursuant to this article.
6. "Person" includes every natural person, firm, partnership, association, corporation, limited liability company, or trust.

21-0603. License Required.

It is unlawful for any person, as the owner, manager or other person having control of any rental unit, to lease, rent, offer for rent or lease, or permit to be leased, rented or offered for rent or lease, any rental unit within the city unless the rental unit has been licensed under this article.

21-0604. Exemptions.

This article shall not apply to campus dormitory and campus residence facilities; hospitals; nursing homes; retirement homes; dwellings having three or more rental units within the same building; hotels; motels; YMCA; church or religious based housing units; or homeless and relief housing.

21-0605. Application for License.

- (1) Any owner intending to rent a rental unit within the City of Grand Forks shall obtain a license for each rental unit before doing so. Each application for a rental unit license required by this article shall be made upon forms as may be prescribed by the city zoning administrator. Each application for a rental unit license shall include the following:
 - (a) The full name and date of birth of the owner of the dwelling. In those cases where the owner is an entity other than an individual owner it must include the full names and date of birth of the shareholders, partners or members of the entity.
 - (b) The current address and phone number of the owner.
 - (c) The address of the owner for three years prior to the date of application.
 - (d) Whether the owner or local property manager has ever been convicted of a criminal offense;
 - (e) The specific address of the property and unit for which application is made.
 - (f) The name, address and phone number of the designated local property manager, if any.

- (g) The number of rental units within the dwelling to be licensed.
 - (h) The maximum number of occupants permitted in such rental unit.
 - (i) Number of bedrooms in the rental unit.
 - (j) Whether the applicant has ever had a rental license or certificate of occupancy suspended or revoked.
- (2) It is unlawful for any person to make a materially false statement or omit any required information in the completion of the application form required under this article. The making of a false statement or a material omission shall render the application, and any license issued pursuant thereto, invalid and of no effect. Further, the applicant shall be subject to a fine not to exceed \$500.00 per violation for having made a materially false statement or intentionally having omitted any required information.
- (3) The owner shall be obligated to maintain the information submitted current during all times that a license is issued.

21-0606. *Agent/Local Property Manager Required.*

Each applicant not residing within Grand Forks County, North Dakota or Polk County, Minnesota, shall appoint an agent/local property manager residing within Grand Forks County, North Dakota or Polk County, Minnesota, upon which agent the city may serve notices pertaining to the administration of this article or of any provisions of the Grand Forks City Code pertaining to the dwelling or rental unit. An applicant shall properly provide written notice to the city, including the name, address, and phone number of the designated agent/local property manager, whenever such agent/local property manager for the licensed property has changed.

21-0607. *Fees.* \$25.00 per year

The annual fee for the license required by this article shall be the sum of twenty dollars (\$20.00) per rental unit. Payment of the annual fee shall be due and payable annually, in advance, on or before the 31st day of December.

21-0608. *License Term.*

Each license issued pursuant to this article shall have a term of one year and shall expire annually on the 31st day of December.

21-0609. *Transfer.*

Every new owner of a rental unit, whether as fee owner or contract purchaser, shall be required to furnish and complete an application form as required by Section 21-0605 within sixty (60) days of the transfer or change in ownership and to comply with all other provisions of this

article. No additional license fee shall be required of the new owner during the year in which a change of ownership takes place, provided that the previous owner is current in the payment of all license fees due hereunder and further provided that the previous owner is in compliance with all requirements of this article and all health, zoning, fire, and safety codes of the city.

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21-0610 Maintenance of Units; Conduct on Licensed Premises.

- (1) Every rental unit licensed under this article shall be maintained in accordance with all applicable codes and ordinances adopted by the Grand Forks City Council.
- (2) Every rental unit licensed under this article shall be maintained in such a manner so as not to create a nuisance or public nuisance as defined by North Dakota Century Code Chapter 42-01.
- (3) Every rental unit licensed under this article shall be maintained and occupied in such a manner so as not to cause the unit to be disorderly. A rental unit shall be deemed disorderly if any of the following activities occur on, within, or adjacent to the rental unit, common space, dwelling or dwelling yard:
 - (a) Conduct which constitutes a violation of laws relating to noisy parties or unnecessary noises in violation of Grand Forks City Code Sections 9-0110 and/or 9-0201.
 - (b) Conduct which constitutes a violation of laws relating to disorderly conduct, resisting arrest, or interfering with a police officer in violation of Grand Forks City Code Sections 9-0107, 9-0111, 9-0104, and 9-0105 and/or in violation of N.D.C.C. Sections 12.1-31-01 and/or 12.1-08-03.
 - (c) Conduct which constitutes a violation of laws relating to provision of alcohol to minors, minors possessing or consuming alcohol, or illegal sales of alcohol in violation of Grand Forks City Code Sections 9-0113 and 9-0109 and/or in violation of N.D.C.C. Section 5-01-08.
 - (d) Allowing more than four (4) unrelated persons to reside within a rental unit licensed pursuant to this article.

21-0611. Procedure for Determination of Disorderly Premises.

- 1st (1) Upon a determination by the zoning administrator that a rental unit was used or maintained in violation of Grand Forks City Code Section 21-0610, the zoning administrator shall give written notice to the license holder and the known tenants of the rental unit of the violation and direct the license holder and known tenants of the rental unit to take steps to prevent further violations.
- 2nd (2) If another instance of conduct in violation of Grand Forks City Code Section 21-0610 at the licensed premise occurs, the zoning administrator shall give notice to the license holder and the known tenants of the rental unit of the violation and

shall require the license holder to submit a written report of the actions taken, and actions proposed to be taken, by the license holder to prevent further violations.

- 3rd Strike
- (3) If another instance of conduct in violation of Grand Forks City Code Section 21-0610 at the licensed premise occurs, the license for the rental unit may be suspended, revoked, or not renewed if the actions proposed to be undertaken by the license holder pursuant to subsection 2 of this section are inadequate and/or not being diligently pursued.
 - (4) A determination that the licensed premises have been maintained or used in violation of Section 21-0610 shall be made upon a fair preponderance of the evidence to support such a determination. It shall not be necessary that criminal charges be brought in order to support a determination of a violation of Grand Forks City Code Section 21-0610, but the incident must have resulted in the police being called to the licensed premises and a police report being prepared.
 - (5) No adverse license action shall be imposed where the violation of Grand Forks City Code Section 21-0610 at the licensed premises occurred during the pendency of any eviction proceeding or within thirty (30) days of notice given by the license holder to a tenant to vacate the rental unit where the disorderly use was related to conduct by that tenant or by guests of the tenant. Eviction proceedings shall not be a bar to adverse license action if the eviction proceedings are not diligently pursued by the licensee. Any action to deny, revoke, suspend, or not renew a license based upon violations of this article may be postponed or discontinued at any time if it appears to the zoning administrator that the license holder has taken appropriate measures to prevent further instances of disorderly use of the rental unit or dwelling.

21-0612. *Inspections and Enforcement.*

Fire department personnel, police department personnel, health department personnel and inspections department personnel are authorized to make inspections reasonably necessary to enforce this article.

21-0613. *Failure to Grant License, Revocation, Suspension or Failure to Renew License.*

- (1) The city reserves the right not to license a rental unit unless the rental unit for which a license is sought complies with all requirements of the city code.
- (2) Any license issued under this article is subject to the right, which is hereby expressly reserved by the city, to suspend, revoke, or not renew the same should the license holder or their agents, employees, representatives, managers, or lessees directly or indirectly operate or maintain the rental unit contrary to the provisions of this article or any other ordinances of the city or laws of the state.
- (3) The zoning administrator shall notify, in writing, the applicant that his/her license has been denied or the license holder that his/her license is being suspended,

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revoked, removed or nonrenewed or should be suspended, revoked, removed or nonrenewed. Any notice of such action shall be served by mailing a copy of the notice to the property owner and the designated local property manager, if any, as indicated in the records on file with the city.

- (4) The license holder or designated local manager shall have the right to request a hearing before the mayor or the mayor's designee by filing a written appeal from any order of suspension, revocation, removal or nonrenewal of a license. The written appeal must be filed with the inspections office within fifteen (15) days of the date of such order of suspension, revocation, removal or nonrenewal. The timely filing of the written appeal shall stay the enforcement of the order until the appeal process is completed.
- (5) The license holder shall receive at least five (5) business days written notice of the hearing date before the mayor or the mayor's designee. At the hearing, the license holder, local managing agent, or an attorney representing license holder may present evidence. After the hearing, the mayor or the mayor's designee may uphold the decision, reverse the decision or enter a different order with different conditions deemed necessary to protect the public health, sanitation, safety or general welfare of the community or the residents of the rental unit or dwelling. The mayor or the mayor's designee shall issue written findings of fact and an order within thirty (30) days of the hearing.
- (6) The decision of the mayor or mayor's designee shall be final subject only to such appeals as may be provided by state law.

21-0614. *Summary Action.*

When the conduct of any license holder or their agent, representative, employee or lessee, or the condition of the rental unit is detrimental to the public health, sanitation, safety and general welfare of the community at large, or residents of the rental unit so as to constitute a nuisance, fire hazard, or other unsafe or dangerous condition and, thus, give rise to an emergency, the code enforcement officer or fire marshal shall have the authority to summarily condemn or close off individual rental units or such areas of rental units as necessary. Notice of such summary action will be posted at the unit and shall indicate the unit(s) or areas affected. No person shall remove the notice, other than the fire marshal, zoning administrator or their designated representative. Any person aggrieved by the decision or action set out herein may appeal the decision as provided by section 21-0613. The decision or order for summary action shall not be stayed or voided by the filing of such appeal. Only after the hearing before the mayor or the mayor's designee will the decision or action be effected.

21-0615. *Violations, Injunctive Relief.*

Nothing in this article shall prevent the city from taking affirmative action under any of its City Code provisions or other building, health, or safety codes for violations thereof to seek either injunctive relief or criminal or noncriminal prosecution for such violations in accordance with the terms and conditions of the particular ordinance or code under which the city would

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proceed against the property owner, designated agent/local property manager or occupant of any residential rental unit covered by this article. Nothing contained in this article shall prevent the city from seeking injunctive relief against the property owner, the designated agent/local property manager, or rental unit occupant who fails to comply with the provisions of this article.

21-0616. Severability clause.

If any section, subsection, sentence, clause or phrase of this article is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this article.

21-0617. Penalty.

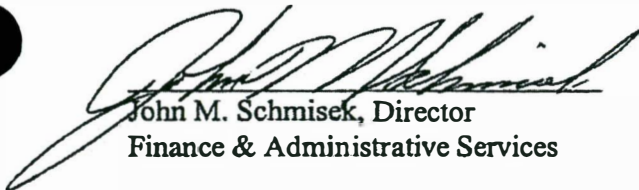
Except as may otherwise be provided by law, any person convicted of violating any provisions of this article shall be subject to a fine not to exceed \$500.00 per violation.

SECTION II. EFFECTIVE DATE

This ordinance shall be in full force and effect and on after the 1st day of March, 2006.


Michael R. Brown, Mayor

ATTEST:


John M. Schmisek, Director
Finance & Administrative Services

Introduction and first reading: **December 19, 2005**

Public Hearing: **N/A**

Second reading and final passage: **January 3, 2006**

Approved: **January 3, 2006**

Published: **January 14, 2006**

The Rental Inspection Program

How is a rental unit identified?

Multiple family units (3 plex or greater) are sorted by computer.

One and Two family dwellings are more difficult to identify. The computer can sort out which properties are/may be rentals by comparing mailing address with property address. This is a good first step but not always accurate or timely.

What is required of a rental unit?

A Certificate of Occupancy is required when a property is going to be occupied by anyone other than the owner or their family members. With extended families this can include many variations of what is meant by "family members". One does not have to collect rent to make it necessary for a Certificate of Occupancy to be required. A housing unit must have appropriate bathroom facilities, kitchen facilities and a heating system. The heating system must maintain 68 degrees three feet above the floor in each occupied room and can not have mixed air with another housing unit.

How many individuals can occupy a rental unit?

Four or less individuals that are unrelated can occupy each housing unit. There is no limit to the number family members who can live in a housing unit.

What are the off-street parking requirements?

All housing units regardless if they are owner occupied or rented, are required to have off-street parking. The minimum requirement is two parking spaces and then is increased with the number of bedrooms in the housing unit.

Are the basic requirements of a rental unit different than that of an owner occupied single family home?

Rental units are held to different standards, because someone occupies them other than the property owner or their family. They must meet certain minimum requirements before a Certificate of Occupancy will be issued. The code requirements that must be adhered to are those that the home or building was built under not current requirements. Some of the basics of these requirements are: proper egress, smoke detectors, electrical wiring, handrails and guardrails, heating equipment and hot water heating equipment to be correctly installed.

What is the City's responsibility regarding rental units?

The City of Grand Forks is very proactive in the area of rental inspection compliance and insists that all rental units maintain a Certificate of Occupancy. We have a mandatory system that is enforced to the highest level possible including citing property owners in municipal court for non-compliance or requiring the unit be left vacant. The City has no authority over the aesthetics of the property. If the property has junk or a junk vehicle the City will make sure that issue is resolved before a Certificate of Occupancy is granted. Many times these issues on renter occupied properties are easier to resolve than on owner occupied properties. The landlord will make the tenant get rid of the non-compliance item because they know they are the ones responsible for their own property.

The Process of Rental Inspections

The City becomes aware of a property being a rental.

Either the property owner requests a Certificate of Occupancy or property records reveal that it may be rented. A property can be found to be a rental if the property and mailing address don't match or something else indicates the property is being rented.

A letter of inspection request is sent.

The City sends a letter to the property owner requesting additional information and informing the property owner of the rental Certificate of Occupancy requirements. The City continues to pursue the issue until a resolution is established. If the city has difficulty reaching the property owner we can check the water billing records and we can stop by the rental and speak to the renter. A rental unit can be inspected with permission from the owner with tenant notification or by the renter's permission without owner notification.

Inspection and compliance requests are made.

Arrangements are made inspect the housing unit, if the property is found to be a rental. The housing unit will be inspected and a report of the non-complaint items will be put together with a timeline for their completion. The majority of the items are given thirty days to be brought into compliance and a re-inspection setup. Some of the items will be allowed additional time if weather or other circumstances stand in the way of their completion. The property will be re-inspected to ensure all the items are in acceptable compliance with the City's regulations.

If it is thought more than four unrelated individuals are renting a unit.

If it is suspected that more than four unrelated individuals are renting a living unit, a letter will be sent to the property owner that states this problem and asks for explanation or a solution. We will request that a copy of the lease, with the individuals that are renting the unit listed on it, be produced for the City's information. If satisfaction is not obtained by this process, the City will attempt a citation through municipal court. This issue is a very difficult one to prove because it is based on hearsay and not a physical item such as a missing handrail. Compliance on this issue is usually obtained best with cooperation from the property owner.

Compliance will be obtained or legal action will be taken.

The City will and has on many occasions brought a citation against a property owner that will not cooperate with the rental inspection program. The municipal court judge usually orders the property owner to obtain a Certificate of Occupancy by allowing the inspection and doing what is required to bring the property into compliance.

Additional Questions

How are single-family units determined to be duplexes?

If it has two housing units in it, then it is considered a duplex. This is determined by assessing records, number of meters a home has, investigation request by complaint or by voluntary owner request for Certificate of Occupancy. If the property owner lives in one of the units and the other is rented it can be difficult to know except with assessing information.

How is the city notified of single-family home conversions to duplexes?

The City is only notified if the property owner notifies us or a complaint is brought up. The City routinely goes through the records to match or find that the mailing and property address do not match. That can be a sign that it is a rental. Then the Inspection Department will notify the owner of what was found and ask for an inspection if it is found to be a rental.

How are the duplex regulations enforced when a conversion is made?

The Inspection Department will enforce all the regulations required for each housing unit. This means setting deadlines and following through on those deadlines. If the work is not done and deadlines are not met, the property owner is cited in Municipal Court. The judge then makes a ruling to have the items of non-compliance fixed or the unit vacated until everything meets the City's regulations.

Off-street parking requirements when a single family home is converted to a duplex?

The parking requirements are two off-street parking for each housing unit and then additional for each bedroom.

- 1 bedroom 2 spots
- 2 bedroom 2.25 spots
- 3 bedroom 2.5 spots
- 4 bedroom 2.75 spots

So two four bedroom housing units would be required to have 5.5 off-street parking places. In reality if a unit has over two bedrooms we request 3 parking places. So a home with a rental with 4 bedrooms up and down would be required to have 6 parking spots.

How are unrelated person regulation enforced?

If it is suspected that more than four unrelated individuals are renting a living unit, a letter will be sent to the property owner that states this problem and asks for explanation or a solution. We will request that a copy of the lease, with the individuals that are renting the unit listed on it, be produced for the City's information. If this process does not obtain satisfaction, the City will attempt a citation through municipal court. This issue is a very difficult one to prove because it is based on hearsay and not a physical item such as a missing handrail. Compliance on this issue is usually obtained best with cooperation from the property owner.

Procedure for Handling Complaints on Rentals

- Take complaint or inquiries – Make documentation
- Process and verify rental process
 - Check water billing for # of meters and who is listed on the bill
 - Check computer records – City and County systems – Verify that mailing and property address are the same
 - Check property file for address to verify that the property has never been a rental
 - Check computer record to see if property owner owns other properties in the City and how they are listed (Property owner can only live in one home at a time)
- Letter is sent to property owner indicated that the property appears to be a rental and needs a Certificate of Occupancy (with or without complete verification)
- Send 2nd letter if deadline has past and no contact has been made
- **If site looks as if it is a rental from inspector's site visit, inspector will attempt to contact individual occupying building**
- If City's requirements are still not meet, 3rd and final certified letter is sent
- After the specified time period given in the 3rd notice, the property owner will be issued a citation in municipal court, if the City Prosecutor thinks there is enough evidence
- Once the issue is turned over to the City Prosecutor, it is up to the judge to decide on a fine or other action to be taken

QUESTIONS AND ANSWERS

1. Why are licenses being required?

The City has created the licensing program in response to concerns expressed by the public. The City Council studied these questions and adopted the licensing requirement. Licensing will allow a mechanism to communicate with landlords, managers and tenants.

2. Who needs a license?

The section of code outlining this requirement is outlined below:
21-0603. License Required: It is unlawful for any person, as the owner, manager or other person having control of any rental unit, to lease, rent, offer for rent or lease, or permit to be leased, rented or offered for rent or lease, any rental unit within the city unless the rental unit has been licensed under this article.

3. What is a rental unit?

A rental unit is any room or group of rooms located within a dwelling and forming a single habitable unit.

4. How does licensing apply if I live in part of my building and rent the other part?

If you live on the main floor of the building and rent the basement out, the basement unit is required to be licensed and would be considered one unit. In this instance, the license would apply to the one rental unit in the basement. The license fee would be \$20.00.

5. How many people can be in a rental unit?

Any number of individuals, related by blood, legal adoption or marriage, or a group of no more than four unrelated persons are allowed in a rental unit.

6. Why is the top portion of the application already filled out?

Each form has been customized for the convenience of the applicant. A computer generates a form for each building within our database and applies appropriate information to the first few lines of the application form.

7. How do I get more information on the ordinance?

The ordinance may be viewed by internet. Go to www.grandforksgov.com and click on the link "New and Amended Rental Ordinances". The ordinance is also available for viewing at City Hall in the Inspections offices.

Procedure for Handling Complaints on Rentals

- Take complaint or inquiries – Correctly and accurately document violation
- Process and verify rental process
 - Check water billing for # of meters and who is listed on the bill
 - Check computer records – City and County systems – Verify that mailing and property address are the same
 - Check property file for address to verify that the property has never been a rental
 - Check computer record to see if property owner owns other properties in the City and how they are listed (Property owner can only live in one home at a time)
- Letter is sent to property owner indicated that the property appears to be a rental and needs a Certificate of Occupancy (with or without complete verification)
- Send 2nd letter if deadline has past and no contact has been made
- When no response is received by mailings and if site looks as if it is a rental from inspector's site visit, inspector will attempt to contact individual occupying building
- If City's requirements are still not meet, 3rd and final certified letter is sent
- After the specified time period given in the 3rd notice, the property owner will be issued a citation in municipal court, if the City Prosecutor thinks there is enough evidence
- Once the issue is turned over to the City Prosecutor, it is up to the judge to decide on a fine or other action to be taken

1st Mailing

2nd Mailing

3rd Mailing (Certified and regular mail)

Citation in Municipal Court

Property ordered to be vacated for no license

Tenant notification for informational purposes.

Verify and document remaining properties are still rentals and required to be rented.

- Check old records for additional information that may be helpful
- Check property records for;
 - * recent ownership changes
 - * other properties owned by this individual
 - * if duplex only one can be lived in
 - * check water bill
- Site visit verification
 - * who is occupying the housing unit
 - * verify number of units
 - * get contact information of property owner (telephone number of who they call if they have a problem)
 - * inform current tenants of the problem

If no response is received after 3rd mailing deadline is reached citations on violation of not having a rental license in place will proceed.

Should we develop a different way of dealing with out of town landlords regarding citations and enforcement action?

Meeting with city prosecutor regarding how to proceed before first citation is issued. How many to prosecute at a time or is there a better way? What evidence is needed?

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Procedure for Rental Inspection Programs

The Building Inspections along with the Police and other departments will monitor and record all rental licenses and related violations on such licenses.

The Building Inspections Department will coordinate the collection and input of all data related to rental licensing. The police department will report violations as they occur or at least once a week. This data collection is to be done electronically and be available for access by various departments.

As stipulated in Section 21-0611, once a violation is reported by Building Inspections, Police or other departments, it will be suitably to investigate by the proper staff and the owner/manager and tenants will be promptly notified.

The violation will be dismissed if it is found to be illegitimate. Legitimate violations will be processed and recorded as such. The property owner/manager and tenants will be notified of the decision and implications of having a strike on the property's record. If the owner/manager presents evidence that the violation is entirely remedied to the City's satisfaction, it may not be considered a violation.

A violation to section 21-0610 of Grand Forks City Code a second time in a 24 month period will be evaluated in the same manner as other violations but the owner/manager is required to submit written report addressing successfully correcting the strike violation.

A third violation in a 24 month period will force the license to be evaluated for removal. The owner/manager and tenants will be notified of the violation and what steps need to be taken next. If the decision is made that three valid strikes occurred in a 24 month period this decision can be made to revoke the rental license on the property. This decision can be appealed to the mayor's office.