

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO.

CREATING ARTICLE 10 IN CHAPTER 22 OF THE MICHIGAN CITY MUNICIPAL CODE & ALSO CREATING SEC. 50-151, SEC. 50-152, AND SEC. 2-412 TO BE KNOWN AS THE “RESIDENTIAL RENTAL REGISTRATION PROGRAM”

WHEREAS, rental units and communities are a vital part of Michigan City, Indiana, and they play a critical role in finding good and affordable living space for residents; and

WHEREAS, encouraging quality rental housing stock in the City of Michigan City benefits both homeowners and renters and protects the public health, safety, and welfare of all residents; and

WHEREAS, in many cases, including emergencies, identifying a landlord is very difficult due to the property being registered under an LLC or an out-of-state owner, and, in addition, at times it is difficult to identify a landlord that owns multiple properties in the City and is causing a burden because of code violations; and

WHEREAS, in these situations, it is difficult to hold a negligent landlord accountable for properties that are negatively impacting their tenants and the surrounding neighborhood; and

WHEREAS, the City reasonably believes the need exists to establish a Residential Rental Registration Program to ensure that rental units and communities are meeting minimum property standards for occupancy; and

WHEREAS, the City can efficiently administer the registration process by aligning it with the registration processes currently administered by the Fire Department; and

WHEREAS, I.C. 36-1-20 sets forth the standards and legal requirements that must be employed by the City in establishing the Rental Registration Program.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Michigan City, Indiana, as follows:

- I. Article 10 is created in Chapter 22 of the Michigan City Municipal Code and shall read as follows:

ARTICLE X. RESIDENTIAL RENTAL REGISTRATION

DIVISION 1. REGISTRATION

Sec. 22-802. Definitions

- (a) *City* means the City of Michigan City, Indiana.
- (b) *Department* means the Michigan City Department of Planning and Inspection. In addition, the Fire Marshall is vested with authority to assist in the enforcement of this Program.
- (c) *Owner* means pursuant to I.C. 36-1-20-1 and I.C. 32-31-3-4, (1) or more persons in whom is vested all or part of the legal title to property.
- (d) *Rental unit* as used in this Article means one (1) or more dwelling units in a structure intended to be occupied or is occupied as a home, residence, or habitable space by anyone other than the owner and may include a tenancy agreement or lease.
- (e) *Renal Unit Community* means pursuant to I.C. 36-1-20-1.2, one (1) or more parcels of contiguous real property upon which are located one (1) or more structures containing rental units, if:
 - (1) the combined total of all rental units in all of the structures is five (5) or more rental units; and
 - (2) the rental units are not occupied solely by the owner or the owner’s family
- (f) *Property Agent* means an individual who has been designated by the property

owner to represent his/her interests relative to the Rental Unit.

Sec. 22-803. Residential Rental Registration Program Established.

- (a) Beginning on October 1, 2023, all owners of rental units within the City must register with the Department via a method or form prescribed by the Department by January 31, 2024 and January 31st of each year thereafter and pay the registration fee as established by Sec. 50-151. Per I.C. 36-1-20-5, the registration fee imposed by Sec. 50-151 covers all the rental units in a rental unit community. However, if a rental unit is not part of a rental unit community, a registration fee may be imposed for each separate parcel of real property on which a rental unit is located.
- (b) The registration is valid for five (5) years. This registration shall be consistent with, and not in addition to, the registration requirement found in Sec. 54-266 of the Code of Ordinances of the City of Michigan City. An owner may register multiple parcel(s) of real estate utilized as rental unit(s) on one (1) registration form, however, each separate parcel of real estate shall be assessed the registration fee as set forth in Sec. 50-151 with a maximum assessed registration fee of no more than \$100.00 for all parcels.
- (c) The registration form shall include the following:
 - (1) The full legal name, post office address, e-mail address and telephone number of each owner, if an individual, corporation, partnership, limited liability company or other form of business entity, and if a unit of local, State, or Federal government, the name, post office address, e-mail address and telephone number of its chief executive officer or other official responsible for operation of its residential rental building(s).
 - (2) The full legal name, post office address, e-mail address, work telephone number, emergency contact number and any work cellular phone number of the property agent, manager or any other person or business entity under whose management or supervision the residential rental building(s) of the owner(s) will be operated. The address of the agent must be within 75 miles of Michigan City.
 - (3) The address of each residential rental building owned by the owner(s) named in the registration. Brief description of type and number of rental units.
 - (4) Affirmation of the owner/registrant that there are no known or obvious violations of the City Building Code, International Property Maintenance Code and International Building Code, all of which have been previously adopted by the City
- (d) In the event of a change of ownership, the new owner must, not later than thirty (30) days after the change of ownership, pay the registration fee as provided in Sec. 50-151 and provide updated registration information to the Department.
- (e) Registrations must be renewed every five (5) years. The renewal fee may be up to the amount as provided in Sec. 50-151, as determined by the Department.
- (f) The owner must notify the Department within thirty (30) days of any changes to registration information.

Sec. 22-804. Penalties and Enforcement.

- (a) Failure to register as required by this Division is a violation of this Division and subject to a fine as set forth in Sec. 50-152.
- (b) Failure to update the registration within thirty (30) days of a change in ownership or within thirty (30) days of a change in anything other than ownership as required by this Division is a violation of this Division and subject to a fine as set forth in Sec. 50-152 for each rental unit or rental unit community.

- (c) Failure to renew the registration as of January 31 each calendar year is a violation of this Division and subject to a fine as set forth in Sec. 50-152 for each rental unit or rental unit community.
- (d) Pursuant to I.C. 36-1-20-6, the financial penalties imposed under subsections (a) through (c) in this Section, may not be imposed until after:
 - (1) A Notice of Violation has been issued to the owner or the owner’s designee by U.S. Mail or electronic mail;
 - (2) Passage of thirty (30) days, which must be stated in the Notice of Violation, for the violation to be cured; and
 - (3) Failure of the violation to be cured within the time stated in the Notice of Violation.

II. Sec. 50-151 and Sec. 50-152 is hereby created in Chapter 50 of the Michigan City Municipal Code and shall read as follows:

Sec. 50-151. Registration Fee for Residential Rental Registration.

The registration fees¹ are as follows:

Initial registration fee:	\$5.00
Renewal registration fee:	\$5.00
Change of ownership registration fee:	\$5.00

Sec. 50-152. Penalties and Fees for Residential Rental Registration.

The fines for violation of the Residential Rental Registration are as follows:

Failure to register.....	\$ 500.00
Failure to renew, update changes in ownership or contact information.....	\$ 250.00

Fines under this Section may not be imposed until the necessary notice as set forth in I.C. 36-1-20-6 and Sec. 22-804(d) is given.

III. Sec. 2-412 is hereby created in Chapter 2 of the Michigan City Municipal Code and shall read as follows:

Sec. 2-412. Rental Registration Fund.

There is hereby created a special non-reverting Fund, to be designated as the “Rental Registration Fund.” This Fund shall be a continuing, restricted, non-reverting fund, with all balances remaining therein at the end of the year, and such balances shall not revert to the City’s General Fund. The Controller shall deposit in this Fund all fees assessed and collected pertaining exclusively to a rental unit or rental unit community as set forth in Article 10 (Residential Rental Program) in Chapter 22 of this Code. Pursuant to I.C. 36-1-20-3, this Fund shall be dedicated solely to reimbursing costs actually incurred by the City relating to the imposition and amount of the fee.

This Ordinance to be effective upon passage by the Council, approval by the Mayor, any necessary publication, and any necessary approval by the Indiana Department of Local Government Finance.

INTRODUCED BY: _____
 Dalia Zygas, Member
 Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana, this _____ day of _____, 2023 by a vote of _____ to _____.

¹ If this section is ever modified to add a fee, pursuant to I.C. 36-1-20-3, this fee shall be deposited into the Rental Registration Program Fund as set forth in Sec. 2-412.

Sean Fitzpatrick, President
Michigan City Common Council

Approved/Vetoed (circle choice) by me, this _____ day of _____
_____, 2023.

ATTEST:

Duane Parry, Mayor
City of Michigan City, Indiana

Gale A. Neulieb, Clerk
City of Michigan City, Indiana

Prepared by Harris Law Firm, P.C. upon Request