



Memo from the City Clerk

To: Council, Public and Media

From: Gale A. Neulieb

Date: April 18, 2023

Subject: Council Workshop

A Public Workshop of the Michigan City Common Council has been called by Councilwoman Dalia Zygus for Monday, April 24, 2023, at 5:00 P.M. in the Council Chambers located at City Hall, 100 East Michigan Boulevard and streaming live on “Michigan City” Facebook page and hosted by “Hybrid/ZOOM”.

- **This workshop is to review and discuss the following proposed ordinance**

CREATING ARTICLE 10 IN CHAPTER 22 ENTITLED “LANDLORD REGISTRATION AND RENTAL INSPECTION PROGRAM”

When: **April 24, 2023, 5:00** PM Central Time (US and Canada)

Topic: Council Workshop – Rental Inspection Program

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/83986774000?pwd=eG1aSytwYWtheDRtNFIDcDRYTIN5UT09>

Passcode: 904817 Or One tap mobile: US: +16465588656,8

3986774000#,,, *904817# or +13017158592,,83986774000#,,, *904817#

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9128 or +1 253 215 8782 or +1 346 248 7799 Webinar ID: 839 8677 4000 Passcode: 4817

International numbers available: <https://us02web.zoom.us/j/kdGqDK8Ojv>

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. _____

**CREATING ARTICLE 10 IN CHAPTER 22 ENTITLED
“RENTAL INSPECTION 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 Rental Inspection Program to ensure that rental units and communities are meeting minimum property standards for occupancy; 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 Inspection Program. (“RIP”)

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 as follows:

ARTICLE X . RENTAL INSPECTION PROGRAM

DIVISION 1. LANDLORD REGISTRATION

Sec. 22-802. Definitions

The definitions set forth in Sec. 22-812 shall apply to this Division.

Sec. 22-803. Landlord Registration Program Established.

(a) Beginning on July 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 October 1, 2023 and October 1st of each year thereafter**. The registration form shall include the following:

- 1.) The name, telephone number, email, and address of the owner;
- 2.) The name and address of:
 - a. A person residing in Indiana authorized to manage the rental unit; and
 - b. A person who is authorized to act as agent for the owner for purposes of service of process and receiving and receipting for notices and demands;

- 3.) An affirmation whether the rental units, the real property of which the rental units are a part, and any other rental unit property owner or registered by the owner in LaPorte County are subject to any unremediated citation of violation of state or local codes and ordinances;
 - 4.) An affirmation whether there are delinquent real property taxes, assessments, or penalties (other than those that are the subject of an ongoing appeal) with respect to the property, or any other rental unit property owned or registered by the owner in LaPorte County;
 - 5.) A statement of the number of rental units on each separate parcel of real property covered by the registration; and
 - 6.) Any additional information deemed necessary by the Department in the application and enforcement of this Division.
- (b) Beginning on July 1, 2023, an owner of a rental unit must pay to the Department an initial registration fee as provided in Sec. 50-151. Only one registration fee is required for all rental units in a rental unit community. If a rental unit is not part of a rental unit community, a separate registration fee must be paid for each separate parcel of real property on which a rental unit is located, unless they are all registered at the same time.
 - (c) 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.
 - (d) Registrations must be renewed annually. The renewal fee may be up to the amount as provided in Sec. 50-151, as determined by the Department.
 - (e) 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 1 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.

Sec. 22-806---22-810 Reserved.

DIVISION 2. INSPECTION PROGRAM

Sec. 22-811. General Concept; Purpose of Rental Inspections; and Effective Date of Program.

- (a) The Rental Inspection Program requires an occupancy inspection of all rental units that are intended to be occupied or are occupied by anyone other than the owner. This program is

designed to ensure all Michigan City rental units meet the minimum property standards of the International Property Maintenance Code and International Building Code, which have been previously adopted by the City in this Chapter and which are incorporated into this Article X by reference without formal citation.

- (b) Once the rental unit has been inspected with an Inspection Report and approved for occupancy, an Inspection Certificate shall be issued by the Department authorizing the rental unit to be occupied.
- (c) The purpose of the Inspection Report and Inspection Certificate issued to the owner or the property manager (if applicable) is to verify that the rental unit is safe and habitable for occupancy with respect to: electrical systems; plumbing systems; water and sanitary system, including hot water, heating, and ventilation systems; bathroom toilet facilities; doors; windows; stairways; hallways; functioning smoke detectors; lead hazards; indoor air quality; available egresses; and the overall structure in which a rental unit is established.
- (d) This Article shall be liberally construed and applied to promote its purpose and intent.
- (e) This Program shall be effective as of July 1, 2023, and the necessary funding shall be appropriated from the 2023 budget to fund the positions and administrative costs necessary to implement this Program in 2023 and each budget year thereafter.

Sec. 22-812. Definitions.

- (a) *City* means the City of Michigan City, Indiana.
- (b) *Code* means the property standards pursuant to the International Property Maintenance Code and/or International Building Code.
- (c) *Code Inspector* means an employee of the Department who is charged with the administration and enforcement of this Article.
- (d) *Condemn* means to adjudge a unit to be unfit for occupancy.
- (e) *Condemned with conditions* means that as to a unit unfit for occupancy, the owner, or agent of owner, may enter the property from 7:00AM to 7:00PM to make all the required repairs.
- (f) *Contract of Sale* means land contract sale or purchase.
- (g) *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.
- (h) *Dwelling unit* means a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Examples include, but are not limited to, apartments, single family homes, and multifamily homes.
- (i) *Egress* means a place or means of going out or exiting.
- (j) *Group home* means a community home where a small number of unrelated people in need of specialized care, support, or supervision can live together with support and services by trained caregivers.
- (k) *Habitable space* means the space in a structure for living, sleeping, eating or cooking. Bathrooms, toilet rooms, closets, halls, storage or utility spaces, attics, and basements, and similar areas, are not considered habitable spaces. Finished basements are not considered habitable spaces unless proper egress requirements are met.
- (l) *Indiana Unsafe Building Law* means Indiana Code, Title 36, Article 7, Chapter 9, as it may be amended.

- (m) *Inspection Certificate* means a certificate issued by the Department, after all fees and penalties due under this Article are paid, that documents that the rental unit has passed the Inspection and authorizes the occupancy of the rental unit as being compliant with the provisions of this Article.
- (n) *Inspection Cycle* means the period between the issuance and expiration of an Inspection Certificate as may be determined under the provisions of this Article.
- (o) *Inspection Report* means a report that a Code Inspector prepares after conducting a visual examination of a rental unit, including all its major systems, to verify existence of, and list repairs or improvements necessary to meet, minimum property standards for occupancy as referenced in Sec. 22-811.
- (p) *International Property Maintenance Code (IPMC)* is a model code that regulates the minimum maintenance requirements for existing buildings. The IPMC is a maintenance document intended to establish minimum maintenance standards, such as for basic equipment, light, ventilation, heating, sanitation, and fire safety.
- (q) *Occupancy* means the purpose for which a building or portion thereof is utilized or occupied.
- (r) *Occupant* means any individual living or sleeping in, or having possession of, a space within a rental unit.
- (s) *Off-Cycle Inspection* means an Inspection Report conducted based upon a reasonable belief of noncompliance or a complaint.
- (t) *Operator* means any person who has charge, care, or control of a structure or rental unit which is let or offered for occupancy.
- (u) *Owner* means any person, operator, or agent thereof having legal or equitable interest in the property; or identified in the official records of the state, county, or municipality as holding title to the property; or otherwise having control over decisions on the use and condition of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person.
- (v) *Owner of Record* means any person who holds any fee interest, life estate interest, or equitable interest of a contract purchaser and whose identity can be determined from an instrument recorded in the Recorder's office of LaPorte County; or, written information or actual knowledge received by the Department; or a review of Department records that is sufficient to identify information that is reasonably ascertainable.
- (w) *Person* means an individual, corporation, company, partnership, trust, or association, or any other group acting as a unit, and includes a government, governmental subdivision or agency, business trust, estate, two or more people having a joint or common interest, and any other legal or commercial entity.
- (x) *Premises* means a lot, plot, parcel of land, easement, or public way, including any structures thereon.
- (y) *Private Inspector* means, for purposes of IC 36-1-20-4.1(c)(2)(B)(iii), an inspector of rental units who satisfies the following qualifications prescribed by the City: must be a State of Indiana Licensed Home Inspector.
- (z) *Private Inspection* means an inspection conducted for the purposes of meeting the exemption requirements under IC 36-1-20-4.1(c).
- (aa) *Re-Inspection* means a follow up inspection or assessment of a rental unit to check for completion of repairs or compliance pursuant to an Inspection Report.
- (bb) *Rental Inspection Program Warrant (RIP Warrant)* means the court authorization to enter a rental unit and complete an Inspection Report that the Director may obtain if the owner or

those in possession of a rental unit refuse entry to conduct the Inspection.

- (29) *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.
- (dd) *Rental unit community* means one (1) or more parcels of contiguous real property upon which are located one (1) or more structures containing one (1) or more rental units, if the combined total of all rental units in all of the structures is five (5) or more rental units and the rental units are not occupied solely by the owner or owner's family.
- (ee) *Revocation of Inspection Certificate* means the Department canceling an issued Inspection Certificate whenever it discovers that such certificate was issued in error or based on incorrect information, or discovers other causes demonstrating a lack of compliance with the provisions of this Article.
- (ff) *Short term rental* means the rental of a single-family home, a dwelling unit in a single-family home, a dwelling unit in a two-family or multifamily dwelling, or a dwelling unit in a condominium, cooperative, or time share for terms of less than thirty (30) days at a time through a short-term rental platform. The term includes a detached accessory structure, including a guest house, or other living quarters that are intended for human habitation, if the entire property is designated for a single-family residential use. The term does not include property that is used for any nonresidential use.
- (gg) *Short term rental platform* means an entity that provides a platform, or a business model facilitating exchanges between two or more groups of consumers and producers, through which unaffiliated parties offer to rent a short-term rental to an occupant and collects consideration for the rental from the occupant.
- (hh) *Smoke detector* means a device which senses visible or invisible particles of combustion and conforms to the minimum standards for type, components, and maintenance prescribed by the National Fire Protection Association.
- (ii) *Structure* means that which is built or constructed or a portion thereof.
- (jj) *Tenancy Agreement* means all agreements, written, oral, or implied, and valid rules and regulations embodying the terms and conditions concerning the use and occupancy of a rental unit.
- (kk) *Tenant* means a person who occupies a rental unit for residential purposes with the landlord's consent and may include monetary or other legal consideration that is agreed upon by both parties.

Sec. 22-813. Compliance required.

- (a) No person shall maintain, or allow occupancy of, a rental unit in the City without compliance with the provisions of this Article. Failure to comply with these provisions is a violation of this Article. Any structure converted into a rental unit must have an Inspection Report completed and receive an Inspection Certificate before occupancy.
- (b) The provisions in this Article shall not be construed to prevent the enforcement of other ordinances or regulations which prescribe stricter standards than are provided herein.
- (c) This Article applies to rental units located within the City, but shall not apply to the

following occupancy arrangements unless such arrangements are created to avoid the application of this Article:

- 1) Occupancy in group homes.
 - 2) Occupancy by the purchaser of a dwelling unit under a recorded contract of sale.
 - 3) Short term rental.
 - 4) Owners who occupy the premises and rent to no more than two unrelated occupants.
- (d) This Article does not apply to the following:
- 1) Rental units built as new construction, for ten (10) years after the rental unit construction is completed. The owner of such rental unit must submit to the Department the required information to prove the new construction date of the rental unit; and
 - 2) Rental units inspected by a State of Indiana licensed home inspector pursuant to a completed real estate sales transaction, for three (3) years from the date of the inspection. The purchaser of the rental unit must submit to the Department the required information to prove the validity of the inspection meeting the minimum standards of this Article.
- (e) This Article applies to governmental or public agencies acting as landlords. If the federal or state subsidized or owned rental units are regularly inspected by a government entity and verification of housing conditions meeting the standards of this Article are delivered to the Department as requested, then such rental units may qualify for an exemption as provided in Sec. 22-814(n).
- (f) An owner or operator shall not allow a rental unit to be occupied that has been issued a vacate-and-seal order by the Department or is condemned by any agency that has the authority to condemn.

Sec. 22-814. Inspection of rental units.

- (a) Unless Sec. 22-814(n) below is applicable, each rental unit covered by this Division shall be inspected by the Department.
- (b) At the start of the Rental Inspection Program, the initial inspection cycle will be as follows:
 - City Wards 1 & 6 - will be inspected by the end of 2024;
 - City Wards 2 & 5 - will be inspected in 2025; and
 - City Wards 3 & 4 – will be inspected in 2026.

The dates of inspection set forth herein are subject to modification if the Department has probable cause to believe a rental unit is unsafe and poses a health and safety risk to the tenant and/or the community.

- (c) Inspection cycle certification paths are as follows:

Inspection	Certification Path
Initial Inspection - Passes	<p>Single-family property or duplex will be issued a 3-year inspection certificate.</p> <p>Multi-family property will be issued a 3-year inspection certificate.</p>
Initial Inspection - Fails	<p>Re-Inspection must be conducted within no more than ninety (90) days.</p> <p>No fees are imposed for first re-inspection.</p> <p>Single-family property or duplex upon passage of the first re-inspection will result in a 3-year inspection certificate.</p> <p>Multi-family property upon passage of the first re-inspection will result in a 3-year inspection certificate.</p>
Additional Re-Inspections(s) - Fails	<p>Re-Inspection must be conducted within ninety (90) days.</p> <p>Fees begin to accrue. See Penalties and Fees in this Article and Sec. 50-153.</p> <p>The Code Inspector may issue penalties and the property may be subject to further enforcement as allowed by law, including the Indiana Unsafe Building Law.</p> <p>Single-family property or duplex upon passage of a subsequent re-inspection will result in a one-year inspection certificate.</p> <p>Multi-family property upon passage of a subsequent re-inspection will result in a one-year inspection certificate.</p>

- (d) If a rental unit community has five (5) or fewer units, Code Inspectors will inspect every unit. Rental unit communities with six (6) or more units will have a percentage (between 10-20%) of the units randomly sampled by the Code Inspector to inspect and then use those findings to extrapolate the overall quality and condition of the rental units therein. However, if the findings extrapolated indicate to the Code Inspector overall substandard conditions of the rental units or such violations that could affect other rental units, the Code Inspector may inspect and complete Inspection Reports for additional units as deemed necessary.

- (e) In conjunction with the Inspection Report, and to receive the Inspection Certificate, the owner shall repair pre-existing substandard housing violations currently existing with the Department to meet the minimum standards under this Article.
- (f) Conditional Occupancy Certification will be issued to a rental unit that has all repairs completed excepting minor exterior items that cannot be completed due to the weather conditions and will include all the necessary information for the timely completion thereof.
- (g) The Code Inspector reserves the right to conduct a re-inspection of the rental unit and may adjust the certification cycle based upon any re-inspection.
- (h) The Inspection Certificate will be issued after the Inspection Report for the rental unit states that the unit is compliant with this Article and all fees and penalties due under this Article are paid. The Code Inspector may consider documentation submitted by the owner as sufficient proof of compliance on minor violations, at the discretion of the Code Inspector.
- (i) Should the rental unit fail to achieve certification, the Code Inspector may issue penalties, and the rental unit and the owner of record may be subject to further enforcement as allowed by law, including the Indiana Unsafe Building Law, but with all due process or appeal rights as afforded thereunder. The Department may post the rental unit as "No Inspection Certificate and Illegal for Non-Owner Occupancy."
- (j) An Inspection Report and Inspection Certificate shall be issued to the owner for each rental unit upon which an inspection cycle is performed within ten (10) business days from the date the Inspection Report is completed and from the date the Inspection Certificate is issued.
- (k) An Off-Cycle Inspection may be conducted based upon a complaint, or upon the Department's reasonable belief that the unit is out of compliance with or in violation of the Code, State of Indiana law, or the Michigan City Municipal Code.
- (l) If the Code Inspector has reason to believe that the rental unit does not comply with the Code or determines that the condition of the rental unit has deteriorated since the last Inspection Report that resulted in certification, to such an extent that a complete new Inspection Report is required, then a complete new Inspection of the entire rental unit may be performed. Upon completion, a new Inspection Report and appropriate Inspection Certificate, as approved by the Code Inspector, shall be issued to the owner.
- (m) Whenever an Inspection Report is required, the Department will contact the owner to initiate the process for completing the Inspection Report. Unless waived by the owner or tenant, the following procedure shall be used to obtain entry to rental units for completing any Inspection:
 - (1) The owner shall supply notice to the tenant(s) or occupant(s) and make reasonable arrangements with the tenant or occupant for a date and time to complete the Inspection. The owner shall inform the Department of the arrangements made with the tenant or occupant at least seven (7) business days before the scheduled date to complete the Inspection.
 - (2) The owner, or the owner's authorized agent, must be present at the time the Code Inspector conducts the Inspection.
 - (3) Should the owner fail to schedule a date and time to complete the Inspection and inform the Department per sub-section (1) above, the Department may send a letter, via regular first-class U.S. Mail, to the owner of record explaining the failure to comply and the possible consequences, such as penalties and a RIP

warrant, for such failure if not cured within the time prescribed.

- (4) If the owner does not comply with scheduling a date and time to complete the Inspection after the time allowed in sub-section (3) above, the Department may issue penalties under this Article.
 - (5) Should the owner continue to fail to schedule a date and time to complete the Inspection, the Department may send a letter, via regular first class U.S. Mail and certified mail, to the owner and operator of record, or provide notice by publication, explaining the failure to comply and the consequences, such as penalties and a RIP warrant, for such failure if not cured within the time prescribed in the letter. The Department may post the rental unit as "No Inspection Certificate and Illegal for Non-Owner Occupancy."
 - (6) If the owner, operator, occupant, or tenant refuses to allow entry or schedule arrangements to complete the Inspection, the Department may obtain a RIP warrant from any court of competent jurisdiction.
- (7) Issuance. A stop work order shall be in writing and shall be given to the owner of the property, to the owner's authorized agent, the person(s) residing in Indiana authorized to manage the rental unit, or to the person doing the work. Upon issuance of a stop work order, the cited work shall immediately cease. The stop work order shall state the reason for the order and the conditions under which the cited work is authorized to resume.

(n) Private Inspections completed as specified under I.C. 36-1-20-4.1(c) must meet all the requirements for an exemption to be approved by the Department.

- (1) An owner of a rental unit qualifying for an exemption described in IC 36-1-20-4.1(c) must apply to the Department for that exemption which may be denied if all requirements of IC 36-1-20-4.1(c) are not met.

(2) The owner applying to the Department for approval of the exemption must submit a written inspection report by a Private Inspector that verifies the rental unit is safe and habitable, along with all other necessary proof of the exemption, to the Department on or before the due date established by the Department.

(3) Pursuant to IC 36-1-20-4.1(d), the Department may inspect a rental unit that meets the requirements of and has been approved for an exemption if the Department has reason to believe or receives a complaint that the rental unit does not comply with applicable Code requirements.

(o) An Inspection Report will be made available to the tenant who occupies the rental unit at the

time of the inspection and cooperates with the Department to complete the inspection. Unless other arrangements are made with the Department, the Inspection Report may be sent to the tenant who occupies the rental unit upon request as approved by the Department.

(p) Stop Work Order. To further the purposes of the Rental Inspection Program, and in

conjunction with this Chapter of the Michigan City Municipal Code, Code Inspectors may issue stop work orders.

(1) Authority. Whenever the Code Inspector finds any work regulated by this Article being performed in a manner contrary to the provisions of this Article or in a dangerous or unsafe manner, the Code Inspector is authorized to issue a stop work order.

(2) Issuance. A stop work order shall be in writing and shall be given to the owner of the property, to the owner's authorized agent, or to the person doing the work. Upon issuance of a stop work order, the cited work shall immediately cease. The stop work order shall state the reason for the order and the conditions under which the cited work is authorized to resume.

(3) Emergencies. Where an emergency exists, the Code Inspector shall not be required to give a written notice prior to stopping the work.

(4) Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a penalty of not less than \$500.00 dollars or more than \$2,500.00 dollars per day.

(q) At the time the owner informs the Department of the arrangements made with the occupant

or tenant to complete the Inspection, the owner shall provide the following contact information to the Department:

- (1) The name, telephone number, email address, and the commercial domicile address of the owner's physical business location. Additional listing of a secondary address which is not required to be physical, may also be given when used for availability to the public;
- (2) The name, address, phone number, e-mail address of:
 - a. The person(s) residing in Indiana authorized to manage the rental unit; and
 - b. The person listed as the "responsible party" with the Internal Revenue Service; and
 - c. The person who is authorized to act as agent for the owner for purposes of service of process and receiving and receipting for notices and demands on record with the Indiana Secretary of State's Business Services Division; and
 - d. The property operator or manager, if any.
- (3) Real property tax identification key number of each rental unit and/or rental unit community owned in the City;
- (4) An affirmation of whether the rental units, the real property of which the rental units are a part, and any other rental unit property owned in the City, are subject to any unremediated citation or violation of federal, state, local codes, or ordinances; and
- (5) A statement of the number of rental units on each separate parcel of real property.

Sec. 22-815. Revocation of Inspection Certificate

The Department may revoke an Inspection Certificate by sending notice to the owner of record via first-class and certified mail, and publication if mail service is returned undeliverable, for the following causes:

- (1) The rental unit has deteriorated, does not pass minimal standards and the owner is unresponsive or refuses to make repairs.
- (2) The rental unit has deteriorated significantly to the point of becoming condemned.
- (3) The rental unit appears to have significantly deteriorated since the Inspection Report was last completed and owner is unresponsive to new Inspection Report requirements.
- (4) The owner supplied false information or a false private inspection report.
- (5) Since the last Inspection Report, owner or occupant illegally converted space in the rental unit to increase the occupancy.
- (6) Since the last Inspection Report, owner failed to correct Code violations within the time allowed.

Sec. 22-816. Approved Certification for Rental

After the Inspection Report is completed and the rental unit receives an Inspection Certificate, the Department will provide the owner with the appropriate Certificate which should be placed in

a conspicuous location, such as in the facade of the building facing a public street and containing a building entry, or in a conspicuous interior location.

Sec. 22-817. Transfer of Inspection Certificate

- (a) An Inspection Certificate may be transferred to a new owner, except as prohibited in this section, by the owner filing with the Department the required owner information and, if applicable, agent information. This includes transfers of ownership between corporations or other legal entities even where there is identical ownership interest in the acquiring legal entity as in the previous legal entity. An Inspection Certificate may not be transferred, or a new Inspection Certificate issued, to any owner, owned, in whole or in part, by an owner that currently has any Inspection Certificate revoked, or has been issued a Conditional Occupancy Certification, or has a rental unit condemned by any agency that has the authority to condemn.
- (b) The new owner shall have thirty (30) days from the date the rental unit was transferred to the new owner to file with the Department the required owner information and agent information, if applicable, and failure to do so will result in a late payment penalty of \$250.00.

Sec. 22-818. Penalties and fees.

Penalties and fees for violation of this Article are set forth in Sec. 50-153.

Sec. 22-819. Monitoring progress.

The Rental Inspection Program will be subject to review at regular intervals, which includes meetings of a working group consisting of Code Inspector staff, Department leadership, a Common Council appointee, and Mayor’s Office leadership. Following the first six (6) months of implementation in each respective City Ward, the Department will make a preliminary report to the Common Council on the progress in the focus areas, challenges faced, and anticipated procedural changes, including adjustments to the inspection cycles and the potential to add a self-certification program.

Sec. 22-820. Severability clause.

The provisions of this Article are severable, and the invalidity of any phrase, clause, or part of this Ordinance shall not affect the validity or effectiveness of the remainder of the Ordinance.

- II. Sec. 50-151, Sec. 50-152, and Sec. 50-153 are created in Chapter 50 of the Michigan City Municipal Code and shall read as follows:

Sec. 50-151. Registration Fee for Landlord Registration

The registration fees¹ are as follows:

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

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 Inspection Fund as set forth in Sec. 2-412.

Sec. 50-152. Penalties and Fees for Violation of the Landlord Registration.

The fines for violation of the Landlord Registry are as follows:

- Failure to register.....\$ 500.00
- Failure to renew registration.....\$ 250.00

Sec. 50-153. Penalties and Fees for Violation of the Landlord Inspection.

- (a) There is a **no fee** for the initial inspection and the first re-inspection.
- (b) There is a \$100.00 fee per rental unit for the second re-inspection and the fee doubles for each additional re-inspection thereafter.
- (c) There is a \$100.00 fee for each rental unit for the owner’s failure to meet the Code Inspector for a scheduled inspection.
- (d) The owner of record will be notified by first-class mail before any penalty may issue in accordance with IC 36-1-20-6. Penalties may be imposed as follows:
 - (1) A \$250.00 penalty per week for a rental unit that has not been inspected or certified.
 - (2) A \$300.00 penalty per week for a rental unit that has an expired certification posted.
 - (3) A \$500.00 penalty for removing a condemned notice from the rental unit.
 - (4) A \$500.00 penalty for the first week of allowing occupancy in a condemned structure. After the first week, the penalty doubles each week thereafter until a maximum of \$7,500.00 per week is reached.
- (e) Pursuant to I.C. 36-1-20-3, the fees generated by subsection (b) and (c) above shall be placed in the Rental Inspection Fund set for in Sec. 2-412.
- (f) The owner of record and/or operator shall be responsible for assisting those in need of short-term relocation within the City from their rental unit because of owner’s or operator’s noncompliance with this Article. Conditions beyond the control of the property owner caused by the tenant's negligence, wrongful, or malicious acts or omissions, shall disqualify a tenant for short-term relocation assistance.
- (g) Pursuant to I.C. 36-1-20-6, before any penalties may be imposed for violation of this Article, the Department must do the following:
 - (1) Give reasonable notice of the violation to the owner or owner’s designee; and
 - (2) Allow a reasonable amount of time, which must be stated on the notice, for the violation to be cured.

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

Sec. 2-412. Rental Inspection Fund.

There is hereby created a special non-reverting Fund, to be designated as the “Rental Inspection 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 (Rental Integrity 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 relating to this Rental Inspection Program.

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 _____.

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