

## MEMORANDUM

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TCRM 7-14-14

**TO:** President and Members of the Town Council

**FROM:** Clay Johnson, Assistant Town Manager *CJ*

**MEETING**

**DATE:** July 14, 2014

**RE:** **Ordinance 1635: Modifications to Rental Inspection Ordinance**

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This item was originally introduced, accepted, and set for a second reading on June 9<sup>th</sup>. The recent changes to the state law regarding the regulation of rental property has forced a review of our rental inspection program to judge its compliance with the new requirements. Mr. Kennedy's review of the law states that a municipality may not:

1. Charge a permit to rent a unit.
2. Charge an inspection fee to a unit or rental community if the unit is managed by a professional real estate manager and if in the previous year the unit has been inspected by the U.S. Department of Housing and Urban Development, Indiana Housing and Community Development Authority, or similar federal or state institution, financial institution or insurance company, registered architect, professional engineer, or certified home inspector.

Munster's current ordinance does not require a permit or permit fee to rent a unit. The intent of the current rental program is to inspect rental dwellings for code violations and unsafe conditions, not register or permit rental units. Each inspection cycle ran for three years. Our inspection fee was paid up front.

The Town must amend the ordinance in order to accept the inspections of the organizations named in the law. Additionally, the Town must establish criteria for private inspectors to help ensure submission of credible and uniform inspection reports. The proposed ordinance requires that all inspectors must be licensed by the State of Indiana Home Inspectors Board. A private home inspection report must report that the unit is safe and habitable with respect to a number of building code issues as outlined in the Statute. These requirements of a private inspector's report would not deviate much from those items which our Town Building Department inspectors would verify.

The suggested changes in the rental inspection ordinance help to clarify the intent of the program, which is to inspect units for their safety and not come into conflict with the state law. The new state law will go into effect July 1<sup>st</sup>. The Building Department will continue to inform rental units of their need for inspection, review submitted reports, and inspect rental units in accordance with the state law and our local ordinances.

**Recommendation: Adopt Ordinance 1635: Amending Chapter 10, Article 9, Regulating Rental Dwelling and Dwelling Units.**

ORDINANCE NO. 1635

**AN ORDINANCE AMENDING MUNSTER TOWN CODE CHAPTER 10,  
ARTICLE 9, REGULATING RENTAL DWELLING AND DWELLING UNITS**

WHEREAS:

The Town of Munster has previously adopted an ordinance regulating rental dwellings and dwelling units in the Town of Munster, codified at Chapter 10, Article 9, of the Munster Town Code, and

WHEREAS:

The State of Indiana has adopted a statute modifying regulation of rental property by municipalities titled HEA 1403;

WHEREAS:

The Town intends to amend its code provisions regulating rental dwellings and dwellings units to comply with Indiana State statutes.

NOW THEREFORE, BE IT ENACTED AND ORDAINED that Munster Town Code Section 10, Article 9, as amended from time to time is further amended by the Town Council of the Town of Munster, Indiana, as follows:

1. Section 10-633 shall be amended by the deletion of the current section 10-633 (a) and replaced by the following section:

Section 10-633 (a). Inspection Fee. No fee shall be charged for the issuance of a rental permit. The fee for the tri-annual inspection shall be \$200 for each dwelling or dwelling unit payable at the time of application. If in the opinion of the Town Manager an owner with multiple dwelling units is to have multiple dwelling units inspected at the same time, and there appear to be savings to the Town in implementing this Article, the Town Manager, with reasonable discretion, may reduce the per dwelling unit permit fee for the several inspections to reflect the reduced costs to the Town.

The schedule and policy for reduced fees shall be published in Schedule A fees, as amended from time to time.

2. Section 10-633 is further amended by the addition of the following section:

(f) In the event an owner provides the Town with an inspection report which complies with the requirements of Indiana State Statute HEA 1403 prior to the date inspection is due under this code provision, the owner shall be exempt from the inspection requirements of this code. The inspection report provided must be certified by a party whose qualifications meet the requirements of HEA 1403 or the report must be certified by a home inspector licensed by the State of Indiana Home Inspectors Licensing Board.

3. Section 10-638 shall be amended by deletion of the current Section 10-638 and its replacement with the following:

Section 10-638. All inspection fees, fines and other charges collected in connection with this Article shall be maintained in a separate account by the Clerk-Treasurer's Office and may only be expended to reimburse costs incurred in carrying out the provision of this Article.

4. This Amendment to the Munster Town Code shall take effect upon passage and any publication required by law.

ENACTED and ORDAINED this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ opposed.

TOWN COUNCIL OF THE TOWN  
OF MUNSTER, INDIANA

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John P. Reed, President

ATTEST:

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David F. Shafer, Clerk-Treasurer