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## MEMORANDUM

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**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**CC:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR  
**FROM:** KEN ONDICH, PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** RESIDENTIAL RENTAL DWELLING UNIT INSPECTION ORDINANCE UPDATE  
**DATE:** SEPTEMBER 28, 2023

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As requested by the City Council at the July 17, 2023 meeting, the Planning Commission held a public hearing at their meeting on August 23, 2023 regarding the drafted residential rental dwelling unit inspection ordinance.

At the public hearing, which lasted 40 minutes, comments were received from five people: Joe Lambrecht (landlord), Michele Kotek (tenant), Scott Adamek (landlord), Dan Dagestad (tenant), Kay Wilcox (former City Council member and resident at-large). A copy of the minutes is attached to this memo.

Ultimately, the Planning Commission voted (4-0) to forward the drafted residential rental dwelling unit inspection ordinance to the City Council with a suggestion for staff to develop a ladder timeline to the ordinance so that long term violation free rental units with no change in tenants could go longer than 2 years between inspections.

Staff and Dave Anderson from Kennedy & Graven did make a few minor changes to the ordinance to address questions/concerns from the public hearing which are reflected in the redline of the attached ordinance draft, including allowing up to 4 years between inspections for long term tenant/landlord situations with no violations.

### **Staff Recommendation**

Staff is providing this information to the Council as information only at this time and would intend to introduce the ordinance for a first reading at the October 16<sup>th</sup> City Council meeting.

### **Attachments:**

1. Drafted Ordinance for Rental Dwelling Unit Inspections – Dated 9/21/23
2. Suggested Fees
3. Draft Checklist
4. August 23, 2023 Planning Commission Public Hearing Minutes Excerpt

**ORDINANCE NO. \_\_\_\_\_  
CITY OF NEW PRAGUE**

**AN ORDINANCE REPEALING CHAPTER 120 OF THE NEW PRAGUE CITY CODE  
AND ADDING A NEW CHAPTER 154 REGARDING RENTAL DWELLING LICENSES**

**THE CITY COUNCIL OF THE CITY OF NEW PRAGUE, SCOTT AND LE SUEUR  
COUNTIES, MINNESOTA ORDAINS:**

**SECTION 1.** Chapter 120 of the City Code of the City of New Prague is hereby repealed in its entirety.

**SECTION 2.** The City Code of the City of New Prague is hereby amended by adding a new Chapter 154 as follows:

**Chapter 154 RENTAL DWELLING LICENSES**

- 154.01 Purpose and Scope.
- 154.02 Definitions.
- 154.03 Licensing of Rental Units.
- 154.04 Provisional License.
- 154.05 License Requirements.
- 154.06 Enforcement and Inspections.
- 154.07 License Denial, Suspension, Nonrenewal, or Revocation.

**154.01 PURPOSE AND SCOPE.**

(A) Purpose. It is the purpose of this chapter to assure that rental housing in the city of New Prague is decent, safe and sanitary and is operated and maintained so as not to become an influence that fosters blight and deterioration or creates a disincentive for reinvestment in the community. The operation of residential rental properties is a business enterprise that entails certain responsibilities. Rental dwelling owners, agents, and property managers are responsible to take necessary reasonable actions to ensure that the persons who occupy such rental units live in surroundings that are safe, secure, and sanitary.

(B) Scope. This chapter applies to rental dwelling units described herein that are rented or leased in whole or in part, including apartment buildings, town houses, single family and multifamily housing, guest and caretaker houses, and condominiums, regardless of the duration of such rentals or leases. It also includes any accessory structures of the rental dwellings, such as garages and storage buildings, and appurtenances such as sidewalks, driveways, and retaining walls, which are on the property of the rental dwelling. This chapter does not apply to on-campus college or university housing units; Minnesota Department of Health licensed rest homes; convalescent care facilities; licensed group homes; nursing homes; hotels; motels; owner-occupied units; or any other residential facility that is subject to a regular inspection program implemented by the county, state, or federal government.

**154.02 DEFINITIONS.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- (A) *Board of Appeals*. The city council of the city of New Prague.
- (B) *City*. The city of New Prague, Minnesota.
- (C) *Compliance Official*. The city administrator of the city, or its designee.
- (D) *Dwelling Unit*. Any room or rooms providing complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation.
- (E) *Inspector*. The person or persons designated by the city administrator to inspect rental dwellings in the city.
- (F) *Let*. To permit possession or occupancy of a dwelling unit by a person who is not the legal owner of record thereof, pursuant to a written or unwritten lease, or pursuant to a recorded or unrecorded agreement whether or not a fee is required by the agreement.
- (G) *License or Rental License*. The license required by and issued pursuant to this chapter.
- (H) *Licensed Premises*. A licensed rental dwelling and all accessory structures of the rental dwelling, such as garages, storage buildings, and appurtenances such as sidewalks, driveways and retaining walls, which are on the property of the rental dwelling.
- (I) *Licensee or Owner*. Any person, agent, operator, firm or corporation having a legal or equitable interest in the property or rental dwelling; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property or rental dwelling, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court, or any person representing the actual owner or holding a valid rental license from the city.
- (J) *Official Order*. A written notice stating violation(s) of city code and corrective action to be taken.
- (K) *Operate*. To let for occupancy or to rent.
- (L) *Property Manager or Local Agent*. A person authorized by the owner to act on the owner's behalf as to the licensed premises.
- (M) *Rental Dwelling*. Any building containing one or more dwelling units that are rented.

(N) *Rent or Rented.* To let for occupancy or to let.

(O) *Tenant.* A person who is occupying a dwelling unit in a rental dwelling under a lease or contract, whether oral or written, that requires the payment of money or exchange of services.

### 154.03 LICENSING OF RENTAL UNITS.

(A) License Required.

(1) Beginning on January 1, 2024, no person shall operate a rental dwelling without first having obtained a license to do so from the city. A license shall be granted pursuant to the provisions of this chapter by the compliance official.

Exceptions:

- (a) An owner whose only rental dwelling is a single-family dwelling homesteaded by a relative is exempted. Compliance of this exemption may require written proof from the county.
- (b) A residential property owned by a "snowbird" where the property is rented to another person for a period of less than one hundred twenty (120) consecutive days while the owner is residing out of the State of Minnesota is exempted. The owner must occupy the property during the remainder of the year to qualify for the exception.
- (c) The following are also exempted: on-campus college or university housing units; Minnesota Department of Health licensed rest homes; convalescent care facilities; licensed group homes; nursing homes; hotels; motels; owner-occupied units; or any other residential facility that is subject to a regular inspection program implemented by the county, state, or federal government.

(2) When more than one building containing rental dwelling units exists on one property, a separate license shall be required for each building.

(3) Licenses shall be issued for a single rental dwelling unit in the case of a freestanding dwelling, a condominium, a townhouse, a dwelling in a cooperative, or a dwelling in a nonresidential structure; for a two-unit rental dwelling; or for an apartment building.

(B) License Term. Except for a provisional license as identified herein, a rental license issued by the city under this chapter will be valid for up to a two-year time period unless a renewal term otherwise qualifies for a four-year term as authorized in section 154.03(D). All licenses may be reviewed at any time by the compliance official after the commencement of the license term to determine whether the rental dwelling continues to be in compliance with this chapter.

(C) License Application and Renewal. The license application or renewal shall be made by the owner, property manager, or local agent. Application forms are available from the city and must be completed in full and accompanied by the appropriate license fee as established by the city council. Every licensee shall give notice in writing to the city within ten (10) business days after any change of information on the application or if the licensed premises is sold or otherwise conveyed in any way. Depending on the nature of changes, the city may require a new inspection of the licensed premises.

(D) License Period; Renewals. The license period shall be for no longer than two years, and to maintain staggering renewals, all licenses for rental dwellings located in Le Sueur County shall expire on December 31 of odd-numbered years and all licenses for rental dwellings located in Scott County shall expire on December 31 of even-numbered years. An application for renewal of a license and the appropriate fee must be filed with the city at least thirty (30) days prior to the expiration date of an existing license. Any renewal license application and fee not received before the expiration date shall be assessed a late fee as established by the city council.

Notwithstanding the foregoing, a renewed license term for any rental dwelling that is duly requested by the existing licensee shall be effective for four years if the following two conditions are satisfied at the time of such renewal: (i) there are no documented violations associated with the respective rental dwelling during the prior license term; and (ii) there are no new adult occupants residing in the respective rental dwelling since the date the license was issued for the prior license term. Any licensee requesting such four-year renewal shall provide the city with proof of occupancy so that adherence to the above conditions can be confirmed.

(E) Inspections. Within thirty (30) days of receipt of a completed application and license fee required by this chapter, for both new applications and renewals, the inspector shall schedule an inspection. No license shall be granted or renewed until the inspector has determined that all life, health safety violations, or application inconsistencies have been corrected. In cases where a weather deferral for repairs has been granted by the inspector, the license may be granted on conditions of the repairs being completed before a specific date in the future. If the license application is incomplete, or the applicant does not meet the requirements of this section during the term of a provisional license issued under section 154.04, the application shall be denied.

(F) License and Inspection Fees. License fees, as set forth by city council resolution, shall be due thirty (30) days prior to the license expiration date; in the cases of new unlicensed units, license fees shall be due at time of application. Fees are nonrefundable. A delinquency penalty of fifteen (15) percent of the amount of the license fee may be charged to the operators of the dwelling unit when fees are not paid on time.

Fees for inspections of a rental dwelling are part of paid license fees. Reinspection fees will only be charged for subsequent inspections after failure to comply with official orders or when the owner or agent fails to keep a scheduled inspection without prior notice to the inspector. All reinspection fees are listed on the city's fee schedule. If the reinspection is being performed as part of the licensing process, fees must be paid prior to the time of license issuance or renewal.

(G) Minimum Licensing Standards. The following minimum standards and conditions must be met in order for an owner to renew or be granted a rental dwelling license under this chapter. Failure to comply with any of these standards or conditions shall be adequate grounds for denial, nonrenewal, suspension or revocation of a rental dwelling license.

(1) The licensee or applicant must have a current, complete, and accurate rental dwelling application on file with the city.

(2) The licensee or applicant shall have paid the required license fee and any other fees required by this chapter.

(3) The licensee or applicant must be current on the payment of all utility fees, property taxes, assessments, fines, penalties, or other financial claims due to the city on the licensed premises and any other rental dwelling in the city owned by the licensee or the applicant. In the event a suit has been commenced under Minnesota Statutes, sections 278.01-.03 questioning the amount or validity of taxes, the city may upon request of the licensee or applicant waive strict compliance with this provision; provided, however, that no waiver may be granted for taxes or any portion thereof that remain unpaid for a period exceeding one year after becoming due.

(4) The rental dwelling must be in compliance with all federal, state and local laws, including but not limited to all provisions of this chapter and all applicable zoning laws.

#### **154.04 PROVISIONAL LICENSE.**

The city may issue a provisional license to the owner of a rental dwelling who has submitted an application, paid the license fee and the compliance official has conducted an initial inspection resulting in written orders to correct violations that, in the sole discretion of the compliance official, do not prevent safe occupancy. A provisional license authorizes the continued occupancy of the rental dwelling unit(s) in actual existence, pending issuance of a rental license. A provisional license is valid for up to one hundred eighty (180) days until a license is issued or it is determined that license requirements have not been met and the city will not issue a license.

#### **154.05 LICENSE REQUIREMENTS.**

(A) Local Agent Required. If the owner does not reside in any of the following Minnesota counties: Blue Earth, Carver, Dakota, Hennepin, Le Sueur, Nicollet, Ramsey, Rice, Scott, Sibley, Steele, Waseca, Washington, then the owner must provide the city with a local agent that resides within one of the aforementioned counties and who is responsible for maintenance and operation of the rental dwelling and who is legally constituted and empowered to receive service and orders on behalf of the owner and to institute remedial action to effect such orders. The city shall be notified in writing of any change of agent by the owner of the rental dwelling.

(B) Owner Identification. All partnerships, corporations, limited liability companies or other recognized business associations that own a rental dwelling to be licensed under this

chapter shall submit, upon request of the compliance official, the name and address of all partners, shareholders or interest holders. If requested by the compliance official, information regarding the names and addresses of all partners, shareholders or interest holders must be submitted in a sworn affidavit to the city.

(C) Responsibility for Acts of Manager, Operator, or Agent. Licensees are responsible for the acts or omissions of their managers, operators, agents, or other authorized representatives.

(D) Conformance to Laws. No rental license shall be issued, renewed or allowed to be maintained by the owner unless the rental dwelling conforms to all applicable federal, state, and local laws, rules, and regulations. This includes, but is certainly not limited to, all requirements contained in Minnesota Statutes, chapter 504B.

(E) License Inspections Required. No rental license shall be issued, renewed or allowed to be maintained unless the owner agrees in the owner's application to permit inspections pursuant to this chapter.

(F) Posting and Production of License. Every licensee of a rental dwelling with four (4) or more units, shall conspicuously post the current rental license certificate issued by the city in the main entryway or other conspicuous location on site. An owner or agent of a rental dwelling must always produce a copy of the current rental license certificate for a rental dwelling upon the request from a tenant, prospective tenant, police officer or compliance official.

(G) Occupancy Register Required. Every licensee shall keep, or cause to be kept, a current register of occupancy for each dwelling unit that provides the following information:

- (1) Dwelling unit address.
- (2) Number of bedrooms in dwelling unit and the maximum number of occupants.
- (3) Legal names and date of birth of adult occupants and number of persons under eighteen (18) years of age currently occupying the dwelling units.
- (4) Dates renters occupied and vacated dwelling units.

(H) Standards and Requirements.

(1) The maximum permissible occupancy of a rental dwelling unit must be determined by applying one of the two standards set forth in paragraphs (a) and (b) below. Whichever standard allows the greatest number of occupants for a given rental dwelling unit will be the governing standard for that unit:

- (a) Square footage standard: Every bedroom shall contain not less than 70 square feet and every bedroom occupied by more than one person shall contain not less than 50 square feet of floor area for each occupant thereof.

- (b) Headcount Standard: Total number of occupants in the rental dwelling may not exceed two times the number of legal bedrooms plus one.
  - (c) A “legal bedroom” is any room or space used or intended to be used for sleeping purposes. In applying either standard (a) or (b) above, occupants under the age of two years shall not be included in the calculations.
- (2) No dwelling unit shall be rented or let to another which does not comply with the following requirements:
- (a) Condition. Unless lawfully made the express responsibility of a tenant by law, lease, or ruling, Licensees shall furnish and maintain approved devices, equipment or facilities for the prevention of insect, rodent, and pest infestation within a rental dwelling and when such infestation has taken place, shall be responsible for its abatement. For purposes of this subsection, the term “infestation” shall mean the presence within a rental dwelling of insects, rodents or other pests in a manner that materially endangers one or more persons.
  - (b) Smoke Detectors. No smoke detector installed in a rental dwelling shall be allowed to remain disabled or nonfunctional. The tenant of a rental dwelling shall notify the owner or property manager after discovering that a detector is disabled or nonfunctional.
  - (c) Carbon Monoxide Alarms. Each dwelling unit shall have an approved and operational carbon monoxide alarm installed within ten (10) feet of all sleeping rooms as required by Minnesota Statutes, sections 299F.50 and 299F.51, as amended, unless an exception provided in said statutes applies.
  - (d) Fire Extinguishers. All dwelling units shall be equipped with a fire extinguisher with a minimum rating of 2A 10BC (capacity equivalent to 2.5 gallons of water and 10 sq. ft. for a BC type fire). The extinguisher shall be located within the individual dwelling unit or in a common hallway or corridor within fifty (50) feet of the dwelling unit door.
  - (e) Fire Suppression/Alarm Systems. All fire suppression/alarm systems shall be maintained in accordance with the current Minnesota State Fire Code.
  - (f) Structural. All structural components shall be deemed acceptable so that, in the opinion of the building official, such components do not render the building hazardous as defined by Minnesota Statutes, section 463.15.
  - (g) Plumbing. All plumbing shall be maintained in a safe and sanitary condition.
  - (h) Mechanical. All mechanical equipment, venting and ducting shall be maintained in a safe condition.



- (i) Electrical. All electrical equipment, wiring and appliances shall be properly installed and maintained in a safe condition.
- (j) Storage of Items. Combustible items shall not be stored within one (1) foot of any fuel burning appliance. Storage of items shall be orderly and shall not block or obstruct exits or access to required safety equipment.
- (k) Means of Egress. Within the dwelling units, a minimum three (3) foot wide path shall be maintained to all points of egress (e.g. front/main door and egress windows in sleeping rooms). Common areas in multi-family structures (shared hallways, stairs and other common paths of travel) shall be clear of storage items for the full width of the means of egress system.
- (l) Refuse. Unless lawfully made the express responsibility of a tenant by law, lease, or ruling, Licensees shall equip rental dwellings with sufficient refuse collection to accommodate the amount of refuse produced on the property or as required by the city code.
- (m) Fuel Storage. LP tanks, gasoline containers and fueled equipment shall not be stored or repaired inside of a dwelling unit except for in an attached garage.
- (n) Sidewalks and Driveways. All private sidewalks, walkways, stairs, driveways, parking spaces and similar areas shall be kept in a proper state of repair and maintained free from hazardous conditions.
- (o) Weather Protection. The exterior of the structure that contains dwelling units shall be maintained in a manner that provides for adequate protection of the structural elements of the building from weather and other elements.

(I) License Not Transferable. The rental license issued pursuant to this chapter is for the property owner and the premises named on the approved license application. No transfer of a license is permitted from place to place or from the owner to another person or entity without complying with the requirements of an original application, except in the case in which an existing licensee is merely changing a business or corporate name or in the case in which an existing noncorporate licensee is incorporating and the incorporation does not affect the ownership or control of the property or the rental business.

#### **154.06 ENFORCEMENT AND INSPECTIONS.**

(A) Authority. The compliance official is responsible for administering and enforcing the provisions of this chapter and is hereby authorized to cause inspections on a biannual basis for all licensed rental dwellings and also when reasonable grounds exist to believe that a violation of this chapter has been or is being committed. Inspections shall be conducted during reasonable times, and the compliance official shall present evidence of official capacity to the tenant, owner, or agent at the time of inspection of the rental dwelling. Inspections shall include all common

areas, utility and mechanical rooms, accessory structures, interiors of each dwelling unit, exteriors of all structures and exterior property areas.

(B) Inspection Access. Pursuant to Minnesota Statutes, section 504B.211, the owner or agent shall provide proper notification of an inspection to the tenants after receiving notice of the time and date of the inspection from the compliance official. Each tenant of a dwelling unit shall give the owner or agent access to any part of such dwelling unit at reasonable times for the purpose of effecting inspection, maintenance, repairs or alterations as are necessary to comply with the provisions of this chapter. If any owner, agent or tenant of a dwelling unit fails to provide the tenant with requisite notice of the inspection or otherwise refuses to permit entry to the dwelling unit under its control for an inspection pursuant to this section, the compliance official may seek a warrant authorizing such inspection.

(C) Official Order; Service. Whenever the compliance official determines that any rental dwelling or portion thereof, or the premises surrounding any of these, fails to meet the provisions of this chapter or the city code, an official order setting forth the violations and ordering the owner or agent to correct such violations shall be issued. This official order shall:

- (1) Be in writing;
- (2) Describe the location and nature of the violation(s);
- (3) Establish a reasonable time for the correction of such violation(s);
- (4) Indicate the right to appeal;
- (5) Identify the implications of noncompliance with the official order; and
- (6) Be provided to the owner or agent, as the case may require.

Such notice shall be deemed to be properly provided upon the owner or agent if a copy thereof is:

- (1) Served upon owner or agent personally; or
- (2) Sent by First Class mail to his/her last known address on file with the city; or
- (3) Upon failure to effect notice by personal service or First Class mail, posted at a conspicuous place in or about the rental dwelling, or portion thereof, that is affected by the notice. Communications with the owner or agent may also be by electronic mail.

Such notice shall also be provided to the tenant(s) residing in the licensed premises that is the subject of the official order. Such notice shall be deemed to be properly provided to the tenant(s) if a copy is properly posted on the dwelling unit or at a conspicuous place in or about the rental dwelling.

(D) Action Plan. The compliance official may require an action plan to be completed by the licensee or agent in a designated time frame that indicates the steps taken to correct identified violations and the measures to be taken to ensure ongoing compliance with city ordinances and all applicable codes.

(E) Unfit for Human Habitation.

(1) Any rental dwelling or portion thereof that is damaged, decayed, dilapidated, unsanitary, unsafe, vermin or rodent infested, or that lacks provision for basic illumination, ventilation or sanitary facilities to the extent that the defects create a hazard to the health, safety or welfare of the tenants or of the public may be declared unfit for human habitation. Whenever any rental dwelling or licensed premises has been declared unfit for human habitation, the compliance official shall order the same vacated within a reasonable time and shall post a placard on same indicating that it is unfit for human habitation under the Minnesota State Building Code, and any license previously issued for such rental dwelling units shall be revoked pursuant to section 154.07 herein.

(2) It shall be unlawful for such rental dwelling or portion thereof to be used for human habitation until the defective conditions have been corrected and written approval has been issued by the city. It shall be unlawful for any person to deface or remove the declaration placard from any such rental dwelling.

(F) Hazardous Building Declaration. Nothing in this chapter shall prevent the city from initiating a hazardous building action in accordance with Minnesota Statutes, chapter 463.

(G) Right of Appeal. When it is alleged by any person to whom an official order is directed that such official order is based upon erroneous interpretation of this chapter, such person may appeal the official order to the city council sitting as a board of appeals. Such appeals must be in writing, must specify the ground for the appeal, and must be filed with the city within ten (10) business days after receipt of the official order. The filing of an appeal shall stay all proceedings in furtherance of the action appealed from, unless such a stay would cause imminent peril to life, health, or property.

(H) Board of Appeals Decision. Upon at least ten (10) business days' notice to the appellant of the time and place for hearing the appeal, and within 45 calendar days after said appeal is filed, the board of appeals shall hold a hearing thereon, receive evidence, and consider any advice and recommendation from the compliance official. The board of appeals may reverse, modify, or affirm, in whole or in part, the official order.

(I) Restrictions on Transfer of Ownership. It shall be unlawful for the owner of any rental dwelling, or portion thereof, upon whom a pending official order has been served to sell, transfer, lease, or otherwise convey said rental dwelling to another person until the provisions of the order have been complied with, unless the owner first furnishes to the prospective grantee or lessee a true copy of the official order, obtains a written acknowledgment of receipt from said grantee or lessee, and files a copy of the same with the city. Anyone securing an interest in the rental dwelling, or portion thereof, who has received and acknowledged such notice of an official order

shall be bound by the same without further service and shall be subject to all penalties and procedures provided by this chapter.

(J) Failure to Correct Official Orders. Any person who fails to comply with an official order and any person who fails to comply with a modified official order within the time set therein, upon conviction thereof shall be guilty of violating this chapter. Nothing in this chapter however is deemed to limit other remedies or civil penalties available to the city under this code or state law. Each day of such failure to comply may constitute a separate punishable offense.

#### **154.07 LICENSE DENIAL, SUSPENSION, NONRENEWAL, AND REVOCATION.**

(A) Applicability. Every application for a license, renewal for a license or an existing license issued under the provisions of this chapter are subject to denial, suspension, nonrenewal, or revocation by the compliance official. In the event that a license is revoked, or not renewed by the compliance official, it shall be unlawful for the owner or agent to rent the rental dwelling.

(B) Grounds for Adverse License Action. The compliance official may revoke, suspend, decline to renew or impose reasonable conditions or restrictions upon any license issued under this chapter upon any of the following criteria:

- (1) False statements, misrepresentations, or fraudulent statements on any application or other information or report required by this chapter to be given by the applicant or licensee.
- (2) Failure to pay any fee, fine or penalty, special assessments, real estate taxes, or other financial claims due to the city as required by this chapter.
- (3) Failure to continuously comply with any property maintenance, zoning, health, building, nuisance, or other city codes; or failure to correct deficiencies noted in an official order in the time specified in the order.
- (4) The failure to eliminate imminent health and life safety hazards as determined by the city compliance official after issuance of the compliance order.
- (5) The abandonment of the licensed premises by the owner as determined by the inability to make contact with the owner or his/her agent due to inaccurate contact information.
- (6) Failure to operate or maintain the licensed premises in conformity with all applicable federal, state and local laws, rules, regulations, and ordinances.
- (7) Any person(s) who has had an interest in two (2) or more licensed properties that have been revoked, suspended or denied pursuant to this article, shall be ineligible to hold or have any interest in a rental dwelling license or provisional license for period of two (2) years.

(C) License Action Sections. A license revocation, suspension, nonrenewal or imposition of reasonable conditions or restrictions on a license may be brought under any applicable provision of this chapter.

(D) Notification, Hearing, and Decision.

(1) Written Notice; Hearing. A recommendation to revoke, deny, suspend, not renew or impose reasonable conditions or restrictions on a license shall be preceded by written notice to the applicant or licensee of the grounds therefore and the applicant or licensee will be given an opportunity to challenge the recommendation at a hearing conducted before the city council before final action to revoke, deny, not renew or impose reasonable conditions or restrictions on a license.

(2) Decision. The city council shall give due regard to the frequency and seriousness of violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply. The city council shall issue a decision to deny, suspend, not renew, revoke or impose reasonable conditions or restrictions on a license only upon written findings.

(E) Written Decision; Compliance. Written decisions to revoke, deny, not renew or impose reasonable conditions or restrictions on a license or application shall specify the part or parts of the rental dwelling to which it applies. Thereafter, and until a license is reissued or reinstated, no rental units becoming vacant in such part or parts of the rental dwelling may be re-let or occupied. Revocation or non-renewal of a license shall not excuse the owner from compliance with all terms of state laws and codes and this city Code for as long as any units in the rental dwelling are occupied. Failure to comply with all terms of this section during the term of revocation, or nonrenewal is a misdemeanor and grounds for extension of the term of such revocation, or nonrenewal and as otherwise set forth in this section. Further license action such as revoking a license may also be taken for failure to comply.

(F) Notification of Decision. The city shall cause a notice of the city council's decision of a revocation, suspension, nonrenewal or the imposition of reasonable conditions or restrictions on a rental license to be provided to the licensee or applicant either by personal delivery or by First Class mail. In addition, notice of the city council's decision calling for the revocation, suspension or nonrenewal of a rental license shall also be mailed to each tenant in the licensed premises and prominently posted on the rental dwelling. The notice provided to the tenant(s) shall indicate the date upon which the tenants must vacate the licensed premises and clearly indicate which dwelling units are impacted by the city council's decision. Tenants of an unlicensed rental unit will be provided a reasonable time to arrange for alternative housing and remove their possessions.

(G) License Actions; Reapplication.

(1) Revocation, Denial, Nonrenewal. Licenses that are revoked will not be reinstated until the owner has applied for and secured a new license. Upon a decision to revoke, deny or not renew a license, no approval of any application for a new license for the same rental

dwelling is effective until after the period of time specified in the city council's written decision, which shall not exceed one year. The city council shall specify in its written decision the date when an application for a new license will be accepted. A decision not to renew a license may take the form of a revocation. A decision to deny an initial application shall state conditions of reapplication.

(2) Reinstatement Fees. All reapplications must be accompanied by a reinstatement fee, as specified by city council resolution, in addition to all other fees required by this chapter.

(H) New Licenses Prohibited. A person who has a rental license revoked may not receive a rental license for another rental dwelling within the city for a period of one year from the date of revocation. The person may continue to operate other currently licensed rental dwellings if maintained in compliance with city codes and other applicable laws, rules, and regulations.

(I) Misdemeanor. Any person who violates any part of this chapter, upon conviction thereof, shall be guilty of a misdemeanor, punishable in accordance with state law. Nothing in this chapter is deemed to limit other remedies or civil penalties available to the city under city code or state law. Each day that a violation continues is deemed a separate punishable offense.

(J) Severability. Every section, provision, or part of this chapter is declared severable from every other section, provision, or part to the extent that if any section, provision or part of the chapter shall be held invalid, it shall not invalidate any other section, provision or part thereof.

(K) No Warranty. By enacting and undertaking to enforce this chapter, the city, city council, its agents, and employees do not warrant or guaranty the safety, fitness or suitability of any rental dwelling in the city. Owners, agents, and tenants of rental dwellings should take whatever steps they deem appropriate to protect their interests, health, safety and welfare.

(L) Applicable Laws. Licenses are subject to all of the ordinances of the city and the laws, rules, and regulations of the State of Minnesota and the United States relating to rental dwellings. This article shall not be construed or interpreted to supersede or limit any other such applicable law.

**SECTION 3.** This Ordinance shall take effect and be in force upon its publication, in accordance with Section 3.13 of the New Prague City Charter.

Introduced to the city council of the city of New Prague, Minnesota, the \_\_\_\_ day of \_\_\_\_, 2023.

The required 10 days posted notice was completed on the city website and city hall bulletin board on or before \_\_\_\_, 2023.

Passed by the city council of the city of New Prague, Minnesota, the \_\_\_\_ day of \_\_\_\_, 2023 and to be published on the \_\_\_\_ of \_\_\_\_, 2023.

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Mayor

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City Administrator

Published in the New Prague Times on \_\_\_\_\_, 20\_\_\_\_.

Document comparison by Workshare 10.0 on Thursday, September 21, 2023  
4:52:03 PM

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Rendering set	Standard

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Format change	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Deletions	5
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Moved to	0
Style change	0
Format changed	0
Total changes	13



**Suggested Fees:**

- \$100 per building plus \$25 for each additional unit to cover either a 2-year or 4-year renewal period\*.
- \$50 Re-inspection fee (only for situations in which staff is following up on a previous violation being corrected and said violation has not actually been corrected, causing another inspection to be needed or when an inspection is scheduled and the owner/agent fails to keep a scheduled inspection without prior notice.)

(\*all units must start out with a 2-year initial inspection period at the start of this ordinance and then may be eligible for a 4 year renewal period thereafter per the ordinance provisions.)



## City of New Prague Residential Rental Inspection Checklist

Date:_____	Inspector:_____	Time In:_____	Time Out:_____
Property Address:_____			
Property Owner Agent:_____			
Owner Agent Phone #:_____		Owner/Agent Email:_____	
	<b>Pass</b>	<b>Fail</b>	<b>Notes</b>
Address Posted: <b>150.01</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Weather Tight Exterior: <b>154.05 sub "p"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Existing Deck Hand/Guardrails are Properly Functioning: <b>154.05 sub "k"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Operational Egress Windows/Doors: <b>154.05 sub "k"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Weeds/Vehicles: <b>92.37/92.18 sub "t"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Existing Int. Hand/Guardrails are Properly Functioning: <b>154.05 sub "k"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Toilet(s) Flush: <b>154.05 sub "g"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Exposed Wires (Copper exposed, missing recpt. cover) <b>154.05 sub "i"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Smoke Detector/CO Detector Functioning: <b>154.05 sub "b, c"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Fire Extinguisher: <b>154.05 sub "d"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Heat Source Present: <b>154.05 sub "h"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____



## City of New Prague Residential Rental Inspection Checklist

	Pass	Fail	Notes
Water Heater vent/T&P Valve In Place: <b>154.05 sub "g"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Washer/Dryer shut offs & approved venting: <b>154.05 sub "g, h"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Dishwasher Drain line (Break): <b>154.05 sub "g"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Gas range shutoff valve present: <b>154.05 sub "h"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Weekly Refuse Collection (Notify Landlord) <b>53.02 sub "b"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Self Supporting Fences/ Retaining wall: <b>92.15 sub "b"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Insect/Rodent/Pest Infestation: <b>154.05 sub "a"</b>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Call City Hall with any questions – (952) 758-1138.

ADDITIONAL NOTES:

## **August 23, 2023 Planning Commission Public Hearing Minutes Excerpt**

### **A. Review of Ordinance Creating New Chapter 154 to the City Code Regarding Rental Dwelling Licenses**

Planning Director Ondich introduced the proposed City Code to establish a rental dwelling license. Since 2008, the City has had a rental registration program that tracks rental properties, and their associated contact information. A rental dwelling task force was established in July 2022 to discuss the proposed rental dwelling unit inspection ordinance. Although the Planning Commission hasn't been involved with these discussions, the City Attorney recommended that the Planning Commission hold a public hearing before City Council makes a final decision. The proposed ordinance would require rental dwellings to do a rental inspection every two years at a cost of \$100 per building plus \$25 for each additional unit. Inspections are intended to last between 20-30 minutes and are looking for items affecting life/safety such as operable windows, doors, guardrails, and smoke detectors. Rental inspections do not include motels/hotels, nursing homes, licensed group homes, snowbirds, and other properties inspected by county, state or federal properties such as buildings owned by HUD, CDA, and USDA.

Ryan inquired if there are Airbnb rentals in town and if they would require a rental inspection.

Planning Director replied that there are some in town and it will be required.

Meyer commented that it would be hard to regulate if someone decided to Airbnb their home for two weeks and how it was different from those defined as snowbirds renting their homes.

City Attorney Anderson remarked that making rules are different than enforcing them. It would be difficult to determine this since it would require investigating openings/availabilities on Airbnb. Staff could revise the wording in the ordinance as well as the difference between a snowbird and short-term rentals.

Pike asked how rental inspections would be scheduled.

Planning Director Ondich explained that the inspections would occur over the span of two years. Rental properties in the city located in Le Sueur County will be inspected every odd year and properties in Scott county will be inspected every even number year. There have been a few discussions on having the inspections every three years.

Pike asked who will be doing the inspections.

Planning Director Ondich clarified that Building Official and Building Inspector will conduct the inspections during the winter months when it's a slower time of year. The rental inspections aren't being proposed to fill staff time.

Pike inquired if the inspectors will be given any guidelines on how to interact with the tenants during the inspection. The tenants could potentially complain about more things that aren't on the inspection list.

Planning Director Ondich explained that under the current law, if a tenant complains about their rental to the city, the city must notify the landlord and do an inspection. Many tenants are afraid to complain out of fear of being evicted.

City Attorney Anderson explained that the proposed rental inspection would prevent the tenant from being penalized for a complaint.

Planning Director Ondich mentioned that the rental inspection ordinance will be reviewed by City staff and the City Attorney every year to make sure that it's meeting statutory changes. The fee schedule will also be reviewed annually at the end of the year.

Planning Director Ondich also added that when a landlord buys another landlord's property, they will need to do a rental inspection. Many landlords don't know they have to do a rental registration. In the past, staff had to track landlords down by checking their contact information on their utility bills.

Pike asked if staff could expand on violations.

Planning Director Ondich stated that the purpose of the rental inspection is not to nitpick but to ensure the safety of the unit. If there is an issue with the unit, the city would like to hear about it soon rather than wait for the inspection.

City Attorney Anderson said that it's very rare to revoke a rental inspection license. Most landlords want their properties to be habitable for their business. To revoke a rental inspection license, it would have to be brought to council.

A motion was made by Ryan seconded by Pike to open the public hearing at 7:07 pm.

Joe Lambrecht from 2791 Westview Dr. stated that the rental registration ordinance doesn't do anything for the landlord but acts as another tax base. Landlords and tenants can refer to the attorney general handbook or contact lawyers to learn more about their rights. Instead of doing an inspection every two years, it would be better to do it every three years because it's less taxing. The rental registration price could increase within the next 10 years.

City Attorney Anderson stated that one of the main reasons to establish this ordinance was due to the lack of education or ability for tenants to exercise their rights. Tenants have a right to inspections and compliance matters. As of right now, tenants may be scared to address this with the landlord.

Pike commented there could be a way in which the amendment could be more fair to the landlord.

Lambrecht added that the landlord's put time, repair work into their properties while taxes continue to rise each year. The inspection fee ends up being an increase in their rent.

Michele Kotek from 617 1<sup>st</sup> Ave SE said that \$100 can add up over time. Many families live paycheck to paycheck, which can make it or break it for some people. She didn't understand how weeds or junk were on the rental inspection list.

City Attorney Anderson stated that an accumulation of junk or weeds can harbor vermin, which can eventually lead to property damage to the home.

Kotek stated that the rental registration seems redundant since landlords already have to follow state statute.

City Attorney Anderson explained that a home can go 10-20 years or more without inspections without this ordinance.

Michele suggested that instead of adopting the ordinance, the state handbook should be passed out to landlords and tenants.

Scott Adamek explained that he has several long-term renters, therefore, the inspections will become redundant over time. Tenants may be unhappy having people come in their unit. In Shakopee, they offered a Phase 1 Training to teach landlords how to avoid getting problem tenants. The program was aimed at reducing crime in the City of Shakopee.

Planning Director Ondich explained that in January of 2023, Shakopee started their own rental inspection program. The Crime Free Lease Addendum helps protect the landlords and allows landlords to remove tenants before the end of their lease.

City Attorney Anderson explained that there are two reasons why the city didn't go this route. The main reason is that crime isn't really an issue but rather a way to ensure safety. Secondly, there can be lawsuits when implementing a Crime Free Lease Addendum. If it's not an issue now, the city won't require it.

Dan Dagestad from 617 1<sup>st</sup> Ave SE advocated for a longer inspection period than two years. Landlords typically fix any issues that are occurring on the property.

Ryan proposed that if a rental property passes inspection, then they don't have to do another inspection for a while. If the rental property fails, then they may have to do an inspection sooner.

City Attorney Anderson explained that this could cause more burden on city staff in terms of labor and time which may indirectly increase the fees.

Kay Wilcox at 310 1<sup>st</sup> Ave NW explained that when inspectors come in to do the inspections, they may be able to notice social issues such as drugs or malnourished children.

City Attorney Anderson stated that the inspectors will be able to observe issues on the property and contact the police if they'd like.

A motion was made by Ryan seconded by Pike to close the public hearing at 7:47 pm. Motion carried (4-0).

A motion was made by Ryan seconded by Pike to approve the proposed ordinance to City Council with the suggestion to add the laddering inspection timespan to the ordinance. Motion carried (4-0).