

**CITY COUNCIL MEMORANDUM**  
**09-35**

DATE: October 20, 2009

TO: Honorable Mayor and Members of City Council

FROM: James R. O'Connor, City Manager

SUBJECT: WORK SESSION AGENDA – OCTOBER 26, 2009  
RENTAL DWELLING OPERATING LICENSE ORDINANCE

At City Council's request, a work session has been scheduled on the topic of a proposed rental dwelling operating license ordinance, a draft of which is attached. This work session is scheduled for Monday, October 26, 2009, at 6:30 p.m. in the Multipurpose Room of the Central Services Complex.

The attached memorandum (Community Development Memorandum 09-61) provides detailed information on the proposed ordinance. Mr. Tim Ward, Community Development Division Manager, will be meeting with local landlords this week to discuss the proposed ordinance and to obtain their feedback. Mr. Ward will be present at the work session to update City Council on the outcome of this meeting and to answer any questions the Council may have.

As always, feel free to contact me at 425-3550 should you have any questions.

  
James R. O'Connor

Attachment

Copy: Timothy P. Ward, Community Development Manager  
Kenneth R. Krushenski, City Attorney  
Jacquelyn J. Bernard, City Clerk

**COMMUNITY DEVELOPMENT MEMORANDUM  
CODE ENFORCEMENT DIVISION  
09-61**

DATE: October 16, 2009  
TO: James O'Connor, City Manager  
THROUGH: Kathryn G. Baldwin, Community Development Director   
FROM: Timothy P. Ward, Community Development Division Manager   
RE: **Rental Dwelling Operating License Ordinance**

In accordance with your instructions to provide a draft ordinance dealing with a procedure that would allow city staff to better regulate health, safety and welfare in residential dwellings operated for lease to the public, attached is our draft Rental Dwelling Operating License Ordinance.

Unlike Ord. 1-07 specifically used within our Highland View Redevelopment District, this ordinance would address rental dwelling conditions for all residentially-zoned dwelling units. The purpose of developing this stand-alone ordinance is to ensure the public health, safety and welfare insofar as they are affected by the occupancy and maintenance of residential dwellings operated for lease to the public.

Our staff proposal clearly defines what a rental dwelling unit is, while excluding hotels, motels, and similar residential facilities exempted from the licensing requirements of this proposed ordinance. We also established a licensing process which includes a suggested license fee of \$25.00 per dwelling-operator license holder. Therefore, all owners of residential rental units would be obligated to a single fee regardless of the number of unit operated by that owner. Additionally, a penalty for late payments and non- registration has been included. This proposed ordinance also includes a license suspension provision, with an appeals process.

Along with all applications containing owner contact information, any owner residing outside the city must designate an agent residing, or having an office located, within the city. This provision will allow the city to deal directly with an agent in charge of care and control of the rental units. By having such a person/company in town, city staff will have better access for inspections of rental dwelling units. Staff will also have a local person with full authority and responsibility for code compliance.

Lastly, inspection provisions have been included within this ordinance to ensure code compliance with our property maintenance code and all other applicable codes as adopted by the city. Provisions for implementing inspections are also listed in the body of the ordinance.

I would recommend adoption of the Rental Dwelling Operating License Ordinance

**City Manager's Comments:**

I have reviewed the above issue and recommend Council action as outlined in this document.

\_\_\_\_\_  
James O'Connor

\_\_\_\_\_  
Date

TITLE

AN ORDINANCE TO AMEND TITLE 9, TITLED "BUSINESS, PEDDLERS, SOLICITORS, ETC.," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY CREATING A NEW CHAPTER 9, TITLED "RENTAL DWELLING OPERATING LICENSE," TO ENSURE THE PUBLIC HEALTH, SAFETY AND WELFARE INSOFAR AS THEY ARE AFFECTED BY THE OCCUPANCY AND MAINTENANCE OF RESIDENTIAL DWELLINGS OPERATED FOR LEASE TO THE PUBLIC.

WHEREAS, the City has numerous residential dwellings that are operated for lease to the public; and

WHEREAS, owners of residential dwelling units operated for lease to the public are engaged in the business of residential rental property management; and

WHEREAS, the health, safety and welfare of the occupants of rental dwellings are of importance to the City of Oak Ridge, as is the prevention of nuisances resulting from multiple incidents of criminal conduct which negatively impacts innocent tenants and neighboring properties.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

Section 1. Title 9, titled "Business, Peddlers, Solicitors, Etc.," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by creating a new Chapter 9, titled "Rental Dwelling Operating License," which new chapter shall read as follows:

Chapter 9

Rental Dwelling Operating License

Sec. 9-901. Purpose.

The purpose of this chapter is to ensure the public health, safety and welfare insofar as they are affected by the continued occupancy and maintenance of residential dwellings operated for lease to the public. The health, safety and welfare of the occupants of rental dwellings are of importance to the City of Oak Ridge.

Section 9-902. Applicability.

The provisions of this chapter shall apply to all matters affecting or relating to rental dwellings as defined in this chapter. No person shall operate, occupy or let to another for occupancy any dwelling which is not in compliance with the International Property Maintenance Code as adopted and modified by the City.

Hotels, motels, bed-breakfast inns, hospitals, nursing homes, retirement homes, assisted-living facilities and state-licensed group residential facilities are exempted from the licensing requirements of this chapter.

Section 9-903. Definitions.

Dwelling unit. A structure providing complete independent living facilities for one (1) or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation. Dwelling units include, but are not limited to, single family houses, multiple family houses, apartments, condominiums, and townhouses.

Rental dwelling unit. A rental dwelling unit is a dwelling unit that is leased for residential occupancy to a person or persons in exchange for monetary payment or provision of goods and services to the owner of the dwelling unit.

**Section 9-904. License Required.**

- (1) ***Rental Dwelling Operating License Required.*** It shall be unlawful for any person to operate any rental dwelling unit without first obtaining a Rental Dwelling Operating License in order to determine compliance with this chapter. Issuance of a Rental Dwelling Operating License shall not in any way signify or imply that the rental dwelling units comply with the requirements of the City Code and other applicable codes adopted by the City of Oak Ridge. Issuance of a Rental Dwelling Operating License shall not relieve the owner of the responsibility for compliance with applicable codes.
- (2) ***Validity and Renewal.*** Rental Dwelling Operating Licenses are valid for a period of up to two years from the date of issuance and upon application may be renewed and remain effective for successive periods of one calendar year unless sooner suspended in accordance with this chapter.
- (3) ***Non-Transferable.*** Rental Dwelling Operating Licenses shall not be transferable from one person to another person and shall not be transferable from one dwelling to another dwelling.
- (4) ***Notice of Change.*** Every person holding a Rental Dwelling Operating License shall give notice in writing to the City's Code Enforcement Division of the Community Development Department within five (5) business days of any change in agent or after having transferred or otherwise disposed of the legal control of the licensed dwelling, indicating the name and address of the such person(s). Every person holding a Rental Dwelling Operating License shall give notice in writing to the City's Code Enforcement Division of the Community Development Department within fifteen (15) days of any change of address, telephone number or contact information.

**Section 9-905. License Application.**

The owner of a rental dwelling unit shall make application for a Rental Dwelling Operating License on the application form provided by the City. The owner must be the legal property owner of record for the rental dwelling units and must warrant that the rental dwelling units are in compliance with applicable codes. If applicable under City Code § 9-909, the owner must also designate an agent on the application form.

**Section 9-906. License Fee.**

The annual license fee is due and payable every January 1 and shall be \$ 25.00 per Dwelling Operator License holder. Fees may be paid until April 1 without penalty.

**Section 9-907. Penalty for Late Payment.**

Any Dwelling Operator License holder who fails to register and pay the license fee required by Section 9-906, shall be assessed a penalty in the amount of fifty dollars (\$50.00 ) per week by the City.

**Section 9-908. Suspension of License.**

- (1) **Suspension.** The City may, for good cause, suspend the license issued or withhold the license paid for, or suspend or withhold the license for a particular unit, when the City determines that any rental dwelling unit or the premises surrounding the rental dwelling unit fails to meet the requirements of this chapter or any rule or regulation issued pursuant thereto. Suspension shall last until the violations have been corrected to the satisfaction of the City, or until the suspension has been reversed or appealed. If the suspension involves a threat to the health, safety and welfare of the occupants, the owner is responsible for notifying the tenants to vacate the premises until the suspension has been lifted.
- (2) **Notice.** Upon suspending a license or withholding a license under this section, the City shall notify the owner or agent, in writing by certified mail, of the violations of the applicable code and shall prescribe a period of time for compliance. Notice shall be sent to the address on file for the owner or agent. If the violation poses a threat to the health, safety and welfare of the occupants, the notice shall indicate such and the owner must begin notifying the tenants to vacate the premises within the timeframe prescribed by the City.
- (3) **Appeal.** The owner/agent has the right to appeal to the Board of Building and Housing Code Appeals for a hearing on the suspension. Properly filing an appeal has the effect of staying the suspension until such time as a decision has been reached. The burden of proof rests with the City to sustain the suspension, and the owner/agent has the right to present evidence at the hearing as to why the license should not be suspended. The Board of Building and Housing Code Appeals may reverse, modify or uphold the decision of the City to suspend.

**Section 9-909. Agent Required.**

Any owner of a rental dwelling unit residing outside of the City Limits of Oak Ridge shall be required to have an agent residing or having an office located within the City Limits of Oak Ridge. The agent shall have charge, care and control of the rental dwelling unit and shall have full authority and responsibility, the same as the owner, for maintaining the rental dwelling unit. The agent shall provide access to the rental dwelling for inspection within a reasonable time upon request by the City.

**Section 9-910. Inspections.**

All rental dwelling units are subject to inspection and re-inspection by the City for compliance with the property maintenance code and all other applicable codes to ensure compliance therewith. The holder of the Rental Dwelling Operating License, as owner of the rental dwelling unit, and the designated agent of the rental dwelling unit shall permit the City to inspect the rental dwelling unit at any and all reasonable times. Inspections may be made for any of the following reasons:

- (1) Application for the Rental Dwelling Operating License
- (2) Renewal of the Rental Dwelling Operating License
- (3) Request of the owner, agent or tenant

Draft

- (4) Whenever the City has reason to believe a violation of the applicable codes exist
- (5) For re-inspection to determine compliance in response to a violation notice

Section 2. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Public Hearing: \_\_\_\_\_  
First Reading: \_\_\_\_\_  
Publication Date: \_\_\_\_\_  
Second Reading: \_\_\_\_\_  
Publication Date: \_\_\_\_\_  
Effective Date: \_\_\_\_\_



**CITY OF OAK RIDGE, TENNESSEE**  
**APPLICATION FOR RENTAL DWELLING OPERATING LICENSE**  
**(Continued)**

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Rental Dwelling Unit(s) Information:

Address: \_\_\_\_\_

Total Number of Units: \_\_\_\_\_

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Date