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Rental owners to post bond

By Lucy Weber

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Madison will soon charge licensing fees for rental houses and require property owners to post bonds to cover possible repair costs for building violations.

Starting Aug. 14, a new ordinance governing the licensing, inspection, maintenance and repair of rental properties will go into effect.

The ordinance, approved by unanimous vote of the Board of Aldermen in July, means owners will have to register their houses and put up a \$10,000 surety bond before they can rent.

"This is a model ordinance. There's none like it in the state," Mayor Mary Hawkins Butler said.

The intent of the ordinance is to protect tenants who live in the houses, as well as the city in terms of property values, Hawkins said.

"This ensures that rental homes are maintained."

The ordinance cites "numerous complaints" from residents about the nuisances and risks that poorly maintained rental properties are causing in neighborhoods.

"The ordinance ensures that rental houses in the city of Madison are maintained in safe and acceptable conditions for those who live in the house and for those who live around it," city attorney John Hedglin said.

Under the ordinance, a property owner will have to pay \$100 for an annual license for each house that is rented.

As a condition of the license, the owner agrees to allow city building officials to inspect the property before it is rented and on an as-needed basis, should any complaints arise.

If the owner is found guilty of violating the ordinance in Municipal Court, there is a \$300 fine per day for each offense.

"We feel confident we have a very strong ordinance that can hold up in any court," Butler said.

The city already inspects rental houses before tenants occupies them and charges a \$100 inspection fee.

However, the ordinance places stricter guidelines on inspections.

"Now if a person moves out after only six months in a (rental) house and someone else moves in, we don't have to do another inspection.

"Or if someone stays in a house for three years, we don't have to inspect annually," said Bill Foshee, the city's code enforcement officer.

Under the new guidelines, inspections are required annually and whenever a tenant changes, he said.

"The core requirement is livability and complying with all building codes," Hedglin said.

"This is a mechanism to make sure all other ordinances are being met.

"All we're asking is they (rental owners) comply with the requirements they're supposed to comply with," he said.

If violations are found, the owner is asked to correct them, but if he doesn't within a specified time, the ordinance allows the city to fix the problems and get paid through the \$10,000 bond.

"This is to ensure that if there are problems found that the home can be repaired," Hedglin said.

In the city, prior to the recent annexation, there were about 400 rental houses. "We're finding more all the time," said Foshee,

"I feel like there are definitely rental houses" in some of the neighborhoods annexed, such as Windsor Hills, Fairfield and Annandale.

Butler said the city completed a three-year survey of rental properties and found that some owners have multiple rentals, in some cases as many as 20 rental houses.

"Then, it's no longer a residence but a business use," she said.