



# City of Saginaw

## City of Saginaw

**Meeting Date:** 09/18/2018

**Staff Contact:** Kevin McMillin  
Chief Building Official

**Agenda Item:** 14  
(CC-0918-23)

**E-mail:** [kcmillin@saginawtx.org](mailto:kcmillin@saginawtx.org)

**Phone:** 817-230-0451

---

**SUBJECT:** Consideration and Action regarding Ordinance No. 2018-17, Rental Registration and Inspection Program

---

**BACKGROUND/DISCUSSION:**

Ordinance No. 2018-17 will establish the rental registration and inspection program. The intent of the program is to protect the health, safety, welfare, and property of the occupants of rental dwelling units. This proposed program was discussed during the City Council Workshop held on April 17, 2018. At that time the consensus of the Council was for staff to move forward with an ordinance establishing a rental inspection. The proposed ordinance includes an effective date of January 1, 2019 to allow time to implement the program and educate the public. The proposed ordinance has been reviewed by the City Attorney.

**FINANCIAL IMPACT:**

The fees paid by the owners of the rental properties will be used to cover the costs associated with this program.

**RECOMMENDATION:**

Staff recommends approval of Ordinance No. 2018-17, rental registration and inspection program.

**Attachments**

Memo from Kevin McMillin

Proposed Ordinance

April 17, 2018 City Council Minutes

## Memorandum

To: Honorable Mayor and Council Members

From: Kevin McMillin, Chief Building Official

Subject: Consider adoption of the rental registration and inspection program.

Date: August 15, 2018

This item if approved would amend the Code of Ordinances creating a rental registration and inspection program. The ordinance will provide a path to allow the inspection of rental property within the City of Saginaw. The proposed ordinance was written with intent to protect the health, safety, welfare, and property of the occupants of rental dwelling units. Staff recommends if approved an effective date of January 1<sup>st</sup> 2019 to allow time to implement and educate the public on the program.

Staff recommends approval.

**CITY OF SAGINAW  
ORDINANCE NO. 2018-17**

**AN ORDINANCE OF THE CITY OF SAGINAW, TEXAS AMENDING CHAPTER 10 OF THE CODE OF ORDINANCES (BUILDINGS AND BUILDING REGULATIONS) TO ADD ARTICLE XXIV ESTABLISHING THE RENTAL REGISTRATION AND INSPECTION PROGRAM; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL OTHER ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Saginaw, Texas is a home rule City acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and,

**WHEREAS**, the City of Saginaw, Texas has a substantial interest in protecting the health, safety, welfare, and property of the occupants of rental dwelling units; and

**WHEREAS**, the City Council of the City of Saginaw deems it necessary to further this interest by establishing a registration and inspection program for single-family and multi-family rental dwelling units.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:**

**SECTION 1.**

Chapter 10 of the Code of Ordinances of the City of Saginaw is hereby amended to add Article XXIV as follows:

**Sec. 10-597. - Purpose.** The purpose of this ordinance is to safeguard the life, health, safety, welfare and property of the occupants of rental dwelling units and the general public by establishing a process to enforce the minimum building standards and property maintenance codes.

**Sec. 10-598. - Definitions.**

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

- a) Single-family rental dwelling: Any single-family dwelling or individual unit of a two-family dwelling which is rented, leased, or otherwise occupied by a person other than the owner.
- b) Multi-family rental dwelling: A residential building containing three or more attached rental units available for rent. Under this definition an apartment complex can consist of multiple buildings containing three or more rental units.
- c) Building Official: The officer or other designated authority of the City of Saginaw charged with the administration and enforcement of this ordinance.

- d) Owner: Any person, agent, firm or corporation having a legal or equitable interest in the property.
- e) Tenant: A person to whom a landlord grants temporary and exclusive use of land or a part of a building, usually in exchange for rent.
- f) Landlord: A land or building owner who has leased, rented, or permitted the exclusive use of the land, the building or a part of the land or building, to another person.
- g) Lease: A special kind of contract between a property owner and a person wanting temporary enjoyment and exclusive use of the property, in exchange for rent paid to the property owner.
- h) Rent: Money or other consideration paid by a tenant to a landlord in exchange for the exclusive use and enjoyment of land, a building or a part of a building
- i) Rental unit: Property owned and/or operated by a landlord by whom a tenant has been granted temporary and exclusive use through a verbal or written agreement.

**Sec. 10-599. - Prohibited:**

It shall be prohibited to divide a single-family structure located in a single-family zoning district, including SF-1, SF-2, SF-3, SF-4, and ZLL into separate rental units with restricted access to the common areas.

**Sec. 10-600. - Permit required.**

No person shall lease a single-family rental dwelling or multi-family rental dwelling without first obtaining a permit issued under the provisions of this section. It shall be unlawful to submit a false or fraudulent application for a permit. A person who offers for lease a single-family rental dwelling or multi-family rental dwelling knowing that a permit has not been issued or who knows that the permit issued has been revoked commits an offense each day occupied by a tenant.

**Sec. 10-601. - Application, form and fees.**

An applicant for a single-family rental unit permit shall file with the City a written application, on the form provided for that purpose, signed by the owner (or the owner's authorized agent) of the rental unit to be permitted. An applicant who owns more than one single-family residential dwelling shall file a separate application for each dwelling. Owners (or the owner's authorized agent) of multi-family rental dwelling units may file a single application that includes each rental unit with a common address.

- a) Form, contents. The application shall include:
  - (1) The name, physical street address, telephone number, e-mail address, and driver's license or other government-issued identification number of the owner, and the name, street address, e-mail address and telephone number of any property manager of the property for which an application is being submitted;
  - (2) If the owner is other than an individual, the legal name, all trade names, and the registered agent, managing partner, or other person authorized to accept service of process on behalf of the owner; and
  - (3) The name and telephone number of the tenant responsible for a single-family rental dwelling unit, if available, at the time of application.

b) Annual Fee. Applications for the permit shall include an annual permit fee of seventy-five (\$75.00) dollars per single-family rental dwelling unit and seventy-five (\$75.00) dollars per each multi-family rental dwelling unit.

c) Agent for service. An owner may designate on the application an agent for service of process who shall be the authorized agent for purposes of notice and other communications provided in this section. If an owner designates an agent for service as provided in this subsection, service of any notice under this Code on the designated agent shall constitute service upon the owner unless the Building Official receives actual written notice from the owner that the designated agent is no longer authorized to accept service on behalf of the owner.

**Sec. 10-602. - Smoke detector/carbon monoxide detector.**

The applicant shall certify that the rental unit for which the application is submitted is equipped with properly working smoke detectors and carbon monoxide detectors in accordance with the provisions of the current adopted editions of the International Property Maintenance Code and the International Building Code.

**Sec. 10-603. - Permit copy.**

A permit issued pursuant to this section shall be maintained by the City, with a copy provided to the permittee.

**Sec. 10-604. - Permit nonassignable; surrender.**

A permit issued under this section is not assignable or transferable. A permit is valid only for the premises for which it is issued. It shall be unlawful for any person to counterfeit, forge, change, deface, or alter a permit. A permit may be canceled upon written request of the owner(s) and surrender of the permit itself to the Building Official. The surrender of a permit shall be effective immediately upon its filing in the office of the Building Official.

**Sec. 10-605. - Inspections.**

The premises for which the application is submitted or for which a permit has been previously issued shall be inspected for compliance with the provisions of the current adopted editions of the International Property Maintenance Code and the International Building Code, as follows:

a) Single-family rental dwelling units shall be fully inspected each time a change in tenancy occurs in the rental unit, unless the unit is certified under the guidelines listed in section 10.613, herein. Nothing contained in this section shall be construed to prohibit an inspection at the request of a tenant.

b) Multi-family rental dwelling units shall be inspected one time per calendar year with no inspection required at change of tenancy. Permit applications and fees will be due no later than the last day of January of each year. The City will conduct the inspections throughout the year. Each complex will receive one (1) months' notice before the inspection will commence. It shall be the multi-family rental dwelling complex's responsibility to notify the tenant of the impending inspection if occupied. Nothing contained in this section shall be construed to prohibit an inspection at the request of a tenant.

c) The City may re-inspect any rental unit as necessary to determine compliance. No permit shall be issued if, after inspection, it is determined that the premises do not comply with the minimum housing standards contained in the International Property Maintenance Code and the International Building Code.

d) The building official or their designee shall enforce the provisions of this article upon presentation of proper identification to the owner of any rental unit or, if occupied, to the tenant residing in any rental unit and, with the owner and/or tenant's permission, may inspect the unit. The authority to conduct both exterior and interior inspections by the building official is subject to all limitations provided in state and federal law. If entry is refused by the owner or tenant or could not be obtained, the building official is authorized to seek a warrant pursuant to Article 18.05 of the Texas Code of Criminal Procedure as the same may be amended from time to time. Any warrants issued will constitute authority for the building official to enter upon and inspect the rental unit described therein.

**Sec. 10-606. - Release of utilities.**

A release of utilities for single-family rental dwelling units, and when applicable to multi-family rental dwelling units, may be provided upon application for utilities pending a change in tenancy inspection.

**Sec. 10-607. - Period of Validity.**

Each permit issued under this section shall be valid for one year from its date of issuance, unless suspended or revoked. Single-family rental dwellings certified under Section 10.613 herein are valid for a period of three years unless suspended or revoked.

**Sec. 10-608. - Temporary tenancies.**

It shall be an affirmative defense to prosecution that the single-family residential dwelling was rented or leased for a period of less than sixty (60) days to a person who was the immediate past owner of the dwelling or who shall be the immediate next owner of the dwelling.

**Sec. 10-609. - Suspension of permit.**

The City may temporarily suspend a permit for a single-family rental dwelling and multi-family rental dwelling, if:

- a) After notice and a period of time allowed for correction a critical violation remains on the premises of the rental unit; or
- b) After a single-family or multi-family rental dwelling unit is subject to change in tenancy inspection and the City has not received a request for inspection within 60 days of application for utilities.

**Sec. 10-610. - Reinstatement of suspended permit.**

A person whose permit has been suspended may, at any time, make written application for a re-inspection for the purpose of reinstating the permit. Within ten (10) days following receipt of a request, which shall include a statement signed by the applicant that in the applicant's opinion, all of the violations that caused suspension of the permit have been corrected, the City shall

make a re-inspection. Upon re-inspection, if all life safety, critical, and noncritical violations have been corrected, the permit shall be reinstated. If all violations have not been corrected the permit will continue to be suspended. The City shall charge a fee of fifty (\$50.00) dollars for the second re-inspection.

**Sec. 10-611. - Revocation of permit.**

For serious or repeated violations of any of the requirements of this article, or for interference with the City or any of its agents in the performance of their duties, the permit may be permanently revoked after the City has provided an opportunity for a hearing. Prior to such action, the City shall notify the holder of the permit in writing, stating the reasons for which the permit is subject to revocation and advising that the permit shall be permanently revoked at the end of ten (10) days from the service of such notice unless a request for a hearing is filed with the City, by the permit holder, within such ten-day period. A permit shall be suspended for cause pending its revocation or a hearing relative thereto.

**Sec. 10-612. - Hearings.**

The hearings provided for in this section shall be conducted, by the City's Zoning Board of Adjustment (ZBA). The ZBA shall make a finding and shall sustain, modify, or rescind any official notice or order considered in the hearing. A written report of the hearing decision shall be furnished to the permit holder by the City.

**Sec. 10-613. - Certification training course and certified rental properties.**

a) Notwithstanding the provisions of subsections 10.605 and 10.607 of this section, a permit for a single-family rental dwelling unit shall be issued for a period of three (3) years, and the rental unit shall not be subject to re-inspection or re-certification even in the event of a change in tenancy during that three-year term, if:

- (1) The owner (or the property manager) of the single-family rental dwelling unit has completed a certification training course provided by the Building Official at no charge; and
- (2) The permit for the single-family rental dwelling unit has not been suspended or revoked during the three-year term of the extended permit authorized by this subsection.

b) During the three-year term, after an initial inspection, a certified single-family rental dwelling unit shall submit an annual registration application and submit an annual fee of fifty dollars (\$50.00). A certified single-family rental dwelling unit shall be subject to an inspection every three years if no enforcement action has been commenced during the previous permit period against the permit holder or the permitted property for a violation of a provision of this chapter that has resulted in one or more of the following:

- (1) A conviction for a violation;
- (2) The issuance of an abatement action work order by the City to correct the violation; or
- (3) An action regarding the violation has been presented to the ZBA.

c) Upon expiration of the permit period, if an enforcement action as described in subsection (b)(2) has been taken against a certified property or the owner of a certified property, the property shall revert to an annual permit unless, upon inspection of the property and verification of compliance with this chapter, the Building Official determines that the public interest will be served by re-permitting the property as a certified property for a three year permit interval.

d) Upon expiration of the permit period, if no enforcement as described in subsection (b)(2) has been taken, the owner or owner's agent may keep the property in certified status at the time of permit renewal and inspection with no additional training required. The owner or owner's agent will be required to provide access to the unit with notice of the pending inspection provided to the tenant.

e) Multi-family rental dwelling owners or agents may attend the certification training course provided by the Building Official at no charge to receive a twenty-five (\$25.00) dollar fee reduction per unit upon successful completion. The certification training course will be offered two times per year: once (1) in January and once (1) in December.

## **SECTION 2.**

This ordinance shall be cumulative of all other ordinances of the City of Saginaw and shall not repeal any of the provisions of such ordinances, except in those instances where provisions of such ordinances are in direct conflict with the provisions of this ordinance.

## **SECTION 3.**

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness, or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance, since the same would have been enacted by the City Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

## **SECTION 4.**

All rights or remedies of the City of Saginaw, Texas, are expressly saved as to any and all violations of the City Code or any amendments thereto regarding the inspection of rental dwelling units that have accrued at the time of the effective date of this ordinance; and as to such accrued violations, and all pending litigation, both civil or criminal, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

## **SECTION 5.**

Any person, firm, or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined not more than Five Hundred Dollars (\$500.00) for each violation of this ordinance.

**SECTION 6.**

The City Secretary of the City of Saginaw is hereby directed to publish at least twice in the official newspaper of the City of Saginaw, the caption and the penalty clause of this ordinance in accordance with Section 52.013(b) of the Local Government Code.

**SECTION 7.**

This Ordinance shall take effect January 1, 2019.

**PASSED AND APPROVED ON** this the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

---

**TODD FLIPPO, MAYOR**

**ATTEST:**

---

**JANICE ENGLAND, CITY SECRETARY**

**APPROVED AS TO FORM AND LEGALITY:**

---

**BRYN MEREDITH, CITY ATTORNEY**

**CITY COUNCIL MINUTES, APRIL 17, 2018**

- (13) CC-0418-20  
Discussion of Rental Inspection Program

City Manager Reaume explained that there are a large number of rental homes in Saginaw that are owned by companies located out of state. He stated that several area cities have rental inspection programs which address health and safety concerns associated with rental properties. He added that the intent tonight is to give the Council information on rental inspection programs and get the Council's direction on this type of program.

Chief Building Official McMillin gave a brief power point presentation regarding rental inspection programs. He explained that the costs associated with this type of program are usually covered through fees paid by the owners of the properties. He stated that the program can be set up to include training and incentives for property owners to comply with the program's requirements. After some discussion, City Manager Reaume stated that more specifics regarding a rental inspection program will be presented during the budget process. The Council agreed for staff to move forward with a proposal for a rental inspection program to be considered during the 2018-2019 Fiscal Year Budget Process.