ORDINANCE NO. 2025-04

AN ORDINANCE AMENDING FAIRMONT CITY CODE, CHAPTER 27 – RENTAL HOUSING STANDARDS

THE CITY OF FAIRMONT DOES ORDAIN (new material is underlined; deleted material is lined out; sections which are not proposed to be amended are omitted; sections which are only proposed to be re-numbered are only set forth below as to their number and title):

SECTION 1. Fairmont City Code, Chapter 27 – Rental Housing Standards is hereby amended to read as follows:

Sec. 27-~~1-1~~2. – Scope.

This chapter applies to rental housing units described herein that are rented or leased in whole or in part, including apartment buildings, town homes, single family and multifamily housing, guest and caretaker houses, and condominiums. It also includes any accessory structures of the rental housing units, such as garages and storage buildings, and appurtenances such as sidewalks, driveways, and retaining walls, which are on the property of the rental housing unit. ~~This chapter does not apply to on-campus college or university housing units; Minnesota Department of Health licenses rest homes; convalescent care facilities; licensed group homes; nursing homes; hotels; motels; or owner-occupied units.~~

Except as otherwise specifically provided, the provisions of this article shall apply to all buildings or portions thereof used, designed, or intended to be let for human habitation for thirty (30) days or longer. Nothing in this chapter shall prevent the building official from taking immediate enforcement or corrective action necessary to protect the health and safety of the public.

The provisions of this Chapter do not apply to the following:

(a) On campus college or university housing units
(b) Assisted living facilities or nursing homes
(c) State licensed facilities
(d) Owner-occupied units
(e) Single family homes rented to an immediate family member.
(f) Hotels, motels, and short-term rental housing, including VRBO, Airbnb, etc.

Sec. 27-~~1-2~~3. Definitions

For the purposes of this chapter the following definitions shall apply unless the context clearly indicates or requires a different meaning. Terms which are not defined in this section or elsewhere in this article shall have their ordinary accepted meanings as determined by the context in which they are used.

~~(a) Rental Housing Unit. Any building, structure, or portion thereof, which is designed, built remodeled, rented, leased, let or hired out to be occupied, or which is occupied as a home or residence of a person or persons other than the owner or purchaser of record.~~

~~(b) Rent, lease, let, or sublet means the leasing of a rental housing unit to a non-owner for a fixed or non-fixed period of time and shall include installment sales, purchases, and other similar arrangements whereby nonpayment of a periodic payment means the occupants may be evicted without the necessity of either a statutory mortgage foreclosure procedure, a statutory termination of contract for deed procedure, or a statutory repossession procedure.~~

~~(c) Local Property Manager. A person residing within 50 miles of the city of Fairmont who is authorized by the property owner to make decisions for the owner about the rental, occupancy, and maintenance of the rental housing unit, or a licensed, or bonded, and/or insured company engaged primarily in providing such services for hire.~~

Adult is a person 18 years of age or older.

Building code or *state building code* is the Minnesota State Building Code established pursuant to Minn. Stat. § 326B.101-326B.16, and optional codes adopted by the city pursuant to section 34-296 of this Code, as amended from time to time.

Building Official is the person designated by the city as its building official and includes any person designated by the building official to perform any of the functions of the building official under this article.

City means the City of Fairmont, Minnesota.

Dwelling is a building wholly or partly used or intended to be used for living, sleeping, cooking, and eating purposes by human occupants, but not including hotels and motels.

Dwelling unit is a room or a group of rooms located within a dwelling or apartment building which are used or intended to be used for living, sleeping, cooking, and eating purposes.

Let is to give the use of a unit by an owner, agent, or manager to a tenant in return for rent.

Local Property Manager is a person residing within fifty (50) miles of the City of Fairmont who is authorized by the property owner who has charge, care or control of a building or part thereof in which dwelling unit(s) or rooming unit(s) are let and is authorized by the Owner to make decisions for the Owner about the rental, occupancy, and maintenance of the rental housing unit, or a licensed, or bonded, and/or insured company engaged primarily in providing such services for hire.

Occupant is an individual living in or having possession of a building or part thereof for thirty (30) consecutive days or more, whether or not the individual is occasionally absent from the premises.

Owner is a person or entity which alone or jointly with others owns or has an ownership interest in a dwelling, dwelling unit, or rooming unit within the city. Owner shall include any agent or manager designated by the owner to be responsible for the rental property, but the owner shall remain responsible for full compliance with this article.

Premises includes a dwelling or dwellings, surrounding land related thereto, and other structures located on such land.

Rent or also lease, let, or sublet, means the leasing of a rental housing unit to a non-owner for a fixed or non-fixed period of time and shall include installment sales, purchases, and other similar arrangements whereby nonpayment of a periodic payment means the occupants may be evicted without the necessity of either a statutory mortgage foreclosure procedure, a statutory termination of contract for deed procedure, or a statutory repossession procedure.

Rental housing unit is any building, structure, or portion thereof, which is designed, built remodeled, rented, leased, let or hired out to be occupied, or which is occupied as a home or residence of a person or persons other than the owner or purchaser of record.

Rental property is any dwelling, dwelling unit, rooming unit, or multiples thereof on one property and the related premises which are subject to this article.

Representative is a person who acts as an agent representing the interests of an owner of rental property.

Tenant means any person who occupies and uses as their primary residence a unit furnished to said person for payment of a rent to another.

Unit is any dwelling, dwelling unit, or rooming unit regulated by this article.

Existing Section 2 of Chapter 27 shall be renumbered accordingly as Section 4.

Sec. 27-~~3~~5. - Health and safety.

(a) *Maintenance.* The owner shall be responsible for maintaining the rental property in compliance with the requirements of the Minnesota codes regulating residential structures, as they are currently written and as might be amended in the future, including, but not limited to: the State Building Code Minn. Stat. §§ 326B101-194; the State Fire Code Minn. Stat. Chapter 299F; and Minnesota Administrative Rules Chapter 1300.

~~(b)~~ (1) Garbage. The owner of each rental unit shall provide garbage collection containers, dumpsters or other garbage management options adequate to accommodate all garbage and recyclables generated by each rental unit. Owners shall provide proof of current garbage contract with a licensed garbage hauler in Martin County, Minnesota. Owners and tenants of single-family or multi-family units shall comply with Fairmont City Code section 22-18.

~~(c)~~ (2) Lawn care. The owner shall be responsible for lawn care and for the removal of ice and snow according to Fairmont City Code section 17-2 and section 23-3, respectively.

~~(d)~~ (3) Mold, rodents and insect infestations shall be promptly eliminated by the owner and the rental unit shall then be kept mold and infestation free by the tenant.

(b) *Responsibilities of Owners, Occupants, Tenants, and Local Property Managers.* Owners, occupants, tenants, and local property managers, shall be jointly responsible for maintaining rental property in a safe, sanitary, and orderly condition and in compliance with this chapter and other applicable laws, rules, and regulations. Owners are and remain liable for violation of duties imposed by this chapter even if a duty is also imposed on the occupants of the property, or on a local property manager, and even if the owner has, by agreement, imposed on the occupant, or local property manager the duty of furnishing or maintaining required devices, equipment, or facilities or otherwise complying with this chapter.

Sec. 27-~~4~~6. - Registration and licensing of rental housing units.

(a) *License and Registration Required.* No person or entity shall~~, and it shall be unlawful, for any person to~~ conduct or operate or cause to be operated either as owner, lessee, local property manager or in any other capacity within the city any ~~R~~rental ~~H~~housing ~~U~~unit, as defined in Section 27-~~1-2~~3 above, to another person or entity for occupancy unless that rental housing unit is registered for occupancy pursuant to a valid and current rental unit license issued by the City. ~~without having first obtained a license to do so as hereafter provided.~~

(b) *Application.* It shall be unlawful for an owner, representative ~~designated agent~~, or operator~~, after notice has been sent by first class mail,~~ to opperate ~~continue operation of~~ a rental housing unit without submitting an application for a license under this chapter, along with the necessary fee. Application for a rental license must be made prior to any initial occupancy, and thirty (30) days prior to any license

renewal. Licenses are valid for two (2) years from the date of issuance. After two (2) years, owners must re-apply for a new rental license.

The following properties shall be excepted from this requirement:

(1) An unoccupied Rental Housing Unit that has been issued a vacant building registration pursuant to Chapter 28 of this code.

(2) A property being sold on a contract for deed, provided the contract has been recorded in conformance with Minnesota law.

~~All Rental Housing Units shall be current on any real estate taxes, assessments, fines, penalties, or other financial claims due to the city at the time of application for a rental license.~~

~~(a) Inspection of a rental housing unit shall be completed prior to issuance of an initial rental housing license, prior to rental housing license renewal and upon the filing of a complaint with the city of rental housing conditions that are subject to the standards herein.~~

~~(b)~~ The legal owner(s) of each rental housing unit shall make application to the City for a license on a form to be supplied by the city and containing information necessary to administer and enforce the provisions of and to ensure compliance with the provisions of this chapter, and the minimum standards of uniform housing code.

~~(c) Application for a rental license must be made prior to any initial occupancy, and thirty (30) days prior to any license renewal. Licenses are valid for 36 months from the date of issuance.~~

~~(d)~~ Each application for rental license must be on a form provided by the city and must contain:

(1) Legal ~~owner~~ name, address, telephone number and email address for each owner, and if it is a corporation, the name of the officers and registered office.

(2) Local property manager name, address, telephone number and email address. ~~Said local property manager shall reside within 50 miles of Fairmont.~~

(3) The street address of the rental property.

(4) The number of rental housing units contained within the rental property.

(5) Verification that the property taxes, assessments, fines, penalties, or other financial claims due to the City at the time of application are current on the rental property.

(6) Proof of fire and liability insurance on the rental property.

(7) Accompanied by the payment of the rental registration fee and inspection fee.

(c) *Fees*. The rental registration and inspection fee(s) shall be due at the time of registration, in an amount set by City Council resolution, and every two (2) years thereafter. Once issued, the licensee shall not be entitled to a refund on any license fee upon revocation and suspension; however, the licensee may transfer ownership of the rental license as described below. Owners are required to re-apply and pay the fee for licensing and registration at least every two (2) years to remain in compliance with the City.

(d) *Transfer of License ~~ownership~~*. In the event of the transfer of ownership of a rental housing unit by sale or otherwise:

(1) The owner(s), within ten (10) days after the transfer, shall provide to the city the name, address and telephone number of each transferee.

(2) The transferee shall register the unit with the city under the transferee's name and pay all applicable fees within thirty (30) days after the date of transfer; and

(3) If the rental license for the unit is valid and current and if the transferee so registers the unit and pays the fees, the rental license shall be transferred to the transferee.

Sec. 27-~~5~~7. Rental housing unit inspection.

(a) The city has the authority to inspect any rental housing unit: prior to issuance of an initial rental housing license, prior to rental housing license renewal, or upon the filing of a complaint with the City relative to the rental housing conditions that are subject to the standards herein. ~~upon receipt of a rental housing license application or upon receiving a complaint of code violations.~~ The owner or tenant shall provide access to the Rental Housing Unit upon request of the City. Refusal to reasonably grant access shall be grounds for ~~rejection~~ denial or suspension of a rental registration.

(b) A rental housing unit inspection will be scheduled with the owner, or local property manager, upon receipt of the rental housing license application by the city. If the owner or local property manager fail to respond and coordinate a date, an inspector may enter the building to inspect on 48 hours' written notice to the property owner. The cost of the inspection will be paid with the rental housing application.

(c) The inspection may be completed by Fairmont City staff designated to complete inspections or a contractor hired by the city to complete rental inspections

(d) The applicant for license shall assist the city in making the inspection of the premises. This includes notifying the occupants of the building of the time when the inspection will be conducted and requesting their cooperation in the inspection. The owner may be present for the inspection.

(e) Properties inspected by another state or federal agency are exempt from two (2) ~~three~~-year inspections.

(f) Upon inspection, a property found to meet the City's Rental Property Safety Inspection Checklist, and is otherwise in compliance with this code, shall be issued a license. If the inspector finds deficiencies, they shall list the deficiencies, note necessary corrections, and give these findings to the building owner or local property manager and no license shall be issued until the deficiencies are corrected. Upon reinspection of the licensed premises, if the inspector finds violations of the applicable codes, the owner, or local property manager, shall be notified of the violations and ordered to correct them within a reasonable time. Failure to correct the violations as ordered may be grounds for revocation of the license.

Existing Sections of Chapter 27, Sections 6-7, shall be renumbered accordingly as Sections 8-9.

Sec. 27-~~7~~10. - Revoking, suspending, denying or not renewing a license.

(a) The City reserves the right to refuse to register a rental unit if it does not comply with the requirements of this Chapter. Any registration issued under this Chapter is subject to the right, which is hereby expressly reserved by the City, to revoke, suspend, deny or not renew ~~The city may revoke, suspend, deny or decline to renew~~ any license issued under this section. In buildings containing more than one (1) rental unit, the revocation, suspension, denial or non-renewal may apply to one (1) or more rental units based on specific violations. A registration shall only be revoked, suspended, denied, or not renewed for cause. For the purposes of this section, t~~T~~he basis for such revocation, suspension, denial or non-renewal includes, but is not limited to, any of the following circumstances:

(1) The license was procured by misrepresentation of the facts with regard to the rental dwelling unit.

(2) The applicant or person ~~one (1)~~ acting on their ~~his/her~~ behalf made oral or written misstatements pertaining to the application.

(3) The actions of the owner or owner's representative involving a rental unit have created a danger to the public health, safety or welfare.

(4) The rental dwelling unit contains conditions that endanger the safety, health or welfare of any member of the public.

(5) Failure to pay any required application, penalty or reinstatement fee.

(6) Failure to correct violations of section 27-05(h) in the time period specified in the notice of violation and correction.

(7) Following the third instance of disorderly behavior specified in section 27-10.

(8) Any violation of this chapter.

(b) Notice ~~Notification~~. The city shall notify the owner or owner's representative in writing of the basis for the revocation, suspension, denial or non-renewal of the rental license and the date upon which the action takes effect. Notice shall be served on the registration holder in person or by certified mail with return receipt requested.

(c) The city shall notify the owner of their right to have the decision to revoke, suspend, deny or not renew the rental license reviewed by the board of zoning appeals. The owner may request a review of the licensing decision by the board of zoning appeals upon a form provided by the city. That request shall be filed with the city community development division within fifteen (15) days after receiving the licensing decision from the city ~~department~~. The review hearing will be set for the next regularly scheduled board of zoning appeals meeting, unless that meeting is scheduled to occur in less than fifteen (15) days from the owner's request for review is received. In that event, the review hearing will be set on the following regularly scheduled board of zoning appeals meeting. Failure to request a hearing before the board of zoning appeals will result in the revocation, suspension, denial, or non-renewal of the registration. This section provides the exclusive method of appeal from a violation of this Chapter.

(d) The owner or owner's representative and the ~~city~~ community development division shall be given an opportunity to be heard. The owner may be represented by counsel. Both sides may be permitted to examine the other side's witnesses and evidence. The board of zoning appeals shall hear all relevant evidence and arguments and shall review all testimony, documents, and other evidence submitted. The community development division shall record the review and keep a record of documentary evidence submitted.

(e) Decision. The board of zoning appeals shall make findings based on the evidence and shall make a decision on the recommendation to revoke, suspend, deny, or not renew a license based on the findings. The board of zoning appeals shall issue a written decision regarding the recommendation of the ~~city~~ community development division within thirty (30) days following the date of the review and shall notify the owner or owner's representative of the decision by first class mail and by the owner's preferred method of communication. The decision shall specify the rental dwelling unit or units to which it applies, the duration of the revocation, suspension, denial or non-renewal, and the conditions that must be met before the license may be reissued or reinstated. No rental dwelling units that have had their rental license revoked, suspended, denied, or non-renewed may be occupied. Revocation,

suspension, denial, or non-renewal of a license shall not excuse the owner from compliance with all terms of this chapter for as long as any rental dwelling units in the building are occupied.

(f) License process after revocation, suspension, denial. After the board of zoning appeals revokes, suspends, denies or declines to renew a license, no license will be issued for the affected rental dwelling unit(s) until the community development division ~~department~~ determines that the applicant/licensee has remedied the conditions identified as the basis for the action. An application to obtain a license for a rental dwelling unit after the board of zoning appeals has revoked, suspended, denied or declined to renew a license for the same rental dwelling unit(s) must be accompanied by all fees required by this section.

(g) The owner has a right to appeal the board of zoning appeal's decision as outlined in section 2-25 of Fairmont City Code.

Sec. 27-~~8~~11. - Effect of revocation, suspension, denial, or non-renewal.

If a license is revoked, suspended, denied or not renewed, it shall be unlawful for the owner or owner's representative to permit the occupancy of the rental dwelling unit(s), until such time as a valid rental license is obtained. Issuance of a new license after revocation, suspension, denial or non-renewal shall be made in the manner provided for in section 27-~~4~~6.

A separate violation occurs for each day the owner or owner's representative permits occupancy without a rental license, or after a license is revoked, suspended, denied, or not renewed.

Sec. 27-~~9~~12. - Posted to prevent occupancy.

Whenever any rental housing unit has been denied an initial license, had its license revoked, suspended, denied or not renewed, ~~it shall be posted by~~ the city may post appropriate signs or notices to prevent further occupancy. It shall be unlawful for any person, other than a representative of the city to remove or alter any posting. The city will post the date the rental housing unit shall be vacated, and no person shall reside in, occupy or cause to be occupied that rental housing unit until the city determines that the violations have been corrected ~~city permits it~~.

Existing Section 27-10 shall be renumbered accordingly as Section 27-13.

Sec. 27-124. - Fees and penalties.

(a) Fees for licenses, renewals, inspections, re-inspections, violations of this Chapter, penalties, reinstatement, and appeals, shall be in the amount set by resolution of the City Council or in an ordinance adopting the City's Fee Schedule. All fees and penalties due and payable by the owner and not paid within thirty (30) days of the due date shall be considered delinquent and may be certified to the county auditor for collection with real estate taxes.

(b) Upon notice from the City that a violation has occurred and/or exists on the property, a separate violation occurs for each day the violation continues.

(c) A person who violates the provisions of this ~~article~~ Chapter or any of the statutes, regulations, or codes incorporated by reference herein may be charged with a misdemeanor.

~~(b) The city may post the rental dwelling unit by appropriate signs or notices prohibiting occupancy, and may act to cause the rental dwelling unit to be vacated or remain vacant until the Code violations are corrected.~~

~~(c) All fees and penalties due and payable by the owner and not paid within thirty (30) days of the due date shall be considered delinquent and may be certified to the county auditor-treasurer for collection with real estate taxes.~~

~~(d) All fees to be charged under this chapter will be set by an chapter as approved by the city council.~~

SECTION 2: This Ordinance shall take effect immediately after its publication.

Passed by the City Council of the City of Fairmont, Minnesota, this 28th day of July, 2025.

Mayor

ATTEST:

City Clerk

First Reading: July 14, 2025
Motion by: Councilmember Lubenow
Seconded by: Councilmember Maynard
All in Favor: Councilmembers Hasek, Kawecki, Kotewa, Lubenow and Maynard
Opposed: None
Abstained: None
Absent: None

Second Reading: July 28, 2025
Motion by: Councilmember Lubenow
Seconded by: Councilmember Maynard
All in Favor: Councilmembers Hasek, Kawecki, Kotewa, Lubenow and Maynard
Opposed: None
Abstained: None
Absent: None

FAIRMONT "City of Lakes" MINNESOTA SEAL OF THE CITY OF