

ORDINANCE NO. _____, SERIES 2022

AN ORDINANCE AMENDING THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES CHAPTER 119 REGARDING THE REGISTRATION OF RENTAL HOUSING TO INCLUDE AND ASSIGN THE DIRECTOR OF LOUISVILLE METRO CODES AND REGULATIONS, OR DESIGNEE, FURTHER ADMINISTRATION AND ENFORCEMENT DUTIES REGARDING THE REGISTRY OF RENTAL HOUSING UNITS *(AS AMENDED)*.

SPONSORED BY: COUNCIL MEMBERS DORSEY, BLACKWELL, ARTHUR, GEORGE, PURVIS, SHANKLIN, AND PRESIDENT JAMES

WHEREAS, the Legislative Council of the Louisville/Jefferson County Metro Government (the “Council”) has assigned the task of maintaining a short-term rental registry in the Louisville/Jefferson County Metro Government Code of Ordinances (“LMCO”) § 115.515 to the Director of Louisville Metro Department of Planning and Design Services to monitor and register short term rentals available within Louisville/Jefferson County Metro Government (“Metro”); and

WHEREAS, Council assigned the Director of Louisville Metro Department of Planning and Design Services to maintain the short-term rental registry because the Land Development Code was amended to create the parameters and regulations for the short-term rentals Internet companies offered for lease within Metro; and

WHEREAS, Council takes notice that the short-term rental registry has led to increased compliance and better regulation of short-term rentals within Metro; and

WHEREAS, Metro’s Director of Codes of Regulations is responsible for maintaining and enforcing property maintenance codes found in LMCO Chapter 156; and

WHEREAS, Metro’s Department of Codes and Regulations are better able to enforce property maintenance violations against owner-occupied property with greater

administrative efficacy because the owners are present at the premises as opposed to rental housing units; and

WHEREAS, Metro has a public health interest in maintaining the stock of available housing units within Metro free from deficiencies that materially affect the health and wellbeing of its residents; and

WHEREAS, to better ensure compliance with LMCO Chapters 119 and 156, and pursuant to Metro’s interest in the public health and welfare of its citizens and communities, Council expresses its desire to increase the oversight and enforcement of Metro’s rental registry; and

WHEREAS, Council expresses its intention to assign the Director of Codes and Regulations further administration and enforcement duties regarding the registration of rental housing within LMCO Chapter 119.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION I: The following section of LMCO Chapter 119 is amended as follows:

§ 119.01 DEFINITIONS

~~**APARTMENT COMPLEX.** Rental housing unit that contains more than four housing units in the same building or buildings managed under the same owner.~~

DIRECTOR. The Director of the Louisville Metro Codes and Regulations, or designee.

RENTAL HOUSING UNIT. Any housing unit that is or may be available for rent, or is occupied or rented by a tenant or subtenant in exchange for any form of consideration, and that is not a short-term rental unit as defined in LMCO 115.515.

MULTI-UNIT RENTAL HOUSING FACILITY. Any structure containing more than one rental housing unit.

RENTER TENURE AREAS. Housing market areas with high renter rates as defined by Metro's Office of Housing and Louisville Affordable Housing Trust Fund's Housing Needs Assessment, updated every five (5) years.

SECTION II: The following section of LMCO Chapter 119 is amended as follows:

§ 119.03 REGISTRATION REQUIRED, FEE.

(A) (1) The eOwner(s) of any rental housing unit, other than those exempted under § 119.02, shall register all rental housing units with Louisville Metro in accordance with the provisions of this section. The Director of Codes and Regulations shall take all steps necessary to implement the provisions of this section. ~~An owner of an apartment complex is not required to register individual rental housing units and may register the apartment complex as a whole.~~

(2) An Owner(s) of any multi-unit rental housing facility is not required to submit separate registrations forms or pay separate registration fees for each individual rental housing unit. The Owner(s) of any multi-unit rental housing facility may register the facility as a whole; provided, however, that the registration form shall include a list by rental unit number of each rental housing unit contained in the multi-unit rental housing facility.

(B) The registration shall be available online through the Louisville Metro Department of Codes and Regulations, and shall include the following information:

- (1) A description of the rental housing unit by street address;
- (2) The name, mailing and physical address(es), telephone number, and email address of the eOwner(s) of the property;
- (3) The name, mailing and physical address(es), telephone number, and email address of the responsible managing operator, if other than the eOwner(s);

(4) If the Owner(s) is a corporation, limited partnership, limited liability company, or similar entity, in addition to the information required by subsection (B)(1)-(3), the organization shall furnish the name, mailing and physical address(es), telephone number, and email address of a responsible individual partner or officer;

(5) If the Owner(s) is a partnership or similar entity, in addition to the information required by subsection (B)(1)-(3), the entity shall furnish the name, mailing and physical address(es), telephone number, and email address of a responsible individual partner or officer.

(6) If the Owner(s) is a trust, in addition to the information required by subsection (B) (1)-(3), the trust shall furnish the name, mailing and physical address(es), telephone number, and email address of an individual designated and authorized to receive the rents of the rental housing unit or notice of any violation of this section or any section of LMCO § 156.

(7) All contact information required by subsections (1) through (6) of this section shall be updated by the registrant within 10 business days of any change to any of the required information.

(8) The registration form shall include a sworn affidavit by the property owner that, to the best of Owner's knowledge, all rental units within the registered rental housing unit or registered multi-unit rental housing unit facility are in compliance with the applicable provisions of Metro's property maintenance code. The Department of Codes and Regulations shall create all necessary forms and provide them to the public online, shall create and provide informative materials regarding a landlord's responsibilities under this chapter and the Land Development Code, to include a checklist informing Owners of

the top five most common infractions, and provide them to the public online, and shall outline the timelines and fees for maintaining the registry, all to allow for accurate attestation of compliance.

(9) (a) *Failure to register the rental housing unit* The registration form shall authorize ~~cause~~ the Department of Codes and Regulations to conduct inspections of all units within the registered rental housing unit. The inspections required by this subsection shall be in addition to any inspections the Department is authorized to make under Chapter 156 based upon a complaint about the property. Inspections shall only occur upon proper notice under KRS §§ 383.615 and 383.665 of the Uniform Landlord Residential Tenant Act.

(b) On an annual basis, the Department of Codes and Regulations shall be required to randomly select 10% of registrants *within the Renter Tenure Areas that contain a portion of rental housing units greater than 33% of total residential property and* conduct an inspection of the rental housing unit. Any rental unit or apartment complex that is found to have two (2) or more existing violations of the Property Maintenance Code on its exterior or interior common areas, must be made available by the Owner for an interior inspection by the Department of Codes & Regulations to ensure the unit is in compliance with the Property Maintenance Code. These interior inspections shall total no more than the annual 10% of random inspections. The Owner must schedule the inspection within fifteen (15) days of the date the violations were found to exist. ~~Newly built rental housing units, as verified by cross-reference and inquiry into building permits, shall not be eligible for inspection for ten (10) years. Recently renovated rental housing units, as verified by cross-reference and inquiry into building permits, shall not be eligible~~

for inspection for five (5) years. Newly built rental housing units, as verified by cross-reference and inquiry into building permits, shall not be eligible for proactive inspection for ten (10) years. Recently renovated rental housing units, as verified by cross-reference and inquiry into building permits, shall not be eligible for proactive inspection for five (5) years. Inspections shall be used to verify the premises is sufficiently maintained pursuant to KRS 383.595(1)(a). The Department in its discretion may utilize the affidavit required by subsection (8) as proof of compliance in lieu of or in conjunction with a physical inspection of a property. Failure of an Owner to allow the Department of Codes and Regulations to physically inspect a unit within registered rental housing or in a property for which registration is sought shall be considered a violation of this section for the purposes of LMCO § 119.99(A).

(10) In any proceeding before the Board of Code Enforcement it shall be a rebuttable presumption that the subject property is a rental housing unit when the property is occupied by someone other than the owner of record.

(C) Whenever ownership for a rental housing unit or a multi-unit rental housing facility changes, the new owner shall register the rental housing unit or multi-unit rental housing facility within 30 days of the transfer of ownership. A change in ownership of a rental housing unit or multi-unit rental housing facility shall invalidate any existing registration for that property after 30 days.

(D) A nonrefundable fee of \$100 shall accompany the initial registration form. The fee structure shall be based on the following zoning classifications:

R-4 (max 4.84 per acre) - \$25

R-5 (max 7.26 per acre) - \$25

R-5A (max 12.01 per acre) - \$50

R-6 (max 17.42 per acre) - \$50

R-7 (max 34.8 per acre) - \$50

R-8 (max 58.08 per acre) - \$100

OR (max 12 per acre) - \$50

OR-2 (max 58.08 per acre) - \$100

OR-3 (max 217 per acre) - \$250

C-R (max 38 per acre) - \$50

C-1 (max 38.84 per acre) - \$50

C-2 (max 217/145 acre) - \$250

C-3 (max 435 per acre) - \$250

CM and Up (none) - \$50

The Director shall provide means for accepting payment online concurrent with submission of the annual registration form. After payment of initial registration, an annual registration shall be required with an accompanying \$50 annual nonrefundable fee. For those with no violations pursuant to LMCO § 156 and LMCO § 119 within the preceding 12 months, the annual fee shall be waived. *Rental housing units registered at the time this Ordinance takes effect shall not be required to re-register, so long as do not have outstanding violations with the Department of Codes and Regulations and they have provided all updated ownership information required by this Ordinance to Director.*

(E) The Director shall assemble an annual report to Council showing the *estimated* total number of occupied rental housing units, their locations and density, *availability of units for rent*, and all other relevant data regarding the rental housing units within Metro

that are registered subject to this Chapter. The report shall include figures for registration fees collected and code enforcement violations and fines imposed for rental housing units. The report shall not present individual information on any particular owner or rental housing unit or multi-unit rental housing facility.

SECTION III: The following section of LMCO Chapter 119 is amended as follows:

§ 119.04 CONFIDENTIALITY

~~*Confidentiality of Information.* All rental registration information collected by Louisville Metro hereunder shall be maintained as confidential and not disseminated or released to the public except as provided herein, required by law, or in the event the property is cited for violations of the Louisville Metro Code of Ordinances. If a Rental Registry property is cited for a violation, Rental Registry information may become part of the property maintenance case file, which is maintained by Louisville Metro Government and available for public inspection.~~

§ 119.04 REGISTRATION WITH THE LOUISVILLE METRO REVENUE COMMISSION.

~~*Pursuant to LMCO Chapter 110, certain Owners are required to register with the Louisville Metro Revenue Commission. If an Owner is required to register pursuant to LMCO Chapter 110, the Director shall not accept Owner's rental registration until the Director receives sufficient evidence from Owner that Owner is registered with the Louisville Metro Revenue Commission.*~~

~~*Pursuant to LMCO Chapter 110, Owners operating as a business entity, other than an individual, are required to register with the Louisville Metro Revenue Commission. The Director shall not accept from Owners operating as a business entity, other than an*~~

individual, a rental registration until the Director receives sufficient evidence from Owner that Owner is registered with the Louisville Metro Revenue Commission.

SECTION IV: The following section of LMCO Chapter 119 is amended as follows:

§ 119.99 VIOLATIONS AND PENALTIES.

(A) Before the issuance of a citation pursuant to this Chapter, a notice of violation shall be issued requiring compliance with this Chapter within ten days of the date of issuance of the notice. Such notice shall detail the requirements of compliance with the rental registry. Thereafter, no further notices of violation shall be issued unless a change of ownership occurs. Failure to comply within ten days of the issuance of the notice of violation will result in a citation pursuant to the provisions of LMCO § 119.99(B).

~~(AB) The failure to register a rental housing unit or apartment complex or multi-unit rental housing facility in accordance with § 119.03 shall be classified as a civil offense with a penalty of \$100 per rental housing unit or apartment complex for a first offense. A second offense within a 24-month period shall result in a penalty of \$250 per rental housing unit or apartment complex or multi-unit rental housing facility. All additional offenses within a 24-month period shall result in a penalty of \$500 per rental housing unit or apartment complex or multi-unit rental housing facility. The owner or managing operator will be sent an initial notice of violation with a warning of the failure to comply with the rental registry. Thereafter, no further notices of violation shall be required unless a change of ownership occurs. Failure to comply will result in a fine of up to \$500 per rental housing unit or apartment complex or multi-unit rental housing facility depending upon the number of violations within the preceding 24 month period.~~ Each day of such violation(s) shall constitute a separate offense.

(BC) Metro Government shall possess a lien on the property of the owner of the property on which the rental housing unit or apartment complex is located for all civil penalties assessed for the violation and for all costs and fees incurred by Metro Government in connection with the enforcement of § 119.03.

SECTION V: The provisions of this Ordinance ~~shall take effect on _____.~~
regarding the online rental registry, its application and affidavit shall take effect within six months of its passage, approval or otherwise becoming law, with all remaining provisions to take effect nine months after its passage, approval, or otherwise becoming law.

Sonya Harward
Metro Council Clerk

David James
President of the Council

Greg Fischer
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By: _____