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Rental Licensing in the City of Crystal

Your questions answered:

- Why do we need rental licensing?
- Who needs a rental license?
- When do I need to apply?
- How do I apply?
- What are the steps to getting a rental license?
- How do I avoid additional fees?
- What are my responsibilities as an owner or manager of rental property?
- How do things that happen at my rental property affect my rental license?
- What common maintenance problems do the inspectors find during inspections?

.....AND MORE

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Your Questions Answered

Why do we need rental licensing?
The purpose of the rental licensing program is to guarantee minimum standards for life and safety in all housing in Crystal. Rental licensing ensures safe and healthy surroundings for all tenants.

Who needs a rental license?
A rental property is any property occupied by someone other than the owner, even if they are a family member and regardless of whether any rent is actually paid by the tenant. Even if classified as relative homestead property, a rental license is needed.

When do I need to apply for a rental license?
All rental units must have a rental license before the tenants move into the unit.

How do I apply?
The property owner must submit:

- Application for Rental License Dwelling License;
- Certification of Financial Responsibility Form;
- MnBIN/Social Security Number Request Form;
- Required licensing fee.
  - ***Single Family Dwelling*** ***$160***
  - ***Duplex*** ***$220***
    ($160 if one of the units is owner occupied)
  - ***Triplex*** ***$270***
    ($220 if one of the units is owner occupied)
  - ***Four plex*** ***$320***
    ($270 if one of the units is owner occupied)
  - ***Five or more units*** ***$320 per building plus $8 per unit***

The application packet is available on the city's website at www.crystalmn.gov or at City Hall.

What are the steps to getting a rental license?

Inspection

Once the Application for Rental Dwelling License packet and the correct licensing fee has been received, the property owner or designated manager will be told when the initial rental inspection will occur. **The owner or agent is responsible for letting the tenants know when the inspection will be and the owner or agent must be present during all inspections.**

After the initial inspection has been completed, any correction orders will be given to the property owner or designated manager. **Correction orders must be completed within 30 days of the inspection. Once the orders are completed, contact City Hall front desk staff at 763-531-1000 to schedule the re-inspection.**

Financial Responsibility

The city will check to see if the city utility account and property taxes are both current (both must be kept current to have a rental license). The city will also check if the property taxes for the property are paid. If you have other past due or delinquent payments to a government agency, you may have to bring those current. If utilities, property taxes or other obligations are past due or delinquent at time of rental license renewal, then the license fee on page 3 will be doubled.

City Council Approval

When all of the inspection orders have been completed and re-inspected, the rental license will be given to the City Council for approval and then issued to the applicant. If all orders are not completed but the inspector has decided that they would not put tenant health or safety at imminent risk, a Conditional Rental License will be given to the City Council to approve and give you up to 60 days (from the initial inspection date) to complete the orders and have them re-inspected. When complete your rental license will be mailed to you without the "Conditional" stamp across the license.

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If the orders have not been completed by 60 days after the inspection, then the rental license will be cancelled (revoked), the property will be posted as an unlicensed rental property, and a new rental license will be required. If the property continues to be occupied by the tenants after the license has been cancelled, then weekly fines that increase each week may be imposed.

Can I put the city utility bill in the tenant's name?

No.

All city utility bills are in the property owner's name. State law considers city water/sewer services to a property the responsibility of the property owner.

If the property owner's asks, a copy of the bill can be addressed to "Occupant" and mailed to the rental property.

- This bill will be titled "Duplicate Bill";
- The city will charge $1 per quarter for this service. The fee will be added to the utility bill;
- If the property owner asks for the duplicate bill to be stopped for a period of time and then restarted, a $5 fee will be charged for restarting the duplicate bill;
- If the property owner asks, a final bill will be calculated when renters change on a date when the water/sewer meter would not normally be read. The city will charge a $15 fee for this service and add it to the utility bill.

Unpaid utility bills will be given to Hennepin County to be added to the property tax bill of the property.

If you have questions or want to request a copy of the bill be sent to the property, please call the utility department at 763-531-1114

How often do I renew my license?

Your rental license expires every year. A rental license renewal application will be sent out about 90 days before the license expires. The renewal application packet and the fee must be returned 60 days before to the license will expire. If not paid by the due date, then the license fee on page 3 will be doubled.

What changes do I need to report to the city?

- If you have a new address or contact information
- If you are planning to sell the home
- If you have a new person or company responsible for your property.

Report any changes in writing within five business days.

Can I transfer my rental license to a new owner?

No, a rental license cannot be transferred to a new owner. If there is a change in ownership of the property, the new owner needs to notify the City of Crystal within five business days (763-531-1144). Once the property has a new owner, the old owner's the rental license is no longer valid and a new Application for Rental Dwelling License will need to be completed by the new owner.

How do I avoid additional fees?

- Get your rental license before tenants move into your property to avoid a double license fee.
- Turn in your annual rental license renewal 60 days before your rental license expires to avoid a double license fee
- Make sure the property taxes and utilities are paid to avoid a penalty fee equal to your license fee.
- Reschedule inspection appointments 24 hours before the scheduled inspection if you are not able to be at the inspection.
- Make sure the owner or agent is present for any inspections and has access to the dwelling to avoid a $60 missed inspection fee.

- Only schedule the re-inspection after all the work is complete to avoid a $60 re-inspection fee.
- The person present for the inspection must be 18 years old or older.

What are my responsibilities as an owner or manager of rental property?

- Be financially responsible for your property by making sure the property taxes and city utilities are paid-in-full at all times.
- Know what is happening on your rental property. As the owner you are ultimately responsible problems with your property.
- Maintain the interior, exterior and grounds of your property.

Read the "Landlords and Tenants: Rights and Responsibilities" available at www.ag.state.mn.us from the Office of Minnesota Attorney General.

***H*ow might what happens on my rental property affect my license?**

If you have a rental license you need to work to prevent behavior by tenants or their guest on the property that is disorderly or unruly and in violation of the following:

- Public nuisances, garbage and refuse, litter
- Noise disturbances
- Dog and animal control; dangerous dogs
- Drug abuse, possession of controlled substances, sale or possession of marijuana, possession or use of drug paraphernalia
- Disorderly conduct
- Sale, consumption and display of liquor and beer
- Prostitution
- Unlawful use or possession of firearms
- Assault, excluding domestic assault

- Contributing to the need for protection or services or delinquency of a minor
- Having a disorderly house
- Indecent exposure
- Criminal damage of property
- Interference with a police officer
- Terroristic threats
- Unlawful assembly
- Riots
- Interfering with "911" phone calls
- Gambling
- Predatory Offender Registration
- Crime committed for benefit of a gang
- Causing or contribution to a child being a runaway
- Racketeering

Violations will result in "Strike" notices being sent to the owner and/or agent for the rental property. Three "Strikes" may result in the rental license for the property being denied, revoked, suspended or not renewed. **Please see the entire City Code 425.21 regarding this very important matter**.

What common maintenance problems do the inspectors find during inspections?

Although most buildings have some code violations and/or maintenance problems, the great majority of problems are minor and require little in the way of correction. Listed below are a few of the most common problems found during inspection of a property. Use the list as a guide to correct items before the inspection, but be aware that some work must be done by licensed contractors with a permit. If you have a question as to what work requires a permit, contact a Customer Service Representative at (763) 531-1000 ext. 0 or customerservice@crystalmn.gov.

✓ SMOKE DETECTORS/CARBON MONOXIDE ALARMS

Missing, not working or improperly installed smoke detectors are the number one problem noted on most compliance orders. A monthly inspection of all smoke detectors by the owner or manager is strongly recommended.

- Smoke alarms should be replaced every 10 to 15 years
- Smoke alarms must be in each bedroom, hallway leading to bedrooms and one on each level of the home.
- Carbon monoxide alarms need to be in hallways leading to bedrooms and on each level of the home.
- Multi-family or apartment building units must be equipped with an approved carbon monoxide alarm.

✓ FURNACES AND CHIMNEYS

Gaps or cracks in the furnace, venting, and chimney that let exhaust gases leak into the household are very serious. Exhaust leaks are difficult to spot and often go unnoticed until someone is harmed. The inspector may require a licensed contractor to make sure the equipment is in proper working order. In such cases the licensed contractor must inspect the following;

- heat exchanger for signs of rust-through
- venting and chimney/flue for proper connections, slope and signs of rust-through
- gas line and gas shut-off valve
- wiring
- proper distance from items that will burn
- filter
- tested for carbon monoxide
- outside combustion air (OAC)

✓ WATER HEATER

The most common problem found with water heaters is a missing or insufficient temperature and pressure relief valves and/or a missing or improperly installed tpr valve discharge pipe. A permit is required for water heater replacement. The water heater inspection includes a visual inspection of:

- venting; must be in good condition, properly connected, with an acceptable draft hood

- temperature and pressure relief valve; must be properly installed and in good condition, with a properly attached discharge pipe (must extend to within 18" of floor and must be metal)
- gas shut-off valve and gas line; must be properly connected in good condition; valve must not be broken
- cold water shut-off valve
- leaks
- proper distance from items that may burn

✓ **ELECTRICAL SYSTEM**

An electrical permit is required for any new or changed wiring.

Some electrical problems may be hidden in the walls. However, the city inspector will look for visible conditions that can lead to electric shock or fire. Possible problems that might be found:

- bare, damaged, out-of-date or worn wiring; splices or fixtures installed without a junction box
- oversized fuses; signs of overloading
- loose or damaged fixtures, switches, or outlets
- missing outlet or switch covers; missing cover plate on fuse box; missing covers on junction boxes
- outside power service lines too low to ground/deck/porch, etc. (Min. 10' above; Pre-1963 a min. of 8' above)
- incorrectly wired fixtures, switches, or outlets
- questionable installations and other hazards
- use of extension cords in place of permanent wiring (garage door openers, sump-pumps, etc.) is not permitted
- incandescent light bulbs require 12" clearance to items that may burn

✓ PLUMBING

Possible problems include:

- toilets, sinks, tubs and showers that are not vented correctly
- leaks under sink; rusty sink traps
- clean-out covers or plugs that are loose or missing
- loose toilets
- flexible plumbing (not permitted) for waste lines
- piping must have smooth interior waterway
- ABS (black) and PVC (white) plastic plumbing glued together (not permitted)
- bathtubs or sinks with porcelain worn off
- lack of vent fan or window that opens in bathroom
- missing tiles in shower/tub area
- floor drains must have covers

Anti-siphon devices prevent water that is not for drinking from being mixed in with drinking water. They must be installed on all outside faucets, laundry tubs with threaded faucets and hand-held shower sprayers that could hang into bathtubs.

✓ EXITS AND EGRESS

- Every sleeping room must have two acceptable ways to escape in case of fire, such as a door and a properly sized window.
- All sleeping areas in basements must have or egress window, based on the year the house was built.
- Egress window wells more than 44' deep must have a ladder attached.
- All escape routes need to provide a safe and clear path to exits.
- Exits must be clear of items that may easily burn.
- All attic access panels must be gypsum/sheetrock.

✓ EXTERIOR

Items that require correction outside may include:

- siding, soffits, fascia, and trim that is rotted, broken, or missing
- peeling paint (50% or more per side)
- leaking foundation
- missing, broken, or torn window or door screens and storms
- missing or broken window or door glass
- missing or broken shingles; leaking roof (no curled or cupped shingles)
- deteriorated siding
- driveway, sidewalk, parking lots must be in good condition and maintained. If replaced, a permit is required.

✓ MISCELLANEOUS ITEMS THAT MAY CAUSE YOU TO FAIL AN INSPECTION

- missing anti-tip protection on kitchen stove
- missing/inoperable window locks within 6 feet of ground
- broken windows
- improper storage/disposal of materials
- holes in fire walls and missing door closers on fire doors
- missing house/building numbers
- missing, inoperable, or inadequate locks on door
- junk and debris in yard
- evidence of rats, mice, or cockroach infestation
- door locks that require keys to open from inside the home
- standing puddles or stagnant water
- structural problems
- missing/inadequate handrails on stairs with 4 or more risers
- Sump pump covers must be solid and permanently secured. All sump pumps must have an approved GFCI electrical outlet and discharge to the exterior, not to an interior drain.

Did You Know.....

- All driveways and parking spaces must be hard-surfaced with asphalt or concrete pavement. A permit is required prior to doing the work.

- The owner of an apartment building is responsible for the removal of snow and ice from parking lots, driveways, steps and walkways within 24 hours of the end of the snowfall.

- Insect screens are required from June 1 to September 1.

- Apartment buildings are required to have an approved and working security system to control entrance to the building. The building entrance or foyer doors must be locked and individual apartment doors must also lock.

- A residence is considered overcrowded if there are more residents than one plus one additional resident for every 150 square feet of finished floor space. (Finished space excludes kitchens, bathrooms and utility rooms.)

- The rental units heating systems must be able to maintain heat at 68 degrees at a height of three feet above the floor in all habitable rooms between September 1 and June 1.

- Any appeal of property maintenance orders must be appealed in writing within ten business days of service of the orders. The written appeal needs to be submitted to the Building Official.

- Property owners that live outside the seven county metro area (Hennepin, Ramsey, Anoka, Carver, Dakota, Scott or Washington counties) are required to have a designated resident agent for their property. The resident agent would be able to respond to any issues at the property on behalf of the owner and responsible for maintenance and upkeep.

- The rental license must be posted in a conspicuous location. In an apartment building with three or more units, the current license must be posted in a frame (with glass or plastic cover) in the main entry.

- A notice will be posted on unlicensed rental dwellings noting the unlicensed status.

This is just a summary of the city code covering rental licensing and is not meant to replace the city code. The entire City Code 425 can be read on the city's website at www.crystalmn.gov. Owners and agents of rental property in Crystal should be familiar with the entire code.

Rental licensing questions **(not inspection order questions)** can be directed to the Rental Licensing Specialist at 763-531-1144.

General building inspection questions can be directed to the Building Official at 763-531-1141.

Questions about inspection orders should be directed to the inspector that wrote the orders. The inspector's name, telephone number and email address are on the inspection orders.