



**Request for City Council Committee Action  
From the Department of Operations & Regulatory Services**

Date April 4, 2002  
To Public Safety & Regulatory Services Committee  
Referral to

**Subject Repeal Minneapolis Code of Ordinances, Chapter 248, Truth in Sale of Housing and enact new Chapter 248A, Truth in Sale of Housing**

**Recommendation**

The Department of Regulatory Services recommends that the City Council repeal Minneapolis Code of Ordinances, Chapter 248 effective June 1, 2002, enact the new Chapter 248A effective June 1, 2002, and authorize the use of unspent wages up to \$75,000 for 2002 for database changes and temporary staffing to handle the report backlog, program transition, public re-education and increased enforcement.

**Previous Directives**

Public hearing on the new ordinance language was set for Wednesday, April 10, 2002.

Prepared or Submitted by: Connie Fournier, Deputy Director, Construction Inspection Services  
Henry Reimer, Assistant City Attorney  
Lynn Ogren, Program Manager, Construction Inspection Services

Approved by:

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Merwyn Larson, Director, Inspections

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John Bergquist, Asst. City Coordinator & Director  
Operations & Regulatory Services

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John Moir, City Coordinator

Presenters in Committee: Merwyn Larson, Director, Inspections & Lynn Ogren, Program Manager

**Financial Impact** (Check those that apply)

No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain): Use unspent wages up to \$75,000 for 2002 for database changes and temporary staffing to handle the report backlog, program transition, public re-education and increased enforcement

Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

## **Background/Ordinance Revisions Attached**

Staff was directed to prepare ordinance language revising Minneapolis Code of Ordinances, Chapter 248, Truth in Sale of Housing to provide a shorter list of required repairs focusing on serious public hazards, to shift responsibility for those repairs to the buyer, and to remove the required repairs if the property did not sell. These changes are to become effective June 1, 2002.

In order to make the new provisions effective on June 1, 2002, it is necessary first to repeal the current Chapter 248 as of June 1, and then enact a new Chapter 248A, effective on June 1.

As directed, the new Chapter 248A reduces the number of required/repair items, shifts the responsibility to make the repairs to the buyer 90 days after closing, and jointly requires the buyer, buyer's agent and closer to file an acknowledgement of responsibility with the City within 10 days after closing. Additional ordinance revisions are included simply for housekeeping purposes.

The following is a summary of the new Chapter 248A as it differs from the repealed Chapter 248:

### 248A.10 Definitions

- The Certificate of Approval definition clarifies that the form will be provided when the required repairs are completed.
- Two forms, the conditional certificate of approval and the responsibility agreement, are deleted, as they will no longer be needed under the new process.
- Plumbing cross connections are defined per the State Plumbing Code to further clarify one of the required repairs.

### 248A.20(1)(c) Required Acts

- The buyer is now designated as responsible to make the repairs within 90 days after closing. It also clarifies that if the property is not sold, the seller is not required to make the repairs.

### 248A.40(b) Availability of documents

- A valid disclosure report or code compliance documents must also be provided to the buyer at closing

- 248A.80 Required repair/replace items  
The scope is rolled back to only include
- Certification of unsafe heating systems, water heaters, electrical systems.
  - Plumbing cross connections
  - Smoke detectors
  - Lack of required utilities
  - Unsafe gas piping
- 248A.110 Issuance of certificate of approval
- This section further clarifies when a certificate of approval is issued and eliminates the conditional certificate of approval
- 248A.130 Meetings of the board
- This housekeeping change clarifies that the Appeals Board will meet as needed to hear appeals and not necessarily every month
- 248A.140 Duties of the board
- These housekeeping changes specifies the duties of the board relative to adopting rules and procedures for appeals
- 248A.220 Report filing
- This section reduces the time to file an evaluation report with the City from 10 calendar days to 5 business days
- 248A.225 Acknowledgement of Responsibility
- This new section shifts the responsibility to make the repairs to the buyer 90 days after closing. It also jointly requires the buyer, buyer's agent and closer to file an acknowledgement of responsibility with the City within 10 days after closing.
- 248A.260 Effective date
- The new chapter becomes effective June 1, 2002, requiring the buyer to be responsible for the repairs of the valid disclosure report
  - Disclosure reports completed before the effective date remain valid for one year and/or for one owner

As with any new ordinance, additional staff work will be required for implementation. Specifically, new forms are needed, the access database must be modified to follow the new process, and program users will need to be re-educated. We must also focus our efforts on enforcement of the new rules to encourage compliance.

We anticipate, at a minimum, that the remainder of 2002 will be a transition period. Staff will be handling the closing out of approximately 4,400 open reports under the previous ordinance while implementing the new rules.

We are also requesting authorization to use unspent wages up to \$75,000 for 2002 to cover database changes and temporary staffing needs during program transition.