



DEPARTMENT OF LAW

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November 10, 2022

CODE ENFORCEMENT LEGISLATION COVER SHEET

I. INTRODUCTION

Submitted for your approval are 4 pieces of related legislation, all aimed at improving the City's Code Enforcement operations. Overall, this legislation package will:

- **Cut Red Tape** for contractors, businesses, homeowners, and residents
- **Improve Housing Quality, Health, and Safety** by redirecting resources towards code enforcement that improves our neighborhoods
- **Simplify and Clarify** requirements to make it easier for contractors, landlords, and residents to comply with the code
- **Foster an Improved Business Environment** to increase entrepreneurship

The pieces of legislation are:

1. **Permits Reform.** Repealing outdated requirements for city permits, such as the 25-cent bicycle license fee, and amending other city permit requirements, such as permanently extending the reduction in peddler's license fees.
2. **Contractor Licensing Reform.** Simplifying and clarifying the requirements for obtaining a Contractor License, such as reducing the number of reference letters required for contractors.
3. **Inspection Fee Reform.** Reducing inspection fees by 45%.
4. **Rental Regulation Reform.** Clarifying landlords' responsibilities under City Code, establishing regular inspections of rental properties, increasing compliance across the City, and strengthening enforcement mechanisms.

II. PERMITS REFORM.

City Code has retained a number of permits, licenses, and other fees and provisions that are no longer as beneficial to the City's health, safety, and welfare as they once might have been.

This legislation:

- Repeals provisions that the City has not enforced in years
- Repeals provisions that the City currently enforces, but whose benefits do not outweigh the costs
- Repeals provisions that have become obsolete by the enactment of newer, more comprehensive provisions
- Amends provisions that the City finds worthwhile to enforce with adjustment

Repealed Ordinance	Fee Collected 2022
Arcade	\$0
Billiards	\$75
Bowling Alley	\$75
Mechanical Amusements	\$0
Dance Hall	\$0
Performers	\$0
Theaters	\$0
Circuses	\$0
Bicycles	\$0
Buses	\$0
Taxis	\$0
Building Underwriter Inspectors	\$0
Central Heating and AC	\$0
Woodburning Stoves	\$0
Outdoor Furnaces	\$0
Certain encroachments	\$0
Fire Hydrant Openings	\$0
Billposters	\$0
Transient Merchants	\$0
Total	\$150

Amended Ordinance	Fee Collected 2022	Estimated Fee Collected 2023
Dog License (Replacing with State Dog License, which the County administers)	\$4,768	\$0
Peddler License (Extending 2022 fee reduction)	\$4,295	\$4,400
Scale License (Increasing fee)	\$3,550	\$7,100
Gaming Machine License (Reducing fee but increasing enforcement)	\$15,000	\$30,000
Total	\$18,550	\$41,500

The net revenue change is an increase in collections of **\$22,800** due to the proposed changes.

III. CONTRACTOR LICENSING REFORM.

The City has received many concerns that our contractor licensing requirements are too stringent and too unclear, compared to other cities. This legislation balances the need to protect residents from unqualified contractors with the need to encourage construction and rehabilitation of the city's homes and buildings. This legislation:

- **Reorganizes and rephrases** this chapter of City Code to make it more user-friendly
- **Strengthens regulation of subcontractors**
 - Clarifies requirement that all subcontractors must be licensed
 - Requires prime contractors to list all subcontractors for a project and to update the City on any changes
- **Reduces the amount of information required** of applicants for Master Contractor and Specialty Contractor licenses, including:
 - Replaces burdensome notary requirements with an equally effective affidavit statement
 - Reduces the number of reference letters required for contractors who are not proving their qualifications through exam results
- **Reduces the number of years' experience required** for contractors who are not proving their qualifications through exam results
- **Formalizes the renewal process** and reduces the fee for renewing a license
- **Makes other technical changes**, such as replacing references to “LIPS” with “the Bureau of Code Enforcement” and removing unnecessary gendered language

While the lower renewal fee will decrease revenue from contractor licensing, we expect that the other changes to the license application will lead to an increase in contractors applying for licenses, which will offset that decrease in the long-term.

IV. INSPECTION FEE REFORM.

The City contracts with a third-party vendor, NEIC, to perform its building inspections. The current fee schedule was established in 2012, through the initial contract between the City and NEIC that has been renewed several times and remains in effect today. This resolution would authorize City officials to amend the 2012 contract’s fee schedule to reduce the fees paid by residents by 45%. The agreement also establishes a “Savings Rate” for timely payments from the City to NEIC that would be lower than the existing rate.

The reduction in inspection fees will help encourage further housing and commercial development within the City.

It is estimated that this change will have an impact on Code Enforcement revenues, but in the context of increased business activity and the associated base of revenue.

V. RENTAL REGULATION REFORM.

The City has long received complaints from residents that many rental properties throughout the City present health and safety risks to neighbors and tenants. While rent prices have shot up, many landlords have continued to neglect their properties in Scranton, failing keep them above the legal minimum standard.

Background:

- 51% of City housing stock is renter occupied
- 53% of City housing stock was built prior to 1939

- Local agents are often unreachable, and ownership is hidden behind an LLC
- The City estimates that only 30% of rental properties currently comply with the City's rental registration requirement

Over the past year, the City has undertaken an extensive research effort to better understand the current program's shortcomings and to identify best practices from our peer cities. The RENTAL Ordinance of 2022 Calls For:

- **Regular Health and Safety Inspections** to check for life safety issues, such as smoke and CO detectors, ingress and egress
- **Improved Rental License Compliance** through dedicating more resources and strengthening enforcement mechanisms, and by using a new list of the 16,000+ likely rental units, identified through county records
- **Improved Condition of Housing Stock** and reduced blight by taking a proactive approach to rental unit inspections

Reinvigorating our Rental Regulation program will also entail new inspectors and repurposed positions, totaling 5 housing inspectors dedicated to rental inspections, and a rental manager. This model that includes regular rental inspections is in line with the majority of our peer cities that maintain a rental regulation program.