



STAFF REPORT

DATE: 7/18/2017
CONSENT
ITEM #: 15
MOTION

TO: City Council

FROM: Michael Bent, Building Official

AGENDA ITEM: Approve Revisions to City Contractor Licensing Requirements

REVIEWED BY: Kristina Handt, City Administrator

BACKGROUND:

The City of Lake Elmo licensing of Demolition, Excavator, HVAC, Irrigation, Sewer/Water Line Installation and Sign contractors is redundant regulation for contractors already required to be insured and in most cases, bonded. The building department issues combination permits to general contractors who are required to be licensed by the State of Minnesota. The general contractor pulls all of the permits and is responsible for the work of their subcontractors. The local licensing is burdensome, difficult to track and enforce, and does not provide a significant revenue to the city. Proof of insurance for contractors permitted for individual projects involving any of the trades referenced is adequate safeguards for liability and customer protection.

ISSUE BEFORE COUNCIL:

The City Council is being asked to Resolution 08-183, deleting the requirement for city licensing of Demolition, Excavator, HVAC, Irrigation, Sewer/Water Line Installation and Sign contractors.

PROPOSAL DETAILS/ANALYSIS:

Demolition, Excavator, HVAC, Irrigation, Sewer/Water Line Installation and Sign contractor licensing by the City of Lake Elmo is redundant regulatory governance. The revenue generated by the license fees collected is minimal and tracking and enforcement is non-existent. There is no enforcement action in place to regulate non-licensed contractors and staff time to enforce and track unlicensed contractors would be time consuming, burdensome, and a poor use of city resources.

FISCAL IMPACT:

01/01/17 through 06-30-2017 Contractor Licensing Revenue totaled \$450.00
PermitWorks Contractor Licensing Module Cancellation: \$595.00 Annual

OPTIONS:

1. Adopt Ord. 08-183 as presented.
2. Amend Ord. 08-183 and adopt as amended.
3. Do not adopt Ord. 08-183.

RECOMMENDATION:

Staff recommends the City Council adopt Ord. 08-183, Approve Revisions to City Contractor Licensing Requirements.

If removed from the consent agenda, Staff recommends the following motion:

“Motion to adopt Ord. 08-183 approving Revisions to City Contractor Licensing Requirements

ATTACHMENTS:

- Ordinance No. 08-183 - Revised Fee Schedule Striking the requirement for city licensing of Demolition, Excavator, HVAC, Irrigation, Sewer/Water Line Installation and Sign contractors

CITY OF LAKE ELMO
COUNTY OF WASHINGTON
STATE OF MINNESOTA

ORDINANCE NO. 08-183

AN ORDINANCE AMENDING SECTION 115.02 OF THE LAKE ELMO CITY CODE

SECTION 1. The City Council of the City of Lake Elmo hereby amends Title XI, Chapter 115: Building Contractors; License and Permit Required, Section 115.02 of the Lake Elmo Code of Ordinances to read as follows:

§ 115.02 LICENSE AND PERMIT REQUIRED.

(A) *License required.*

(1) No person, firm or corporation shall operate, maintain, conduct or engage in the following businesses or work, except in accordance with state statutes, this code and other applicable ordinances of the city.

~~(a) Demolition—residential dwelling, commercial structure.~~

~~(b-a) Driveway.~~

~~(c) Excavation.~~

~~(d) HVAC.~~

~~(e) Irrigation.~~

~~(f) Sewer line installer.~~

~~(g) Water line installer.~~

~~(h) Sign installer.~~

(i b) Right-of-way.

(2) This division shall not be construed as preventing any such qualified licensee from performing the work by an employee under his/her supervision and control, or by contract with another person qualified to perform the same; provided that the contractor is subject to the control of the licensee, and the licensee is at all times responsible for the work performed. A contractor not subject to the control of a licensee shall be required to obtain a license.

(B) *Permit required.* For each of the businesses or occupations listed in division (A)(1) of this section for which the State of Minnesota provides for the registration thereof, permits shall be granted only to holders of a state or city license; except that the owner of any property may perform work when work is performed in

accordance with the codes and ordinances of the city, and for such purpose, a permit may be granted to such owner without a license obtained.

(Ord. 08-069, passed 2-19-2013) Penalty, see § 10.99

SECTION 2. Effective Date. This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

SECTION 3. Adoption Date. This Ordinance 08-183 was adopted on this ___ day of _____, 2017, by a vote of ___ Ayes and ___ Nays.

LAKE ELMO CITY COUNCIL

Mike Pearson, Mayor

ATTEST:

Julie Johnson, City Clerk

This Ordinance 08-183 was published on the ___ day of _____, 2017.