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AKRON CITY COUNCIL SUBSTITUTE OFFERED

Offered by: MAYOR HERRIGAN & COUNCILMAN FUSCO AS AN AMENDMENT

KEITH

ORDINANCE NO. 414 -2016 amending/supplementing Title 19 "Building Code," Chapter 190 "General Provisions" to enact Article 4 "Building Contractor Registration" to require all building construction contractors to register with the Director of Public Service prior to undertaking or performing work in the City of Akron for which a permit is required in accordance with the recommendations of the Blue Ribbon Task Force; and declaring an emergency.

WHEREAS, the Blue Ribbon Task Force submitted a Report and Recommendations to Mayor Herrigan on February 1, 2016 which included approximately 100 recommendations for changes to and improvements in, the administration of the City; and

WHEREAS, a majority of recommendations have been referred to various City departments or divisions for review and implementation; and

WHEREAS, the Blue Ribbon Task Force recommended that the City improve income tax collections from contractors; and

WHEREAS, requiring the registration of contractors with the Department of Public Service will improve the City's ability to collect income tax from contractors; and

WHEREAS, the registration of contractors with the Department of Public Service will improve honesty, accountability, and transparency within the contracting community.

NOW, THEREFORE, BE IT ENACTED by the Council of the City of Akron:

Section 1. That Title 19 "Building Code," Chapter 190 "General Provisions," Article 4 "Building Contractor Registration" of the Code of Ordinances of the City of Akron, be and is hereby effective February 1, 2017, and enacted to read as follows:

#### **Article 4. Building Contractor Registration**

##### 190.401 Contractor Registration Required.

- A. No person or business entity shall undertake or perform work in the City of Akron requiring a permit under Section 190.201 of this Code, without first obtaining a building construction contractor registration from the Superintendent of Building Inspection, or the Superintendent's designee (hereinafter referred to as "Contractor Registration"). Such work within the corporation limits shall only be transacted by a building construction contractor duly registered or as otherwise permitted by local, state or federal law or regulation.
- B. The requirement of 190.401(A) shall not apply when the applicant is the owner-

occupant of a single-family dwelling and the building permit sought is for construction, reconstruction or renovation of that single-family dwelling. This exemption shall only be provided to qualified homeowners and not to corporations, limited liability companies, sole proprietorships, limited liability partnerships or other business entities.

#### 190.402 Application for Contractor Registration.

- A. Any person or business entity, before undertaking or performing work in the City of Akron requiring a permit under Section 190.201 of this Code, shall submit an application for a Contractor Registration to the Department of Public Service on a form prescribed by the Superintendent of Building Inspection, and shall provide the following information:
  - 1. Disclosure of all parties that hold at least a fifteen percent (15%) ownership interest in the business entity seeking the registration, including any business partners.
  - 2. Proof of liability insurance.
  - 3. Copy of current Ohio Bureau of Workers Compensation policy that is active and compliant at the time of registration.
  - 4. The license number of any Ohio Construction Industry Licensing Board contractor license which has been assigned to the person or business entity.
  - 5. The principal business address for the person or business entity or individual seeking registration.
  - 6. Proof the person or business entity is properly registered with the City Tax Administrator as required by Section 104.088.
- B. Every application for a contractor registration shall be accompanied by a nonrefundable fee of One Hundred Dollars (\$100.00).

#### 190.403 Renewal of Contractor Registration Required

- A. All building construction contractor registrations are valid through the next June 30th following the date of issuance.
- B. All persons or business entities seeking to renew a Contractor Registration must submit a renewal application, on a form prescribed by the Superintendent of Building Inspection, to the Director of Public Service by May 30 of each year, and provide updated information required by 190.402(A).
- C. Every renewal application for a Contractor Registration shall be accompanied by a nonrefundable fee of Fifty Dollars (\$50.00).

#### 190.404 Denial of Application; Revocation of Contractor Registration

- A. The Director of the Department of Public Service may disapprove any application for a Contractor Registration or revoke any Contractor Registration or renewal thereof, issued under the provisions of this article, for any of the following reasons:
1. Misrepresentation of a material fact by the applicant in applying for or obtaining the registration certificate or renewal thereof;
  2. The use of the registration certificate by registrant in obtaining a building permit for work to be performed by a contractor or builder other than the registrant;
  3. Failure to comply with any applicable law or ordinance;
  4. Commencing work for which a permit is required without first obtaining such permit;
  5. Abandonment or failure to perform, without justification, any project undertaken by the contractor;
  6. Cancellation of the required Workers Compensation coverage;
  7. Cancellation of the required Certificate of Insurance; or
  8. Engaging in a course of conduct calculated to induce owners and/or tenants of property or their authorized agents, to enter into a contractual relationship for labor and/or materials through misrepresentation of labor costs or through misrepresenting that the materials and/or specifications used comply with all applicable City ordinances; or
  9. Engaging in any other course of conduct that is detrimental to the public health, safety, or welfare.

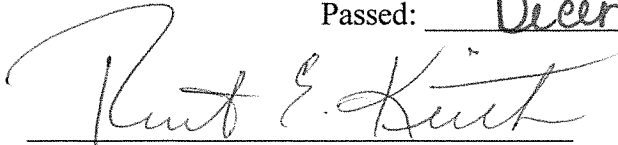
190.405 Enforcement; Penalties

- A. Persons or business entities that that fail to register as required under this article shall be subject to a fine of Five Thousand Dollars (\$5,000.00) per violation.
- B. Each construction project for which the person or business entity has provided construction labor services without being registered shall be considered a separate violation.
- C. The Director of Public Service shall accept complaints from third parties alleging a violation of this Article 4.

Section 2. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety for the reason that requiring all building construction contractors to register with the Director of Public Service prior to undertaking or performing work in the City of Akron for which a permit is required will

protect the citizens of Akron by improving honesty, accountability, and transparency and will the enhance the efficient collection of income tax in the City; and provided this ordinance receives the affirmative vote of two-thirds of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest time allowed by law.

Passed: December 19, 2016



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Clerk of Council

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President of Council

Approved: \_\_\_\_\_, 2016

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MAYOR