

ORDINANCE NO.: 22-2023
INTRODUCED BY: Nelson

AN ORDINANCE AMENDING SECTION 1325.16 OF THE CITY OF RICHMOND HEIGHTS BUILDING CODE TO PROCESS CONTRACTOR PERMIT DEPOSITS IN A MORE EFFICIENT MANNER.

WHEREAS, pursuant to Codified Ordinance Section 1325.16, the Division of Building, Zoning and Housing collects deposit monies from contractors that are paid to the City when building permits are issued to assure that all work under the permit is completed properly and to cover the repair of any damage to public infrastructure caused by the contractor during the commission of the work;

WHEREAS, over the past several years, the Division has experienced difficulty returning deposit monies to contractors after the satisfactory completion of the permitted work which has caused the City to hold the funds for several years because contractors have not sought return of the funds or are no longer able to be located.;

WHEREAS, the foregoing situation has caused the City to hold and account for the deposited funds for substantial periods of time and continually accounting for said funds for several year, only to be eventually forfeited as “unclaimed funds” and deposited into the City’s General Fund;

WHEREAS, this Council’ Audit Committee has recommended an amendment to Building Code Section 1325.16 to more efficiently process the return of contractor deposited funds;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: Section 1325.16, “Contractor Insurance and Cash Bond Deposits”, of Chapter 1325, “Permits and Fees” of the Building Code is hereby amended to hereinafter provide as follows:

“1325.16 CONTRACTOR'S INSURANCE AND CASH BOND DEPOSIT.

(a) Contractor's Insurance and Contractor's Cash Bond Deposit. Before any building permit shall be issued the applicant shall deposit with the Commissioner of Building, Zoning and Housing an insurance policy, issued by a company authorized to write insurance in all of the State of Ohio, designating the City as the insured therein, by the terms of which the City is saved harmless from any and all claims for bodily injury within the limits of one hundred thousand dollars (\$100,000) for each person and three hundred thousand dollars (\$300,000) for each accident and for property damage claims in the amount of fifty thousand dollars (\$50,000) for each accident arising or growing out of the street opening or removal of the surface of any sidewalk or opening in any sidewalk or the prosecution of the work for which the permit is obtained or in any manner arising or growing out of the work necessary or incident to the issuance of the permit or that may be occasioned by reason of any opening or anything else done pursuant to a permit.

(b) Contractor's Bond Deposit. Prior to the issuance of any building permit, a contractor's bond deposit in the form of a cash surety bond or certified cashier's check shall be deposited with the Commissioner of Building, Zoning and Housing as follows:

- (1) Residential (one, two, three family residential)
 - A. Additions and alterations
 1. Less than 200 square feet of gross floor area (GFA) \$200.00
 2. More than 200 square feet but less than 500 square feet of GFA 500.00
 3. More than 500 square feet of GFA 1,000.00
 - B. New construction 2,500.00
- (2) Other than one, two and three family residential
 - A. Two percent (2%) of the cost of the project but not less than 2,500.00

Such deposit shall be a guarantee that the applicant will repair or replace any damage or destruction to any publicly-accessible sidewalk, curb, street or tree lawn; the construction and maintenance of the temporary drive; the proper site grading; the installation and completion of the final grade including the installation of topsoil and seed and the covering of such with mulch; the cleaning of the premises and tree lawn of all dirt, debris, refuse, rubbish and material and the cleaning of the public streets, catch basins and/or sewers of the accumulation of any mud, filth or debris which may have been accumulated there as a result of the delivery of material, supplies and other things to such premises; and for the completion of sidewalk, lot pins and compliance in all respects to the applicable building and zoning codes of the City.

If the provisions of the Building and Planning and Zoning Codes and the orders of the Commissioner of Building, Zoning and Housing pertaining thereto are complied with, the deposit shall be refunded as soon after final inspection of **the permitted work, and** of the final grade and installation of grass seed, **as applicable, and as soon as such refund** can be conveniently ~~done~~ **made, upon the written request of the applicant. If the applicant does not request the refund within ninety (90) days of the satisfactory final inspection, the Division of Building, Zoning and Housing may serve written notice to the applicant by regular U.S. Mail at the last mailing address provided by the applicant to the Division to obtain the refund. If the applicant does not respond to the Division to obtain the refund within one (1) year of the mailing of the notice by the Division, the deposit shall be forfeited to the City and the funds shall be transferred to the City's General Fund.**

(c) Use of Contractor's Bond Deposit. An order to correct any condition or remove any substance shall be complied with within the time period as supplied by law, the Commissioner of Building, Zoning and Housing shall cause the same to be done at the expense of the permit holder and the Bond Fund shall be subjected to the payment of the expense thereof. In addition, any charges incurred over and above the fee set forth in this chapter for the inspection of the footer grade, rough grade and final grade due to the contractor's failure to comply with approved plans shall be deducted from the contractor's bond deposit. If such deposits are insufficient to fully pay for such expenses, then the permit holder shall be liable for the additional amount in excess of the Bond Fund, which coverage shall be collected by the Director of Law in a court of competent jurisdiction.

The deposit shall be subject to payment of all unpaid inspection and re-inspection charges set forth in this chapter."

Section 2: Existing Section 1325.16 of the Codified Ordinances is hereby repealed.

Section 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action,

were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: This Ordinance shall take effect and be in force from and after the earliest period allowed by law.

PASSED: March 14, 2023

APPROVED: March 14, 2023

ATTEST: Donnie Hunter
Donnie L. Hunter
Clerk of Council

Kim A. Thomas
Kim A. Thomas, Mayor

Bobby Jordan
Bobby Jordan
President of Council