

ORDINANCE TO BE CONSIDERED ON AT THE APRIL 9, 2024 CITY COUNCIL MEETING

**CITY OF MOUND
ORDINANCE NO. ____**

AN ORDINANCE AMENDING CHAPTER 38 LICENSES, PERMITS AND MISCELLANEOUS BUSINESS REGULATIONS

THE CITY COUNCIL OF THE CITY OF MOUND DOES ORDAIN:

SECTION 1. AMENDMENT. Mound City Code Chapter 38 is hereby amended by adding the following:

ARTICLE VIII. MOTORIZED WATERCRAFT RENTALS

DIVISION 1. GENERALLY

Sec 38-373. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Motorized Watercraft means a vehicle designed for travel across or through a body of water by means of a motor, such as a boat, jet ski, or personal watercraft.

Watercraft Rental Business means any person that rents or leases motorized watercraft to any other person.

Vehicle means a motorized vehicle that is registered with the State of Minnesota to operate within a public right-of-way that will be utilized by a watercraft rental business to transport motorized watercrafts.

Secs. 38-374 – 38-384. Reserved.

DIVISION 2. LICENSE

Sec 38-385. Required.

It shall be unlawful for any person to conduct a watercraft rental business or otherwise rent or lease a motorized watercraft to another person in the city without first having secured a license from the city to conduct such business.

Sec 38-386. Application Procedure; Fees.

- (a) *Location.* Application for a license under this article shall be made at the office of the city clerk.
- (b) *Form.* The application for a license or renewal shall be made on a form approved by the city which shows, among other things, the full name of the applicant, the applicant’s residential and business addresses, telephone number, email address, the name of the business for which the license is sought, list of motorized watercrafts to be rented or leased

ORDINANCE TO BE CONSIDERED ON AT THE APRIL 9, 2024 CITY COUNCIL MEETING

as required by this article, list of vehicles as required by this article, and all other information required by the city clerk.

(c) *Business Entity Applicants.* Any applicant that is a business entity shall furnish with the application a list of all persons that have a financial interest in the business of five percent or greater, including the percentage ownership of each. Business entities must notify the city of any change in ownership of the business entity. In such event, the city may require a new application process. The city may at any reasonable time examine business records of any business entity licensee to verify the identity of the owners and other information as provided in the application. After notice and a hearing, the city may revoke any license upon a determination that a change in ownership or status of the business entity has resulted in a material change affecting eligibility for a license. The failure to provide accurate information required by the application form or this article shall be grounds for license revocation.

(d) *Basis for Denial.* Basis for denying the issuance or renewal of a license under this article include, but are not limited to, the following:

- (1) The applicant is under the age of 18 years.
- (2) The applicant has failed to provide all required information and documentation as required by this article.
- (3) The applicant fails to provide any information required on the application or provides false or misleading information. Any false statement on an application, or any willful omission of any information called for on such application form, shall cause an automatic refusal of license, or if already issued, shall render any license issued pursuant thereto void and of no effect to protect the applicant from prosecution for violation of this article, or any part thereof.
- (4) The applicant is prohibited by local, state, or federal law, ordinance, or other regulations from holding a license.
- (5) The applicant or those that have a financial interest in the business have had a licensed revoked in the previous two years.

(e) *Action on Application.*

- (1) On receipt of an application for any license, the city clerk shall cause investigation to be made of the qualifications of the applicant and shall determine whether the application is complete and the applicant has complied with all requirements of this article, which requirements are prerequisites to the issuance of the license.
- (2) The city clerk shall issue the license upon determination that such prerequisites have been complied with, but if the city clerk shall have determined that such prerequisites have not been complied with, the application for issuance of the license shall be denied.
- (3) The applicant for any license which has been denied by the city clerk may appeal the decision of the city clerk to the city council by filing with the city clerk, within ten days after receipt of notice of such denial, a request for review by the city council of such determination. The city clerk shall thereupon refer the request to the city council at its next regular meeting, at which time the city council shall hear the applicant and review the determination of the city clerk and may grant or deny such license.

ORDINANCE TO BE CONSIDERED ON AT THE APRIL 9, 2024 CITY COUNCIL MEETING

(f) *License Fee; Term of License.* The annual license fee shall be established by the city, with the license year being from April 1 to March 31 of the following year. The license fee shall be due at time of making application. No rebate or refund of any license fee or part thereof shall be made by reason of nonuse of such license, or by reason of a change in location or business rendering the use of such license ineffective, provided that the city clerk shall have authority to refund a license fee collected through an error, or in cases where the application is denied. All licenses shall terminate at the end of the license year.

Sec. 38-387. Insurance.

(a) *Liability Insurance.* No license or renewal shall be granted, nor shall the same be effective, until the applicant has filed with the city clerk a certificate of insurance issued to the applicant by an insurance company authorized to do business in the State of Minnesota covering all operations of such applicant under this article in minimum amounts of \$1,500,000 per occurrence for commercial general liability and automobile liability. Excess liability or umbrella liability may be utilized to meet the above minimum amounts. The city shall be named and the insurance provided shall include the city as an additional insured. Said policy shall provide that it may not be cancelled by the insurer except after 30 days' written notice to the city, and if such insurance is so cancelled and the licensee shall fail to replace the same with another policy conforming to the provisions of this article, said license shall be automatically suspended until such insurance shall have been replaced.

(b) *Workers' Compensation Insurance.* Each license applicant shall file with the city clerk a certificate of insurance for workers' compensation when such insurance is required by state statute.

Sec 38-388. Duties and Conditions of Watercraft Rental Businesses.

A license to operate a watercraft rental business shall be issued subject to the following duties and conditions:

(a) *Compliance with Law.* Every watercraft rental business shall comply with all applicable local, state, and federal rules and regulations.

(b) *Maintain Insurance.* Every watercraft rental business shall maintain all required insurance for the entirety of the license year.

(c) *Registration Required; Maintain Current and Updated List.* Only those motorized watercraft that are registered with the State of Minnesota, meet all requirements of the Lake Minnetonka Conservation District, and are on the provided list described below shall be eligible to be rented or leased by the watercraft rental business and only vehicles provided in the list described below shall be utilized to transport motorized watercraft. The watercraft rental business shall provide a list with the application of all motorized watercraft to be rented or leased, together with a description and watercraft registration number and evidence of compliance with the Lake Minnetonka Conservation District, and shall provide a list of vehicles that will transport motorized watercraft. The watercraft rental business shall promptly update the list upon any additions or deletions of motorized watercraft and vehicles.

(d) *Nontransferable.* A license to operate a watercraft rental business shall not be transferred to any other person.

ORDINANCE TO BE CONSIDERED ON AT THE APRIL 9, 2024 CITY COUNCIL MEETING

(e) *Display.* Every watercraft rental business shall publicly display its license to operate a watercraft rental business on its vehicles utilized for transporting its motorized watercraft. The license and the lists described above shall be immediately available for inspection by the city clerk or its designee.

Sec. 38-389. Procedure for Suspension or Revocation of License.

(a) At any time that the city clerk shall determine that any person licensed under this article shall have failed to comply with any requirement of law or with any provision of this article, the city clerk shall notify the licensee in writing of such violation, such notice to be delivered by the U.S. mail or personally as the city clerk may determine, and deposit of the notice in the U.S. mail, addressed to the address stated on the license application, shall constitute service of the notice.

(b) The notice shall require compliance with the provisions of law, regulation or ordinance specified within a reasonable time set forth in the notice.

(c) The notice will also provide a timeframe to request in writing a hearing before the city council. Failure to request a hearing before the city council within the timeframe provided in the notice shall be a waiver of any hearing right.

(d) Upon expiration of the compliance period in the notice, unless the licensee shall have requested a hearing in writing within the timeframe set forth in the notice, the city council may thereafter terminate or suspend such license for any continued or ongoing pattern of noncompliance.

Sec. 38-390. Hearing on Suspension or Revocation of License.

If a hearing is requested by the licensee pursuant to Section 38-389, the city clerk shall set a time for such hearing not less than ten days and not more than 30 days after the request, at which time the city council shall hear all testimony offered by the licensee, and shall inform the licensee of all information upon which the alleged violation of law by the licensee has been determined. On completion of such hearing, the city council may make a final order suspending or terminating the license in question.

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage and publications as required by law.

ORDINANCE TO BE CONSIDERED ON AT THE APRIL 9, 2024 CITY COUNCIL MEETING

Adopted by the City Council of the City of Mound this ____ day of _____, 2024.

Jason R. Holt, Mayor

ATTEST:

Kevin Kelly, City Clerk

Published in the _____ on _____, 2024