

SANTA MONICA RENT CONTROL BOARD – MEMO

TO: Board Commissioners

FROM: Hakhamanesh Mortezaie, Staff Attorney

BOARD MEETING: April 14, 2011

RE: Proposed Amendments to Regulation 11200(d)
Deadline for Payment of Registration Fees

INTRODUCTION

Staff is recommending that the Board adopt the proposed amended Regulation 11200(d) (attached with proposed changes in italics) to clarify and codify existing Board policy as to the deadline for payment of registration fees for previously withdrawn units brought back on the rental market, or for newly constructed units which replace withdrawn units that were subsequently demolished.

DISCUSSION

Section 1803 of the Santa Monica Charter authorizes the Board to charge and collect registration fees and penalties for late payment. The Board promulgated Chapter 11 of Board's regulations to govern registration fees. Regulation 11200(d) provides that all registration fees are due and owing as of July 1 of each year. The fees become delinquent if payment is not received before August 1 of each year. If a unit's exemption from the Rent Control Law lapses, registration fees are due within 30 days of the lapse of exemption for the remaining balance of the fiscal year and become delinquent if not received within the 30 day period.

For units that were previously withdrawn from the rental market pursuant to the Ellis Act (Government Code section 7060 et seq.) and then re-offered for rent, current Board policy requires payment of registration fees within 30 days of filing a Notice of Intention to Re-Rent Withdrawn Accommodations with the Board. Regulations 1620, 1622 and 1627 require an owner to first serve a Notice of Intention to Re-Rent Withdrawn Units on the Board 30 days prior to returning the withdrawn units to the rental market. The obligation to pay registration fees, therefore, attaches within 30 days of filing the Notice with the Board.

For units that replace demolished controlled units withdrawn pursuant to the Ellis Act, current Board policy requires payment of registration fees when the units are first offered for rent. Government Code section 7060.2 provides that new units constructed on the same property where Ellised units were demolished are subject to local rent control if they are offered for rent or lease within five years of

Proposed Amended Regulation 11200(d)
Staff Report
March 10, 2011
Page 2

their withdrawal. The obligation to pay registration fees, therefore, attaches when the units on a property are subject to rent control upon their initial offer for lease.

RECOMMENDATION

Staff recommends that the Board adopt the attached, proposed amended Regulation 11200(d).

Attachment: Proposed Amendments to Regulation 11200(d)

PROPOSED AMENDED REGULATION 11200(d)

11200. Registration Fee

(d) Deadline for Payment of Registration Fees

- (1) All registration fees are due and owing pursuant to this regulation as of July 1 of each year, and must be received in the office of the Rent Control Board, or mailed and postmarked, no later than August 1, of each year.
 - (i) For years in which August 1 falls on a day of the week when the Board's offices are closed to the public, fee payments must be received in the Board's office, or mailed and postmarked, no later than the first day after August 1 that the Board's offices are open to the public.
 - (ii) The deadline set forth herein is subject to the exceptions as provided in subsections (d)(2), (3) and (4), and subsection (l) below.
- (2) Except in extraordinary circumstances, and at the discretion of the Administrator, no exceptions to, nor extensions of, the deadline set forth in subsection (1) above shall be granted.
- (3) If a landlord has been granted an exemption for a controlled rental unit by the Board which exemption lapses, the landlord shall pay prorated registration fees for the balance of the fiscal year in which the exemption lapsed. Such prorated fees are due at the start of the next calendar month following the lapse. The prorated fees are past due and delinquent if not paid in full within thirty (30) days.
- (4) If any registration fee waiver expires, the landlord shall pay prorated registration fees for the balance of the fiscal year in which the waiver expires. The prorated fees are due at the start of the next calendar month following the expiration of the fee waiver. The fees are past due, or delinquent, if not paid in full within thirty (30) days.
- (5) *If a unit is returned to the rental market pursuant to Chapter 16, the landlord shall pay registration fees for the balance of the fiscal year remaining thirty (30) days after the filing of the Notice of Intention to Re-Rent Withdrawn Accommodations for the subject property. Such prorated fees are due at the start of the next calendar month and are past due and delinquent if not paid in full within thirty (30) days.*
- (6) *If a newly constructed unit is offered for rent or lease and is subject to the Rent Control Law in accordance with Regulation 1631, the landlord shall pay registration fees for the balance of the fiscal year remaining after the unit is first offered for rent or lease. Such prorated fees are due at the start of the next calendar month and are past due and delinquent if not paid in full within thirty (30) days.*