

ORDINANCE NO.: 114-2024
INTRODUCED BY: Mayor Thomas

AN ORDINANCE AMENDING SECTION 1325.16, CONTRACTOR'S INSURANCE AND CASH BOND DEPOSIT, AND SECTION 1335.06, EVIDENCE OF INSURANCE REQUIRED, OF CHAPTER 1325, PERMITS AND FEES, AND CHAPTER 1335, CONTRACTOR REGISTRATION, PROCEDURE, SUSPENSION AND REVOCATION, OF THE BUILDING CODE OF THE CODIFIED ORDINANCES OF THE CITY OF RICHMOND HEIGHTS.

WHEREAS, this Council finds it is necessary to increase the insurance coverage amounts requirements and to require a surety bond of \$25,000 for the registration by contractors desiring to perform work within the City of Richmond Heights and for obtaining building permits in the City for the protection of the City and of those persons engaging contractors to do work on private property in the City;

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

Section 1: Section 1325.16, Contractor's Insurance and Cash Bond Deposit, of Chapter 1325, Permits and Fees, of the Building Code of the Codified Ordinances of the City of Richmond Heights 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 have submitted to the Commissioner of Building, Zoning and Housing an insurance policy a certificate of insurance evidencing proof of a general commercial insurance policy, issued by a company authorized to write insurance in all of the State of Ohio, designating the City as the an additional insured therein, by the terms of which such insurance the City is saved harmless from covered for any and all claims for bodily and personal injury within the minimum limits of one three hundred thousand dollars (\$1300,000) for each person and three hundred thousand one million dollars (\$31,000,000) for each accident occurrence and for property damage claims coverage in the minimum amount of fifty one hundred thousand dollars (\$5100,000) for each accident occurrence 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 made, upon the 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.

(e) 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: Current Section 1325.16, Contractor's Insurance and Cash Bond Deposit, of the Building Code of the Codified Ordinances of the City of Richmond Heights is hereby repealed.

Section 3: Section 1335.06, Evidence of Insurance Required, of Chapter 1335, Contractor Registration, Procedure, Suspension and Revocation, of the Building Code of the Codified Ordinances of the City of Richmond Heights is hereby amended to hereinafter provide as follows:

"1335.06 EVIDENCE OF INSURANCE ~~AND SURETY BOND~~ REQUIRED.

(a) Each applicant for a contractor registration shall furnish a ~~C~~ertificate of ~~Issuancee insurance for evidencing general comprehensive liability insurance coverage, issued by a company authorized to write insurance in all of the State of Ohio,~~ for bodily and personal injury in the minimum coverage amount of one three hundred thousand dollars (\$1300,000), and three hundred thousand a minimum coverage amount of one million dollars (\$31,000,000) for each occurrence and for property damage in the minimum coverage amount of fifty one hundred thousand dollars (\$5100,000). The City of Richmond Heights shall be listed designated as an Additionally Insured on the ~~C~~ertificate.

(b) Each applicant for a contractor registration shall furnish a surety bond in the minimum amount of Twenty-Five Thousand Dollars (\$25,000.00) from a surety, acceptable to the Commissioner of Building, Zoning and Housing, to keep and save harmless the City, its employees and officials from any damages sustained by reason or on account of work performed by the registered contractor, to assure the faithful observance of all the duties and the discharge all the obligations required of the registered contractor during the registration period, and to assure the obeyance all lawful orders of the City issued under this code, and which surety bond shall also be for the benefit of any party injured by the registered contractor's failure to comply with all applicable obligations, duties, terms, conditions, provisions and requirements of the Codified Ordinances of the City and the lawful orders of the City issued under such ordinances. Either the City, any injured party, or both may bring an action on the surety bond."

Section 4: Current Section 1335.06, Contractor Registration, Procedure, Suspension and Revocation, of the Building Code of the Codified Ordinances of the City of Richmond Heights is hereby repealed.

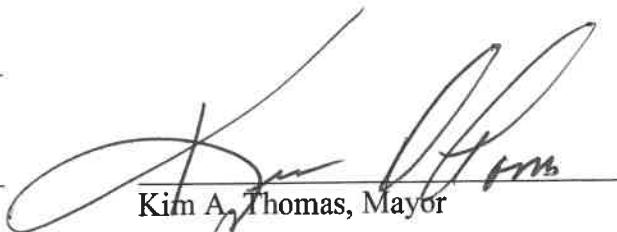
Section 5: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 6: This Ordinance shall take effect and be in force as of January 1, 2025.

PASSED: Aug. 27, 2024

APPROVED: Aug. 27, 2024

ATTEST: Tracey Blair
Tracey Blair
Clerk of Council


Kim A. Thomas, Mayor


Bobby Jordan
President of Council