

## **BUILDING PERMIT SECURITY DEPOSIT**

*Information excerpted from Village Code, Village of Long Grove.*

*(For the Village Code in its entirety, please refer to [www.longgrove.net/Village](http://www.longgrove.net/Village) and Zoning Code, or visit the Village Hall.)*

### **4-1A-1: SECURITY DEPOSIT; TERM:**

Prior to the issuance of a building permit, the permit applicant shall post a security deposit with the village. The security deposit shall be maintained for a term of twenty four (24) months after the issuance of a building permit, and thereafter retained or returned by the village, subject to the permit applicant's compliance with applicable codes; provided, however, that the village superintendent may extend the time for maintaining a security deposit for a period not to exceed six (6) months. Security deposits shall be governed by the provisions of this chapter and section 12-1-3 of this code. (Ord. 2004-O-11, 6-8-2004)

### **4-1A-2: LIABILITY FOR PROPERTY DAMAGE:**

The village shall deduct from the security deposit the cost to correct any damage to public properties which is directly related to the construction for which the building permit has been issued. (Ord. 2004-O-11, 6-8-2004)

### **4-1A-3: CLEANUP OF CONSTRUCTION SITE:**

In addition to the uses authorized by this chapter and section 12-1-3 of this code, the village may use the security deposit to remove litter and rubble from a site, to maintain the site in a litter free condition, and to prevent litter and rubble from being blown or otherwise deposited upon other property. The village superintendent shall give the applicant, when practicable, five (5) days' prior written notice of his intent to have the site cleaned up, and back charge the applicant by deducting from the security deposit. If the applicant fails to adequately clean the site and remove all litter and rubble within the five (5) day period, or sooner if necessary, the village superintendent shall make arrangements to have the site rendered clean and free of litter and rubble, with all costs incurred by the village to be deducted from the security deposit. (Ord. 2004-O-11, 6-8-2004)

### **4-1A-4: SAFETY OF SITE:**

In addition to the uses authorized by this chapter and section 12-1-3 of this code, the village may use the security deposit to defray the cost of rendering a site safe. This would include, but not be limited to, boarding up a structure, covering a structure, or removing a structure that has not been completed within the twenty four (24) month period, or within any extension of time granted by the village superintendent pursuant to section 4-1A-1 of this chapter. The village superintendent, when practicable, shall give forty eight (48) hours' prior written notice to the applicant of his intent to perform safety related work on the site, as described above. If the site is not corrected within that forty eight (48) hour period, or sooner when an emergency exists, the village superintendent may take whatever steps are necessary to render the site safe, and with all costs incurred by the village to be deducted from the security deposit. (Ord. 2004-O-11, 6-8-2004)

### **4-1A-5: AMOUNT:**

(A) A security deposit in the amount of three thousand dollars (\$3,000.00) shall be required for new construction, additions, incidental or accessory buildings exceeding four hundred (400) square feet, and belowground swimming pools.

(B) A security deposit in the amount of one thousand five hundred dollars (\$1,500.00) shall be required for new construction, additions, incidental or accessory buildings not exceeding four hundred (400) square feet, aboveground swimming pools and all other construction or alterations. (Ord. 2004-O-11, 6-8-2004)

### **12-1-3: USE AND DISPOSITION OF SECURITY DEPOSITS:**

#### **(A) General:**

1. Whenever the village requires or obtains from any person a security deposit in the form of a cash deposit, surety bond, cash payment, letter of credit, or other financial guarantee in connection with any authorization of the village, including, without limitation, any building, zoning, subdivision, construction, or development approval, permit, or license, the security deposit shall be posted with the village clerk and governed by the terms and provisions of this section, whether or not this section is referenced in the authorization or any code provision relating to the authorization. In addition, any surety bond, letter of credit, or other security instrument other than cash, check, money order, or other cash equivalent shall also be governed by its terms and conditions, and such terms and conditions shall be deemed to be incorporated into all such security deposits.

*(Continued on reverse)*

2. Security deposits must be issued by an institution which the village finds to be financially sound and reputable and must conform with the format approved by the village from time to time.
3. Security deposits shall be provided in a form approved by the village attorney and in the amount specified in the authorization or applicable code provision. If no amount is specified, the security deposit shall be the greater of one hundred ten percent (110%) of the estimated cost of the activity for which the security deposit relates, or one thousand dollars (\$1,000.00).

**(B) Time For Performance:** All work to be performed pursuant to an authorization shall be completed within the time period set forth in the authorization or in the code provision governing the performance of the work. In the absence of a specified time period in the authorization or in the applicable code provision, the work shall be completed within one year after the date of the authorization.

**(C) Preconditions For Return Of Security Deposit:** No security deposit shall be returned to any person unless all work required to be performed pursuant to the authorization or any applicable code provision has been completed in a timely fashion, inspected, and approved by the village superintendent, village engineer, their designees, or the person whose approval is required pursuant to the authorization or applicable code provision. In addition, no security deposit shall be returned to any person if there are any violations, penalties, or fines outstanding with respect to the work or the premises that are the subject of the authorization; except that, to the extent the violation, penalty, or fine can be corrected or satisfied by the payment of funds to the village, then the person receiving the authorization may agree to the application of the portion of the security deposit necessary to satisfy the outstanding violation, penalty, or fine.

**(D) Return Of Security Deposit:** Upon satisfaction of the preconditions set forth in subsection (C) of this section, the village shall return the security deposit to the person who provided the security deposit upon request therefor. To the extent that funds have been deducted from the security deposit pursuant to the terms of the authorization, this section, or any applicable code provision, the village shall return only the remaining balance, if any, of the security deposit. In the event that a person does not seek return of such funds within thirty (30) days after the village sends notice to the address provided in the application for which the security deposit was provided, the village shall be entitled to an administrative fee in the amount of fifty dollars (\$50.00) per month until such time as the applicant actually recovers the security deposit. Such administrative fee shall be deducted from the security deposit until the security deposit is recovered by the applicant or exhausted.

**(E) Reduction For Untimely Completion:** In addition to any violations, penalties, or fines that may apply in the event that a person fails to complete work for which a security deposit is required in a timely fashion, including the penalty provided for in subsection (F) of this section, the village shall deduct the cost to complete any work that has not been completed within the time for performance as specified in subsection (B) of this section from the security deposit.

**(F) Penalty For Untimely Completion:** In addition to any violations, penalties, or fines that may apply in the event that a person fails to complete work for which a security deposit is required in a timely fashion, the village shall retain the greater of one hundred dollars (\$100.00) or ten percent (10%) of any security deposit for each month or fraction thereof after the date that the work was to be completed pursuant to an authorization or applicable code provision. In addition, the balance of any security deposit for which the preconditions for return have not been satisfied within six (6) months after the date that the work was to be completed under the authorization or applicable code provision, shall be forfeited to the village and transferred into the village's general fund.

**(G) Reduction For Defective Or Improper Work:** In addition to any violations, penalties, or fines that may apply in the event that the work for which a security deposit is required is defective or improper or becomes defective or improper during the time that the village is holding a security deposit for the work, the village shall deduct the cost to correct the work from the security deposit.

**(H) Reduction For Damage Caused By Work:** In addition to any violations, penalties, or fines that may apply in the event that the work for which a security deposit is required damages public property, the village shall deduct the cost to correct the damage from the security deposit.

**(I) Stale Security Deposits:** To the extent that any security deposits on file with the village as of the effective date of this provision relate to work that should have been completed prior to the effective date of this provision, such security deposit shall be immediately deemed untimely and subject to the provisions of subsection (F) of this section. (Ord. 2004-O-11, 6-8-2004)