



# City of Chicago



O2020-3457

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 6/17/2020

**Sponsor(s):** Smith (43)  
O'Shea (19)  
La Spata (1)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Title 4 to further regulate short term residential rental hosting platforms, vacation rentals and shared housing units

**Committee(s) Assignment:** Committee on License and Consumer Protection

**ORDINANCE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** Section 4-5-010 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

*(Omitted text is unaffected by this ordinance)*

(36) Short Term Residential Rental ~~Intermediary Housing Platform~~ (4-13); \$10,000.00, plus a \$60.00 per unit fee for each short term residential rental listed on its platform

~~37) Short Term Residential Rental Advertising Platform (4-13)~~  
~~\$10,000.00, if the intermediary has 1,000 or more short term residential rentals listed on its platform; or \$5,000.00, if the intermediary has 999 or fewer short term residential rentals listed on its platform~~

~~(38) Shared Housing Unit Operator (4-16) \$250.00~~

**SECTION 2.** Section 4-6-290(a) of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

**4-6-290 Bed-and-breakfast establishment.**

(a) Definitions. As used in this section:

*(Omitted text is unaffected by this ordinance)*

"Short term residential rental ~~intermediary hosting platform~~" or "intermediary hosting platform" has the meaning ascribed to that term in Section 4-13-100.

~~"Short term residential rental advertising platform" or "advertising platform" has the meaning ascribed to that term in Section 4-13-100.~~

*(Omitted text is unaffected by this ordinance)*

(f) Legal duties. Each licensee engaged in the business of bed-and-breakfast establishment shall have a duty to:

*(Omitted text is unaffected by this ordinance)*

(8) If the bed-and-breakfast establishment ~~ids~~ listed on any short term residential rental ~~intermediary hosting platform or short term residential rental advertising platform~~, a licensee under this section shall have the following duties:

**SECTION 3.** Section 4-6-300 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

**ARTICLE XXX.<sup>1</sup> VACATION RENTALS (4-6-300 et-seq.)**

**4-6-300 Vacation rentals.**

(a) Definitions. As used in this section:

*(Omitted text is unaffected by this ordinance)*

~~“Shared housing unit operator” means any person licensed or required to be licensed under Chapter 4-16 of this Code.~~

*(Omitted text is unaffected by this ordinance)*

(b) Application - Additional information required. In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, a renewal of a regulated business license authorizing the owner of a dwelling unit to rent or lease such dwelling unit as a vacation rental shall be accompanied by the following information:

*(Omitted text is unaffected by this ordinance)*

(12) a statement as to whether, within two years of the date of application or renewal, the applicant or licensee, as applicable, has ever had a license for a vacation rental, bed-and-breakfast establishment, hotel ~~or shared housing unit operator~~, or a shared housing unit registration under Chapter 4-14 of this Code, for the dwelling unit identified in the license application suspended or revoked for cause;

*(Omitted text is unaffected by this ordinance)*

(c) License issuance and renewal - Prohibited when. No regulated business license to engage in the business of vacation rental shall be issued to the following persons:

*(Omitted text is unaffected by this ordinance)*

(8) any applicant or licensee, as applicable, whose license to engage in the business of vacation rental, bed-and-breakfast establishment, or hotel ~~or shared housing unit operator~~ or whose shared housing unit registration under Chapter 4-14 has been suspended or revoked for cause within two years of the date of application or renewal;

(9) any applicant or licensee, as applicable, whose license to engage in the business of vacation rental, bed-and-breakfast establishment, ~~or hotel or shared housing unit operator~~ for the dwelling unit identified in the license application, or whose shared housing unit registration under Chapter 4-14 for the dwelling unit identified in the license application, has been suspended or revoked for cause:

*(Omitted text is unaffected by this ordinance)*

(g) Prohibited acts.

*(Omitted text is unaffected by this ordinance)*

(h) Vacation rentals listed on a platform. If a vacation rental is listed on any short term residential rental ~~intermediary hosting platform or short term residential advertising platform~~ within the meaning of Chapter 4-13 of this Code, a licensee under this section shall have the following duties:

**SECTION 4.** Chapter 4-13 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

**CHAPTER 4-13**  
**SHORT TERM RESIDENTIAL RENTAL ~~INTERMEDIARIES AND~~**  
**ADVERTISINGHOSTING PLATFORMS**

**Article I. Definitions**

**Section 4-13-100 Definitions.**

As used in this chapter:

“Bed-and-breakfast establishment” has the meaning ascribed to that term in Section 4-6-290.

“Booking transaction” means a transaction in which a hosting platform collects or receives compensation or fees for facilitating the rental for transient occupancy of a short term residential rental located in the City by directly or indirectly allowing a reservation to be made for a guest or collecting or processing guest payments through a platform.

“Cooperative building” means a multiple-dwelling complex owned by a cooperative corporation, stock in which affords the owner thereof the right to possess or occupy a particular cooperative allocated to that stock within the complex. This right of possession or occupancy is granted through a proprietary lease or similar arrangement, and, unlike the owner of a condominium, the owner of the cooperative stock does not hold legal title to his or her individual cooperative. As used in this definition, “cooperative” means an individual dwelling unit within a cooperative building.

“Dwelling unit” has the meaning ascribed to that term in Section 17-17-0248.

“Egregious condition” has the meaning ascribed to that term in Section 4-14-010.

“Guest” has the meaning ascribed to that term in Sections 4-6-290, 4-6-300, or 4-14-010, as applicable.

“Homeowners association” has the meaning ascribed to that term in Section 4-6-300(a).

“Platform” means an internet-enabled application, software, website, mobile application, or any other digital system platform used by a short term residential rental ~~intermediary~~ hosting platform to connect guests for transient occupancy with, or advertise rentals for transient occupancy for, with a short term residential rental provider.

“Restricted residential zone” has the meaning ascribed to that term in Section 4-17-010.

“Shared housing host” or “host” has the meaning ascribed to that term in Section 4-14-010.

“Shared housing unit” or “unit” has the meaning ascribed to that term in Section 4-14-010.

~~“Shared housing unit operator” means any person that requires a shared housing unit operator license under Chapter 4-16 of this Code.~~

“Short term residential rental” means a dwelling unit located within the eCity that is rented as, or held out as being used as, a shared housing unit, bed-and-breakfast establishment or vacation rental for transient occupancy.

~~“Short term residential rental hosting platform” ~~intermediary~~ or “hosting platform ~~intermediary~~” means any person who: (1) provides a platform on which a short term residential rental located in the City is advertised or held out to the public as available to rent for transient occupancy; and (2) facilitates booking transactions, for compensation or a fee; (1) uses a platform to connect guests with a short term residential rental provider for the purpose of renting a short term residential rental, and (12) primarily lists shared housing units on its platform;.~~

~~“Short term residential rental advertising platform” or “advertising platform” means any person who, for compensation or a fee: (1) uses a platform to connect guests with a short term residential rental provider for the purpose of renting a short term residential rental, and (2) primarily lists licensed bed and breakfast establishments, vacation rentals or hotels on its platform or dwelling units that require a license under this Code to engage in the business of short term residential rental.~~

“Short term residential rental provider” or “provider” means any person who offers for rent a short term residential rental.

“Transient occupancy” has the meaning ascribed to that term in Section 4-6-290.

“Vacation rental” has the meaning ascribed to the term in Section 4-6-300.

## ARTICLE II. SHORT TERM RESIDENTIAL HOSTING PLATFORM

### Section 4-13-200 License – Required.

No person shall engage in the business of short term residential rental intermediary hosting platform without first having obtained a license under Article II of this Chapter 4-13.

### Section 4-13-205 Licensee – Fee.

The license required under this Article II shall be renewed annually. The license fee set forth in Section 4-5-010 shall be payable annually.

### Section 4-13-210 License application – Additional information required.

In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, renewal of, a license to engage in the business of short term residential rental ~~on a~~ intermediary hosting platform shall be accompanied by the following information:

- (1) the name, address and contact information of the ~~intermediary hosting platform's~~ local contact person;
- (2) an affidavit from the local contact person identified in the license application attesting that such local contact person: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the eCity;
- (3) proof of all required insurance, as set forth in Sections 4-13-220(a) and 4-13-220(b);
- (4) a written plan, subject to the approval of the commissioner, describing the applicant's procedures, processes and policies for ensuring that the applicant and any short term residential rental provider utilizing the platform are, and will remain, in compliance with this Chapter 4-13;
- (5) a quality of life plan, subject to the approval of the commissioner, meeting the requirements of Section 4-13-220(h); ~~and~~
- (6) an affidavit from the hosting platform that it has obtained, and will continue to obtain, written consent for the disclosure of the information required under, and the furnishing of such information in accordance with, Section 4-13-240, from all providers with short term residential rentals in the City who intend to utilize their platform to rent a short term residential rental for transient occupancy; and
- (7) any other information that the commissioner may reasonably require in connection with the issuance or renewal of the license.

### Section 4-13-215 Attestation —Acknowledgement— Required.

The intermediary hosting platform shall be required to make available an electronic copy of a summary of the requirements of this ordinance, including the requirement that the shared

housing unit host or vacation rental licensee be a natural person and that the relevant shared housing unit is the person's primary residence as defined in Section 4-14-010; the eligibility requirements for registration of a shared housing unit; as set forth in Chapters 4-13 and 4-14 of the Municipal Code of Chicago, the eligibility requirements for licensure of a vacation rental as set forth in Chapter 4-6 of the Municipal Code of Chicago, and the potential penalties applicable for violation of these ordinances. As a condition of listing on the platform, the intermediary hosting platform shall require the short term residential rental provider shared housing host to attest that the host-provider has reviewed the summary of the requirements of this ordinance and to acknowledge that their listing, rental and operation of a short term residential rental shared housing units in the City are-is subject to those requirements.

**Section 4-13-220 Legal duties.**

(a) *Insurance for intermediary hosting platform – Required.* Each licensee under this Article II shall have the duty to obtain commercial general liability insurance, with limits of not less than \$1,000,000 per occurrence, for bodily injury, personal injury (if commercially available to the licensee) and property damage arising in any way from the issuance of the short term residential rental intermediary hosting platform license or activities conducted pursuant to that license. Each policy of insurance shall: (i) be issued by an insurer authorized to insure in the State of Illinois; (ii) name the City of Chicago as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license (if commercially available to the licensee); (iii) be maintained in full force and effect for the duration of the license period; and (iv) include a provision requiring 30 calendar days' advance notice to the commissioner prior to cancellation or lapse of the policy;

*(Omitted text is unaffected by this ordinance)*

(d) *Compliance with tax laws – Required.* Each licensee under this Article II shall have the duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes; however, when a hosting platform facilitates a booking transaction it shall be required to act as the relevant short term residential rental provider's agent for that transaction and: (i) assess, collect, report and remit all relevant taxes to the appropriate taxing body; (ii) maintain records of all relevant taxes collected that have been remitted to the appropriate taxing body; and (iii) submit the records of (ii) to the department;

*(Omitted text is unaffected by this ordinance)*

(g) *Process to remove listings from a platform – Required.* Each licensee under this Article II shall have the duty to establish a process, to be approved by the commissioner, that enables a short term residential rental provider to remove from the intermediary hosting platform's platform any or all of the provider's listings on such platform.

(h) *Process to address quality of life concerns due to units on ineligible list – Required.* Each licensee under this Article II shall establish and comply with a process, to be approved by the commissioner, for mitigating the impact on quality of life of units determined to be ineligible under Section 4-13-260 or any hotel that is not properly licensed under Chapter 4-6 of this Code.

(i) *Compliance with written plan – Required.* Each licensee under this Article II shall have the duty to comply with any written plan approved by the commissioner pursuant to Section 4-13-210(4).

(j) *License number on listing – Required when.* Each licensee under this Article II shall establish a process, to be approved by the commissioner, to ensure that every ~~hotel~~ shared housing unit, bed-and-breakfast establishment or vacation rental listed on its platform includes the provider's license or registration number.

**Section 4-13-230 Shared housing units – Bulk proposed registration ~~required~~.**

(a) *Bulk registration. —~~Required.~~* Each licensee under this Article II shall ~~register with~~ submit to the department, on behalf of the owner or tenant of the applicable shared housing unit, and in accordance with this section, all proposed shared housing units sought to be listed on the licensee's platform. The proposed registrations required under this subsection shall meet the requirements set forth in Section 4-14-020(b) and (c).

(b) *Notice to provider of bulk registration – Required.* Each licensee under this Article II shall post a notice, in a conspicuous place on its platform, informing providers of shared housing units that: (1) the ~~intermediary~~ hosting platform will ~~submit~~ register the provider's shared housing unit for registration with the department, as required under subsection (a) of this section; and (2) ~~when if~~ the department assigns a registration number to the unit, the ~~intermediary~~ hosting platform will notify the shared housing provider of such fact, as required under subsection (d) of this section; and (3) upon receipt of such notification from the ~~intermediary~~ hosting platform, the provider, pursuant to Section 4-14-030(d), has ~~30~~ 5 calendar days to update the applicable listing application to include the registration number assigned by the department; and (4) if no registration number is assigned to the unit by the department within 90 days of the date on which the shared housing unit was registered with the department, the proposed listing shall be deemed to be invalid and the provider shall not allow the unit to be listed on the ~~remove the listing from~~ the platform; and (5) upon receipt of notification from the commissioner that a unit is ineligible under Section 4-13-260 for listing on the platform, the provider, pursuant to Section 4-14-030(c), shall not allow the ineligible unit to be listed or shall remove the ineligible listing from the platform, as the case may be.

(c) *Registration report required – Timeline for submission* On the 1st and 15th day of each month, each licensee under this Article II shall submit to the department a registration report, which shall be complete and accurate to the last day of the preceding reporting period under this subsection, containing all of the registration information required under Section 4-14-020(b) and (c) for each shared housing unit that the licensee is seeking to register with the

department during the applicable reporting period. Provided, however, that the licensee shall be deemed to be in compliance with this subsection (c) if the licensee submits the required report and registration information to the department on a daily or weekly basis or more frequently than twice each month. ~~Provided further, that the intermediary shall facilitate the collection, and transmittal to the department, of the attestations required under Section 4-14-020(e) in a format and manner consistent with requirements prescribed by the commissioner in rules.~~

~~(d) *Pending registration—Listing and rental of shared housing units while registration is pending.* Prior to submission by the intermediary of the registration report required under subsection (c) of this section and the assignment under Section 4-14-020(e) of a unique registration number to the shared housing unit identified in such report: (i) a shared housing host may list a shared housing unit that will be identified by the intermediary in its monthly registration report on its platform if the listing clearly indicates that the unit's registration by the department is pending; and (ii) the host of any unit that will be identified in such registration report shall be allowed to rent such shared housing unit, and to book future listings for such unit, until such time that the commissioner determines that such unit is ineligible under Section 4-13-260(a) to be listed on the platform.~~

~~(e) *Duration of pending registration status—Removal of invalid listing required when.* If a shared housing unit's listing on a platform does not include a valid registration number for such unit within the meaning of Section 4-14-020(e), and such listing is accompanied or required to be accompanied by the notification required under subsection (d) of this section indicating that approval of the shared housing unit's registration is pending, such listing, without an assigned registration number, shall not be valid for more than 90 calendar days after the date on which the shared housing unit was registered with the department pursuant to subsection (a) of this section. Such invalid listing shall be removed from the platform by the host no later than 91 calendar days after the date on which the shared housing unit was registered with the department pursuant to subsection (a) of this section, unless the department notifies the shared housing host in writing that the department has authorized a continuation of the shared housing unit's pending registration status to a date certain, which shall be identified in the written notice, after which date certain the listing, without an assigned registration number, shall be invalid and shall be removed from the platform by the host.~~

~~(d) *Duties of intermediary hosting platform following department's assignment of a unique registration number to a shared housing unit.* ~~When~~ If the department assigns a registration number to a shared housing unit listed in the proposed registration report submitted by the intermediary hosting platform pursuant to subsection (c) of this section, the department shall notify the intermediary hosting platform and the shared housing provider of such fact. Such departmental notification shall identify the registration number that the department has assigned to such shared housing unit. The licensee shall establish a process, which shall be approved by the commissioner, to ensure that the shared housing unit's listing on the platform is promptly updated to include the assigned registration number. The licensee's failure to comply with such approved process shall be a violation of this subsection. No listing shall be displayed that does not have a valid registration number.~~

(~~eg~~) *Ineligible listings – Duties of the ~~intermediary~~ hosting platform.* If the department determines that a shared housing unit listed in the registration report submitted by the ~~intermediary~~ hosting platform pursuant to subsection (c) of this section is ineligible under Section 4-13-260(a) for listing on a platform, the department shall notify the ~~intermediary~~ hosting platform of such fact in accordance with Section 4-13-260(b). Upon receipt of such notice from the department, the ~~intermediary~~ hosting platform shall notify the shared housing host of the facts set forth in such notice from the department. No hosting platform may list a shared housing unit found to be ineligible by the department.

**Section 4-13-240 Data and reports – Required.**

Notwithstanding any other provision of law or department action to the contrary, and as a condition of licensure:

(a) *Departmental report – Required.* Each licensee under this Article II shall have a duty to submit to the department, every ~~two~~ months, a report, in a form approved by the commissioner, that contains the following information about the short term residential rentals listed ~~on~~ through the ~~intermediary~~ hosting platform during the reporting period: (i) ~~the total~~ number of short term residential rentals listed on the platform during the applicable reporting period; (ii) the total number of nights that each short term residential rental listed on the platform was rented to guests during the applicable reporting period; (iii) ~~the itemized~~ the amount of rent paid by guests in connection with the rental of each short term residential rental listed on the platform during the applicable reporting period; (iv) the total amount of tax paid by the ~~intermediary~~ hosting platform to the ~~e~~City under Section 3-24-030 in connection with the rental of each short term residential rental ~~listed on the hosting platform facilitates a booking transaction for~~ during the applicable reporting period; (v) a cumulative tally to date of the number of nights that each short term residential rental listed on the platform is booked for rental during the remaining months of the applicable calendar year; ~~and~~ and (vi) a notation indicating each short term residential rental listed on the platform that the department has determined is ineligible under Section 4-13-260(a) to be listed on the platform. The report shall also contain the following information about each specific short term residential rental booking transaction during the reporting period: (vii) the address of each listing the short term residential rental, including any unit designations; (viii) the name of each the short term residential rental provider shared housing host or operator; (ix) any the short term residential rental provider's applicable registration or license numbers as required by Code; (x) the individual periods of rental by calendar date; licensee number of the shared housing host or operator; (v) the itemized amounts collected or processed by the hosting platform for the rental, taxes, and all other charges; and (xvi) any other information as may be required by the commissioner.

(b) *Additional departmental reports – Required when.* Upon request by the commissioner, each licensee under this Article II shall have a duty to submit to the department, in a form and manner prescribed by the commissioner, data identifying the total number of shared housing units that have been rented for more than 30 nights, or for any other period of nights during the current, previous, or subsequent calendar year, that the commissioner reasonably determines is necessary to assist the department in enforcing this Chapter 4-13 or

Chapters ~~4-14~~ or ~~4-16~~ of this Code. Such submission shall include a notation indicating each shared housing unit included in the data that the department has determined is ineligible under Section ~~4-13-260(a)~~ for listing on a platform.

(c) *Aldermanic report – Required.* Each licensee under this Article II shall have a duty to submit to each alderman, every two months, a report, in a form approved by the commissioner, that contains, on ward specific basis for the respective ward, the information set forth in ~~items (i) through (vi) of subsection (a) of this section~~ about each of the short term residential rentals listed ~~on through the intermediary hosting platform~~ during the applicable reporting period.

(d) *Maintaining books and records – Required.* Each licensee under this Article II shall have a duty to keep accurate books and records, and maintain such books and records, for a period of three years. Such books and records shall include the reports set forth in subsections (a), (b) and (c) of this section and their underlying records.

(e) *Additional reports and data.* Each licensee under this Article II shall have a duty to provide additional reports and data to the City as provided by the commissioner in rules.

(f) *Departmental audit and subpoena powers.* The department shall have the right to utilize any of the reports set forth in subsections (a), (b) and (c) of this section and their underlying records for auditing purposes. Each licensee under this Article II shall also have a duty to provide these reports and records upon written request of the department for such purposes, and the department may issue and serve subpoenas and compel the production of these reports and records as necessary to enforce hosting platform compliance. Such underlying records may not include copies of specific message exchanges between the hosting platform and a short term residential rental provider or guest, or between the provider and guest.

~~(f) *Form of data and report submission.* The information contained in the reports required under subsections (a), (b) and (c) of this section may be submitted in an anonymized form that removes personally identifiable information about the short term residential rental provider. Provided, however, that if the information required under subsections (a), (b) or (c) has been submitted in an anonymized form and the commissioner requires de-anonymized information about a short term residential rental provider or short term residential rental in connection with an audit conducted by the department to determine compliance with this Chapter ~~4-13~~ or Chapters ~~4-14~~ or ~~4-16~~ of this Code, or the commissioner reasonably determines that a short term residential rental provider or short term residential rental is: (i) the scene of a crime or other illegal act under investigation by any local, State or Federal law enforcement agency, or (ii) operating in violation of this Chapter or Chapters ~~4-14~~ or ~~4-16~~ of this Code or any other applicable provision of this Code, including, but not limited to, the Chicago Zoning Ordinance, the commissioner may issue an order, in the form of a subpoena, directing the intermediary to provide the information in a de-anonymized form, including, but not limited to, the name of the short term residential rental provider, the address of the short term residential rental, the details of the unit's rentals, and any information within the control or possession of the intermediary hosting platform regarding the guests of the shared housing unit or the rental of the unit. The intermediary hosting platform shall, within 21 calendar days of the date on which such order is issued, either provide the de-anonymized information or file a legal objection to such order in writing with the commissioner. If the intermediary hosting platform or shared housing~~

host files a legal objection, the commissioner shall provide a hearing on the objection within 10 business days, as provided by rule. The commissioner's determination shall be final and may be appealed in the manner provided by law. Nothing in this subsection shall be considered a limitation or restriction on the commissioner's powers and duties under Chapter ~~2-25~~.

**Section 4-13-250 Prohibited acts.**

(a) *List ineligible short term residential rentals ~~units~~ on the platform.* It shall be unlawful for any short term residential rental provider to list on a short term residential rental ~~intermediary hosting platform~~ platform any short term residential rental that the commissioner has determined is ineligible for listing pursuant to Section 4-13-260(a); ~~or~~

(b) *Financial benefit from ineligible listings on the platform.* It shall be unlawful for any person acting as, or on behalf of, a short term residential rental hosting platform to facilitate a booking transaction for a short term residential rental located in this City that is not registered in accordance with Chapters 4-13 and 4-14; not licensed in accordance with Chapter 4-6, or is ineligible under Section 4-13-260.

(c) *Failure to remove ineligible listings from the platform.* It shall be unlawful for any short term residential rental provider to fail to remove from a short term residential rental ~~intermediary hosting platform~~ platform any short term residential rental that appears on the list of ineligible short term residential rentals made available to intermediaries pursuant to Section 4-13-230(g).

**Section 4-13-260 Ineligibility – Listing on platform by a provider prohibited when.**

(a) *Conditions of ineligibility for listing.* A short term residential rental shall be ineligible for listing by a provider on a licensee's platform under the following conditions:

(1) *Nuisance* When, in the determination of the commissioner, the rental of the short term residential rental creates a nuisance because at least ~~three~~ two separate incidents involving illegal acts, as that term is defined in Section 4-4-313(h), occurred: (i) in the short term residential rental; (ii) in or on the premises in which the short term residential rental is located; (iii) in the short term residential rental's parking facility; or (iv) on adjacent property. For purposes of determining whether ~~three~~ two or more illegal acts occurred, illegal acts occurring shall be limited to acts of the guests, or of invitees of the guests, or to acts otherwise involving circumstances having a nexus to the operation of the short term residential rental while rented to a guest; or

(2) *Egregious condition.* When the short term residential rental is the situs of an egregious condition: or

(3) *Scofflaw or problem landlord.* When a short term residential rental is listed on, or located in a building that is listed on, the city's Building Code Scofflaw List or Problem Landlord List pursuant to Section 2-92-416; or

(4) *Uncorrected code violations.* When a short term residential rental is found to be in violation of any applicable licensing or registration chapter of this Code, and the condition that gave rise to the violation has not been corrected; or

(5) *Suspension or revocation.* When any license or registration of any person engaged in the business of short term residential rental ~~or shared housing unit operator~~ is suspended or revoked under this Code; or

(6) *Zoning violation* When the area in which the short term residential rental is located is not properly zoned for the applicable use. Provided, however, that any dwelling unit properly licensed as a vacation rental as of June 22, 2016 shall be deemed to be in compliance with the applicable zoning requirements of this Code that applied and were in existence at the time such vacation rental license was approved; or

(7) *Rental caps exceeded.* If the short term residential rental is a shared housing unit, when any unlawful act set forth in Section 4-14-060 occurs; or

(8) ~~Shared housing host~~ *Provider is not a natural person.* If the short term residential rental is a shared housing unit, or vacation rental, when the ~~registered shared housing host~~ provider is not a natural person; or

(9) *Building owner prohibits all vacation rentals or shared housing units from operating in such building.* If the building contains five or more dwelling units, when the owner of the building notifies the commissioner, in a manner prescribed by rule, that no licensed vacation rentals or shared housing units are permitted to operate anywhere in such building. Provided, however, that if the building is a cooperative building, condominium building or building governed by a homeowners' association, the requirement that such building must contain five or more dwelling units shall not apply for purpose of this subsection (a)(9); or

(10) *Suspension or revocation of related licenses.* If the short term residential rental is a shared housing unit, when the shared housing unit host has had a vacation rental license, bed-and-breakfast establishment license, ~~hotel license or shared housing unit operator license~~, or a shared housing unit registration under this chapter, suspended or revoked for cause for the shared housing unit identified in the registration application or for any other shared housing unit registered with the eCity; or

(11) *Shared housing unit or vacation rental is located in a restricted residential zone and was not a legally established use as of the effective date of the ordinance establishing such zone.* If the short term residential rental is a shared housing unit or vacation rental, when: (i) such short term residential rental is located in a restricted residential zone, and (ii) such shared housing unit or vacation rental, as applicable, was not a legally established use within the meaning of Section 4-17-070 as of the effective date of the ordinance establishing such restricted residential zone.

(b) *Ineligibility for listing on a platform – Notification process.* Upon determining that a short term residential rental is ineligible under this subsection to be listed on a platform, the commissioner shall notify the short term residential rental provider and intermediary hosting platform, in writing, of such fact and of the basis for the determination of ineligibility. Such notice shall include a statement informing the short term residential rental provider and the intermediary hosting platform that such provider may, within 540 calendar days of the date on which the notice was sent, request, in a form and manner prescribed by the commissioner in rules, a hearing before the commissioner to contest the determination of ineligibility for listing.

The notice shall also advise the short term residential rental provider and ~~intermediary~~ hosting platform that the provider is entitled to present to the commissioner any document, including affidavits, related to the commissioner's determination. If requested, a hearing before the commissioner shall commence within 10 business days of receipt of such request. Within 60 calendar days of completion of the hearing the commissioner shall either affirm or reverse such determination based upon the evidence presented. The commissioner's determination shall be final and may be appealed in the manner provided by law. If a short term rental provider fails to request a hearing within the prescribed time, the commissioner's determination shall be final and the short term residential rental shall be deemed ineligible for listing on the platform.

(c) Ineligibility for listing on a platform – License or registration number absence. If the department notifies a hosting platform in writing that an advertisement or listing on its platform for a short term residential rental in the City fails to display a valid, current and applicable license or registration number in accordance with Section 4-6-300, 4-12-200, 4-14-20, or 4-14-30, the hosting platform must remove all advertisements or listings for that short term residential rental from its platform within 3 business days unless the advertisement or listing is otherwise brought into compliance with the law. It shall be a rebuttable presumption that a short term residential rental is unlawful if the provider has not included their applicable license number in the rental's advertisement or listing.

#### **Section 4-13-270 Departmental duties.**

(a) *Duty to maintain list of short term residential rentals.* The commissioner shall maintain a list, by address, of all short term residential rentals currently licensed or registered under the applicable provisions of this Code.

(b) *Duty to maintain ineligibility list.* The commissioner shall prepare and maintain a list of all short term residential rentals that are ineligible to be listed on a short term residential rental ~~intermediary~~ hosting platform's platform. Such list, which shall be updated by the commissioner periodically, but in no event fewer than four times per calendar year, shall include the date on which the list was most recently updated and shall be made available by the commissioner to all licensed short term residential rental hosting intermediaries and ~~short term residential rental advertising~~ platforms in a form and manner prescribed by the commissioner.

*(Omitted text is unaffected by this ordinance)*

(c) Duty to share data with government entities. The commissioner shall, upon proper written notice and as further defined by rules, share the reports, sections of the reports, underlying records, or any combination of those items required pursuant to Section 4-13-240, with other municipal departments for tax auditing purposes, and such as other City government entities require to ensure compliances with all laws, ordinances, or regulations that are not otherwise preempted by ILCS 5 ILCS 140/1.

## **~~ARTICLE III. SHORT TERM RESIDENTIAL RENTAL ADVERTISING PLATFORM~~**

### **~~Section 4-13-300 License—Required.~~**

~~No person shall engage in the business of short term residential rental advertising platform without first having obtained a license under Article III of this Chapter 4-13.~~

### **~~Section 4-13-305 Licensee—Fee.~~**

~~The license required under this Article III shall be renewed annually. The license fee set forth in Section 4-5-010 shall be payable annually.~~

### **~~Section 4-13-310 License application—Additional information required.~~**

~~In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, renewal of, a license to engage in the business of short term residential rental advertising platform shall be accompanied by the following information:~~

~~(1) the name, address and contact information of the advertising platform's local contact person;~~

~~(2) an affidavit from the local contact person identified in the license application attesting that such local contact person: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city;~~

~~(3) proof of insurance, as set forth in Section 4-13-320(a);~~

~~(4) a written plan, subject to the approval of the commissioner, describing the applicant's procedures, processes and policies for ensuring that the applicant and any short term residential rental provider utilizing the platform are, and will remain, in compliance with this Chapter 4-13;~~

~~(5) a quality of life plan, subject to the approval of the commissioner, meeting the requirements of Section 4-13-320(g); and~~

~~(6) any other information that the commissioner may reasonably require in connection with the issuance or renewal of the license.~~

### **~~Section 4-13-320 Legal duties.~~**

~~(a) *Insurance for short term residential rental advertising platform—Required.* Each licensee under this Article III shall have a duty to obtain commercial general liability insurance, with limits of not less than \$1,000,000 per occurrence, for bodily injury, personal injury (if commercially available to the licensee) and property damage arising in any way from the issuance of the short term residential rental advertising platform license or activities conducted pursuant to that license. Each policy of insurance shall: (i) be issued by an insurer authorized to insure in the State of Illinois; (ii) name the City of Chicago as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license (if commercially available to the licensee); (iii) be maintained in full force and effect for~~

the duration of the license period; and (iv) include a provision requiring 30 calendar days' advance notice to the commissioner prior to cancellation or lapse of the policy.

~~(b) *Identification of local contact person—Required.* Each licensee under this Article III shall have a duty to include on its platform the name of, and contact information for, the licensee's local contact person.~~

~~(c) *Compliance with tax laws—Required.* Each licensee under this Article III shall have a duty: (i) not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee obtains an attestation, in a form to be determined by the commissioner in rules, from its short term residential rental providers that each such provider has a duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes; and (ii) to ensure that any third party hired or otherwise retained by the licensee to accept or process the payment of any rent or its equivalent that a provider charges a guest in connection with the rental of a short term residential rental obtains an attestation from its short term residential rental providers, in a form to be determined by the commissioner in rules, that each such provider has a duty to comply with all such applicable laws and regulations.~~

~~(d) *Conditions for listing on the platform—Vacation rental license required—Exceptions—Platform to post license number on all listings.* Each licensee under this Article III shall have a duty not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee: (1) posts a notice, in a conspicuous place on its website, advising short term residential rental providers that such providers are required under this Article III to obtain a vacation rental license in order to list a rental unit on a short term residential rental advertising platform, unless the short term residential rental being listed is a properly licensed hotel or bed and breakfast establishment; (2) includes the provider's vacation rental license number, hotel license number or bed and breakfast establishment license number, as applicable, on all listings that appear on the short term residential rental advertising platform.~~

~~(e) *Descriptive listing information—Required.* Each licensee under this Article III shall have a duty not to list, or permit any person to list, any vacation rental on its platform, unless the licensee advises the short term residential rental provider that each such listing shall include the descriptive information about the listing set forth in Section 4-14-040(a)(1) through (a)(4), inclusive.~~

~~(f) *Process to remove listings from a platform—Required.* Each licensee under this Article III shall have a duty to establish a process, to be approved by the commissioner, that enables a short term residential rental provider to remove from the intermediary's platform any or all of the provider's listings on such platform.~~

~~(g) *Process to address quality of life concerns due to units on ineligible list.* Each licensee under this Article III shall establish and comply with a process, to be approved by the commissioner, for mitigating the impact on quality of life of units determined to be ineligible under Section 4-13-260(a) or any hotel that is not properly licensed under Chapter 4-6 of this Code.~~

~~(h) Compliance with written plan—Required.~~ Each licensee under this Article III shall have a duty to comply with any written plan approved by the commissioner pursuant to Section 4-13-310(4).

~~(i) Notification to provider of ineligibility for listing—Required.~~ Upon receipt of notice from the department pursuant to Section 4-13-330(b), each licensee under this Article III shall have a duty to notify the applicable provider of the facts set forth in such notice from the department and of the provider's duty to remove such ineligible listing from the advertising platform.

**~~Section 4-13-330 Ineligibility—Listing on a platform prohibited when—Notice and hearing.~~**

~~(a) A short term residential rental shall be ineligible for listing by a provider on a licensee's platform under the conditions set forth in Section 4-13-260(a).~~

~~(b) Upon determining that a short term residential rental is ineligible to be listed on a platform, the notice and hearing procedures set forth in Section 4-13-260(b) shall apply.~~

**~~Section 4-13-340 Data and reports—Required.~~**

~~Each licensee under this Article III shall submit to the department, no later than the tenth day of each month, a complete and accurate report, in a form approved by the commissioner, identifying the name of the owner, and the address and business license number, of each hotel, bed and breakfast establishment, and vacation rental that: (1) is currently listed on the licensee's advertising platform, and (2) constitutes a new listing since the time the licensee submitted its last report to the department pursuant to this section. Provided, however, that the licensee shall be deemed to be in compliance with this section if the licensee submits the required report to the department on a daily, weekly or semi-monthly basis.~~

**ARTICLE IV. ENFORCEMENT**

**Section 4-13-300 Rules.**

The commissioner is authorized to promulgate rules necessary to implement this chapter.

**Section 4-13-310 Penalty for violation.**

In addition to any other penalty provided by law, any person who violates this chapter or any rule promulgated thereunder shall be subject to a fine of not less than \$24,500.00 nor more than \$53,000.00 for each offense and to suspension, revocation, or refusal of any applicable license or registration issued pursuant to this Chapter ~~or~~. Each booking transaction a hosting platform facilitates, or each day that a violation continues, shall constitute a separate and distinct offense.

**SECTION 4.** Chapter 4-14 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

**Section 4-14-010 Definitions.**

As used in this chapter:

*(Omitted text is unaffected by this ordinance)*

“Primary residence” means the dwelling unit where a person lives on a daily basis at least 245 days in the applicable calendar year. The failure of a person to claim a Cook County homeowner exemption for a dwelling unit shall create a rebuttable presumption that such dwelling unit is not the person's primary residence.

“Rental agreement” has the meaning ascribed to that term in Section 5-12-030.

“Shared housing host” or “host” means an owner or tenant of a shared housing unit who rents such unit to guests.

“Shared housing unit” or “unit” means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests. The term “shared housing unit” shall not include: (1) single-room occupancy buildings; (2) hotels; (3) corporate housing; (4) bed-and-breakfast establishments; (5) guest suites; or (6) vacation rentals.

“Short term residential rental ~~intermediary hosting platform~~” or “~~intermediary hosting platform~~” has the meaning ascribed to that term in Section 4-13-100.

*(Omitted text is unaffected by this ordinance)*

**Section 4-14-020 Shared housing unit registration – Required.**

(a) *Registration by ~~intermediary hosting platform or host required.~~ Except as otherwise provided in subsection (g) of this section, n*No dwelling unit listed on through a short term residential rental ~~intermediary hosting platform~~'s platform shall be rented by a shared housing host until such ~~intermediary hosting platform~~, acting on behalf of the owner or tenant of the listed dwelling unit, and in accordance with Section 4-13-230(a), or the shared housing unit host themselves, registers such unit with the department, as evidenced by the submission to the department of a registration application meeting the requirements of subsections (b) and (c) of this section, and the department has approved such registration by providing a unique registration number in accordance with (e) of this Section.

(b) *Registration application – Form and contents.* The registration application required under subsection (a) of this section shall be in a form and manner prescribed by the commissioner, and shall be accompanied by the following information:

(1) the shared housing host's name, which shall be the name of the a natural person who is the owner of or tenant of the shared housing unit as defined in Section 4-14-010:

(2) the address of the dwelling unit being registered as a shared housing unit, including the unit number, unit letter or similar unit identification;

(3) ~~the other~~ contact information for the host ~~or~~ and a local contact person where applicable, including telephone number and email address;

(4) whether the dwelling unit identified in such application is a: (i) single family home, or (ii) a unit in a building containing multi-dwelling units, and (iii) whether the listing will make the entire dwelling unit available for rent or a room or portion of the dwelling unit available for rent;

(5) ~~whether an attestation clause that~~ the dwelling unit identified in such application is the shared housing host's primary residence; and

*(Omitted text is unaffected by this ordinance)*

~~(g) Listing and rental of a shared housing unit while registration is pending – Permitted. Until the department approves the registration application, as evidenced by its assignment of a unique registration number to the dwelling unit identified in such application; any listing of such dwelling unit on an intermediary's platform shall be accompanied by a notation, which shall be located in a conspicuous place in the listing, indicating that approval of the unit's registration by the department is pending. While such registration application is pending approval by the department: (1) the intermediary may allow any shared housing unit that will be included in the registration report required under Section 4-13-230(e) to be listed on its platform, if the listing is accompanied by the required notation; and (2) the shared housing host identified in the registration application shall be allowed to rent the shared housing unit identified in such application and report, and to book future listings for such unit, until such time that: (i) the commissioner determines that the unit is ineligible under Section 4-13-260(a) for listing on a platform, or (ii) the listing is invalid under Section 4-13-230(e).~~

(gh) *Annual review of registration – Required.* After the initial registration is approved, the shared housing unit's registration may be renewed once each year thereafter in a manner prescribed by the commissioner in rules unless the commissioner determines that the unit is ineligible for registration under this Section or Section 4-13-260(a).

(hi) *Transfer of registration – Prohibited.* The registration for a shared housing unit shall be non-transferable.

**Section 4-14-030 Failure to meet eligibility requirements for registration – Legal effect – Processes.**

*(Omitted text is unaffected by this ordinance)*

(c) *Duty to remove ineligible listings from platform.* If, following a final determination of ineligibility under Section 4-13-260(a) or Section 4-14-030(a), the shared housing host is notified in writing by the commissioner that a shared housing unit is ineligible to be listed on any short term residential rental ~~intermediary hosting platform's platform~~, the shared housing host shall remove the ineligible listing from the platform in accordance with rules prescribed by the commissioner. In addition to any other penalty provided by law, any shared housing host who fails to comply with this subsection shall be fined not less than \$1,500.00 nor more than \$3,000.00 for such failure to comply within 8 to 14 calendar days of the date on which notice

under this subsection is sent; and not less than \$2,500.00 nor more than \$5,000.00 for such failure to comply on the 15th calendar day of the date on which such notice is sent or on any calendar day thereafter. Each day that a violation continues after such 15th calendar day shall constitute a separate and distinct offense.

~~(d) Within thirty calendar days of the date on which notice is sent from an intermediary hosting platform pursuant to Section 4-13-230(f) informing a shared housing host that a registration number has been assigned by the commissioner to the shared housing unit listed by such host on the intermediary hosting platform's platform, the shared housing host shall update the applicable listing on the intermediary hosting platform's platform to include the registration number identified in such notice.~~

#### **Section 4-14-040 Legal duties.**

(a) *Descriptive information on listing – Required.* Each shared housing host shall include the following information in every listing of a shared housing unit on a platform:

*(Omitted text is unaffected by this ordinance)*

~~(4) except as otherwise provided in Section 4-13-230(d), t~~ The short term residential rental provider's eCity license or registration number;

(b) *Operating requirements.* Each shared housing host shall comply with the following operating requirements:

*(Omitted text is unaffected by this ordinance)*

~~(4) Registration number in advertisements – Required. Except as otherwise provided in Section 4-13-230(d), e~~ Each shared housing host shall conspicuously display the shared housing unit's registration number in every advertisement of any type in connection with the rental of the shared housing unit. Failure to comply with this requirement shall create a rebuttable presumption that the shared housing unit is being operated without the proper registration.

(5) *Smoke alarms and carbon monoxide detectors – Required.* Each shared housing host shall ensure that the shared housing unit is in compliance with applicable laws regarding the installation and maintenance of functioning smoke alarms and carbon monoxide detectors.

(6) *Posting contact information – Posting evacuation diagram – Required.* Each shared housing host shall post in a conspicuous place near the entrance of the shared housing unit: (i) the name and telephone number of themselves or a local contact person where applicable; and (ii) an evacuation diagram identifying all means of egress from the shared housing unit and the building in which it is located.

(7) *Food handling safety – Required.* Each shared housing host that provides food to guests shall comply with all applicable food handling and licensing requirements of this Code and board of health regulations.

(8) *Registration records – Required.* Each shared housing host shall maintain current guest registration records which contain the following information about each guest: (i) name, (ii) contact information, (iii) signature, ~~and~~ (iv) dates of accommodation; (v) the amount of rent paid for each day.

*(Omitted text is unaffected by this ordinance)*

**Section 4-14-060 Rental requirements and restrictions.**

*(Omitted text is unaffected by this ordinance)*

(d) *Listing and rental of single family home that is not the licensee's primary residence – Restricted.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is a single family home, unless such single family home is the shared housing unit host's primary residence. Provided, however, that this prohibition shall not apply if: (i) the shared housing unit host is on active military duty and such host has appointed a designated agent or employee to manage, control and reside in the single family home during such host's absence while on military duty; ~~or (ii) the applicable commissioner's adjustment under Section 4-14-100(a) permitting otherwise has been obtained;~~ or (iii) the single family home was properly licensed, as of June 22, 2016, as a non-owner occupied vacation rental.

(e) *Listing and rental in buildings with up to four dwelling units – Restricted.* It shall be unlawful for any shared housing unit host to list on any platform or to rent any shared housing unit that is located in a building containing two to four dwelling units, inclusive, unless such dwelling unit is: (i) the shared housing host's primary residence, and (ii) is the only dwelling unit in the building that is or will be used as a shared housing unit or vacation rental, in any combination. Provided, however, that the prohibition set forth in item (i) shall not apply if the shared housing host is on active military duty and such host has appointed a designated agent or employee to manage, control and reside in the shared housing unit during such host's absence. Provided further, that the prohibitions set forth in items (i) or (ii) shall not apply if: (a) the applicable commissioner's adjustment under Section 4-14-100(a) permitting otherwise has been obtained; or (b) the shared housing unit was properly licensed, as of June 22, 2016, as a non-owner occupied vacation rental.

(f) *Listing and rental in buildings with five or more dwelling units – Prohibited.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is located in a building containing five or more dwelling units, when: (i) the dwelling unit being utilized or proposed to be registered by the host as a shared housing unit is not their primary residence; and (ii) more than six dwelling units in the building, or one-quarter of the total dwelling units in the building, whichever is less, are or will be used as shared housing units

or vacation rentals, in any combination, ~~if the dwelling unit identified in the registration application is registered as a shared housing unit.~~

*(Omitted text is unaffected by this ordinance)*

#### **Section 4-14-080 Registration – Suspension or revocation.**

(a) *Registration suspension or revocation – Authorized when.* In addition to any other penalty provided by law, a registration under this chapter may be denied, suspended or revoked by the commissioner for any violation of this chapter. Except as otherwise provided in subsection (b) of this section, no registration shall be revoked or suspended except in accordance with subsection (d) of this section.

(b) *Immediate suspension or revocation – Post- deprivation hearing – Authorized when.* If the commissioner has good cause to believe that: (1) continued rental of a shared housing unit causes an imminent threat to public health, safety or welfare, and (2) grounds exist for revocation or suspension of the shared housing unit's registration, including, but not limited to, any of the grounds set forth in subsection (c)(1) through (c)(6), inclusive, of this section, the commissioner may, upon issuance of a written order stating the reason for such conclusion and without notice or hearing, suspend or revoke the shared housing unit's registration and prohibit the shared housing host from renting the shared housing unit to guests for a period of time not to exceed ten calendar days; provided, however, that the shared housing host shall be afforded an opportunity to be heard during such period. If the shared housing host fails to request a hearing within the prescribed time, or requests a hearing but fails to appear at such hearing, the shared housing unit's registration shall be deemed revoked.

(c) *Suspension or revocation – Pre-deprivation hearing – Authorized when.* In addition to any other applicable reason, a shared housing unit registration may be suspended or revoked in accordance with this section under the following circumstances:

(1) *Situs of one or more egregious conditions.* When a shared housing unit is the situs of one or more egregious conditions while rented to guests; or

(2) *Situs of ~~three~~two or more objectionable conditions.* When a shared housing unit has been the situs, on ~~three~~two or more occasions, while rented to guests, of disturbance of the peace, public drunkenness, drinking in public, harassment of passersby, loitering, public urination; lewd conduct, overcrowding, exceeding design loads, or excessive loud noise. For purposes of this subsection (c)(2):

“Excessive loud noise” means any noise, generated from within or having a nexus to the rental of the shared housing unit, between 8:00 P.M. and 8:00 A.M., that is louder than average conversational level at a distance of 100 feet or more, measured from the property line of the shared housing unit.

“Overcrowding” means occupancy by more persons than the maximum occupancy limit of no more than one person per 125 feet of floor area of the shared housing unit or the shared housing unit’s actual capacity based on the applicable provisions of the building code, whichever is less.

“Exceeding design loads” means placing loads on structural elements or components of buildings, including, but not limited to, porches, balconies, and roof decks, in excess of the minimum design loads required by the building code; or

(3) *Situs of ~~three~~-two or more nuisance conditions.* When, in the determination of the Commissioner, the rental of the shared housing unit creates a nuisance because at least ~~three~~-two separate incidents involving illegal acts, as that term is defined in Section 4-4-313(h), occurred during a 12-month period: (i) in the shared housing unit; (ii) in or on the premises in which the shared housing unit is located; (iii) in the shared housing unit’s parking facility; or (iv) on adjacent property. For purposes of determining whether ~~three~~-two or more illegal acts occurred, illegal acts occurring shall be limited to acts of the guests, or of invitees of the guests, or to acts otherwise involving circumstances having a nexus to the operation of the shared housing unit while rented to a guest. In a proceeding to suspend or revoke the registration of a shared housing unit that is or creates a nuisance under this Section 4-14-080(c)(3), any evidence on which a reasonably prudent person would rely may be considered without regard to the formal or technical rules of evidence, and the Commissioner may rely on police reports, official written reports, affidavits and business records submitted by authorized City officials or employees charged with inspection or enforcement responsibilities to determine whether such illegal acts or objectionable conditions occurred. If, during any 12-month period three separate incidents of illegal acts occur on the registered premises, on or in the registered premises’ parking facility, or on adjacent property, a rebuttable presumption shall exist that the shared housing unit is or creates a nuisance in violation of this Section 4-14-080(c)(3); or

*(Omitted text is unaffected by this ordinance)*

(d) *Notification and hearing process.* Upon determining that a shared housing unit’s registration is subject to suspension or revocation under this section, the commissioner shall notify the shared housing host, in writing, of such fact and of the basis for the suspension or revocation of the registration. Such notice shall include a statement informing the shared housing host that the shared housing host may, within ~~40~~-5 calendar days of the date on which the notice was sent, request, in a form and manner prescribed by the commissioner in rules, a hearing before the commissioner to contest the suspension or revocation. The notice shall also advise the shared housing host that the shared housing host is entitled to present to the commissioner any document, including affidavits, related to the commissioner’s determination for suspension or revocation. If requested, a hearing before the commissioner shall be commenced within 10 business days of receipt of such request. Within 60 calendar days of completion of the hearing the commissioner shall either affirm or reverse such determination based upon the evidence

presented. The commissioner's decision shall be final and may be appealed in the manner provided by law. If a shared housing host fails to request a hearing within the prescribed time, the shared housing unit registration shall be deemed suspended or revoked. Upon entry of a final order of suspension or revocation, the commissioner shall: (1) notify the short term residential rental ~~intermediary hosting platform~~ in writing of such fact; and (2) place the unit on the ineligibility list maintained by the commissioner under Section 4-13-270(b). Within three calendar days of the date on which the commissioner sends such written notification of suspension or revocation to the shared housing host, the shared housing host shall remove the short term residential unit identified in such notice from its platform. The ~~intermediary hosting platform~~ shall act in accordance with the approved process established pursuant to Section 4-13-220(h).

**Section 4-14-090 Violation – Penalties – Injunctive relief.**

(a) *Fines and other applicable penalties.* Except as otherwise provided in this chapter, and in addition to any other penalty provided by law, any person who violates this chapter or any rule promulgated thereunder shall be subject to a fine of not less than \$24,500.00 nor more than \$53,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

*(Omitted text is unaffected by this ordinance)*

**Section 4-14-100 Shared housing units – Commissioner's adjustments – When authorized.**

(a) The commissioner is authorized to grant an adjustment to allow:

(1) the operation of a shared housing unit located in:

(i) ~~a single family home that is not the shared housing host's primary residence;~~

or

(i)(ii) a building containing two to four dwelling units, inclusive, where the dwelling unit is not the shared housing host's primary residence; or

**SECTION 5.** Title IV of the Municipal Code of Chicago is hereby amended by deleting the language stricken through, as follows:

**CHAPTER 4-16  
SHARED HOUSING UNIT OPERATOR**

**ARTICLE I. DEFINITIONS**

**Section 4-16-100 Definitions.**

~~As used in this chapter:~~

~~"Bed and breakfast establishment has the meaning ascribed to that term in Section 4-6-290.~~

~~"Shared housing host" has the meaning ascribed to that term in Section 4-14-010.~~

~~"Shared housing unit operator" means any person who has registered, or who is required to register, as the shared housing host of more than one shared housing unit.~~

~~"Shared housing unit" has the meaning ascribed to that term in Section 4-14-010.~~

~~"Vacation rental" has the meaning ascribed to that term in Section 4-6-300.~~

## **ARTICLE II. SHARED HOUSING UNIT OPERATOR**

### **Section 4-16-200 License—Required.**

~~No person shall engage in the business of shared housing unit operator without first having obtained a license under Article II of this Chapter 4-16.~~

### **Section 4-16-210 License application—Additional information required.**

~~In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, renewal of a license to engage in the business of shared housing unit operator shall be accompanied by the following information:~~

~~(1) the name, address and contact information of the shared housing unit operator's local contact person;~~

~~(2) an affidavit from the local contact person identified in the license application attesting that such local contact person: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city;~~

~~(3) a statement as to whether the applicant or licensee has had a previous bed and breakfast establishment license or vacation rental license or shared housing unit registration revoked, and the reasons for revocation;~~

~~(4) any other information that the commissioner may reasonably require in connection with the issuance or renewal of the license.~~

### **Section 4-16-220 Legal duties.**

~~(a) Local contact person—Required. Each licensee under this Article II shall have a duty to maintain a local contact person who: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city.~~

~~(b) Compliance with shared housing unit laws—Required. Each licensee under this Article II shall have a duty to comply with all applicable laws and regulations regarding operation of shared housing units.~~

~~(c) Compliance with tax laws—Required. Each licensee under this Article II shall have a duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes.~~

**~~Section 4-16-230 Departmental duties.~~**

~~(a) Inspections. The building commissioner is authorized to mandate an inspection of any shared housing unit operated by a shared housing unit operator at least once every two years, at a time and in manner, including through third party reviews, as provided for in rules and regulations promulgated by the building commissioner.~~

**~~Section 4-16-240 Prohibited acts.~~**

~~It shall be unlawful for any licensee under this Article II to engage in any act prohibited under Chapter 4-13.~~

**~~ARTICLE III. ENFORCEMENT~~**

**~~Section 4-16-300 Rules.~~**

~~The commissioner is authorized to promulgate rules necessary to implement this chapter.~~

**~~Section 4-16-310 Operating without a license.~~**

~~Any person who engages in the business of shared housing unit operator without first having obtained the required license for such business shall be subject to a fine of not less than \$1,500.00 nor more than \$3,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.~~

**~~Section 4-16-320 Suspension or revocation of shared housing unit registration.~~**

~~Suspension or revocation of the registration of any shared housing unit held by a shared housing unit operator shall be grounds for the suspension or revocation of all shared housing unit registrations held by that shared housing unit operator, and shall be grounds for suspension or revocation of the licensee's shared housing unit operator license.~~

**~~Section 4-16-330 Penalty~~**

~~(1) In addition to any other penalty provided by law, any person who violates any provision of Article II of this chapter or any rule promulgated thereunder shall be subject to a fine of not less than \$1,500.00 nor more than \$3,000.00 for each offense. Each day that such violation exists shall constitute a separate and distinct offense.~~

~~(2) In addition to any fine or penalty imposed by this section, the corporation counsel may seek an injunction or other equitable relief in a court of competent jurisdiction to stop any violation of this section.~~

**SECTION 6.** Section 4-17-010 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

**Section 4-17-010 Definitions.**

As used in this Chapter:

*(Omitted text is unaffected by this ordinance)*

“Residentially zoned property” means property that bears an R-1, R-2, R-3, RT-4 or RM-5 designation pursuant to the Chicago Zoning Ordinance.

*(Omitted text is unaffected by this ordinance)*



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**Michele Smith**  
**43<sup>rd</sup> Ward Alderman**

The following legislation is being introduced by Alderman Michele Smith regarding Short Term Rental Reform co-sponsored by

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Alderman Ward 10

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Alderman Ward 11

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Alderman Ward 12

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Alderman Ward 13

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Alderman Ward 14

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Alderman Ward 15

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Alderman Ward 16

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Alderman Ward 17

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Alderman Ward 18

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Matt O'Shea

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Alderman Ward 19

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Alderman Ward 20

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Alderman Ward 21

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Alderman Ward 22

The following legislation is being introduced by Alderman Michele Smith regarding Short Term Rental Reform co-sponsored by

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Alderman Ward 23

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Alderman Ward 24

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Alderman Ward 25

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Alderman Ward 26

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Alderman Ward 27

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Alderman Ward 28

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Alderman Ward 29

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Alderman Ward 30

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Alderman Ward 31

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Alderman Ward 32

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Alderman Ward 33

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Alderman Ward 34

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Alderman Ward 35

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Alderman Ward 36

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Alderman Ward 37

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Alderman Ward 38

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Alderman Ward 39

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Alderman Ward 40

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Alderman Ward 41

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Alderman Ward 42

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Michele Smith

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Alderman Ward 43

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Alderman Ward 44

The following legislation is being introduced by Alderman Michele Smith regarding Short Term Rental Reform co-sponsored by

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Alderman Ward 45

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Alderman Ward 46

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Alderman Ward 47

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Alderman Ward 48

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Alderman Ward 49

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Alderman Ward 50

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Mayor Lightfoot

Click or tap here to enter text.

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Clerk Valencia



CITY OF CHICAGO



OFFICE OF THE CITY CLERK  
ANNA M. VALENCIA

### Chicago City Council Co-Sponsor Form

Document No.: O2020-3457

Subject: Amendment of Municipal Code Title 4 to further regulate short term residential rental hosting platforms, vacation rentals and shared housing units.

#### Adding Co-Sponsor(s)

Please **ADD** Co-Sponsor(s) Shown Below – (Principal Sponsor’s Consent Required)

Alderman Daniel La Spata  (1 Ward)  
(Signature)

Alderman \_\_\_\_\_ (     Ward)  
(Signature)

**Date Filed:** July 14, 2020

**Principal Sponsor:** \_\_\_\_\_  
(Signature)

#### Removing Co-Sponsor(s)

Please **REMOVE** Co-Sponsor(s) Below – (Principal Sponsor’s Consent NOT Required)

Alderman \_\_\_\_\_ (     Ward)  
(Signature)

Alderman \_\_\_\_\_ (     Ward)  
(Signature)

**Date Filed:** \_\_\_\_\_

- Final Copies To Be Filed With:**
- Chairman of Committee to which legislation was referred
  - City Clerk