



City of Chicago



O2020-3986

Office of the City Clerk

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Meeting Date: 7/22/2020

Sponsor(s): Lightfoot (Mayor)
Hopkins (2)

Type: Ordinance

Title: Amendment of Municipal Code Chapters 4-5, 4-6, 4-13, 4-14 and 4-16 by modifying licensing fees and operating regulations for shared housing

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

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OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

July 22, 2020

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Business Affairs and Consumer Protection, I transmit herewith an ordinance amending various provisions of the Municipal Code regarding shared housing.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Lori E. Lightfoot".

Mayor

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:

4-5-010 Establishment of license fees.

(Omitted text is unaffected by this ordinance)

(36) Short Term Residential Rental Intermediary (4-13)

if the intermediary has 1,000 or more short term residential rentals listed on its platform: \$10,000.00 license fee, plus a ~~\$60.00~~ \$125.00 per unit fee for each short term residential rental listed on its platform;

if the intermediary has 500 to 999 short term residential rentals listed on its platform: \$7,500.00 license fee, plus a \$125.00 unit fee for each short term residential rental listed on its platform; and

if the intermediary has 1 to 499 short term residential rentals listed on its platform: \$5,000.00 license fee, plus a \$125.00 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 advertising platform has 1,000 or more short term residential rentals listed on its platform; \$10,000.00 license fee;

~~or \$5,000.000~~; if the intermediary advertising platform has 500 to 999 or fewer short term residential rentals listed on its platform; \$7,500.00 license fee; and

if the advertising platform has 1 to 499 short term residential rentals listed on its platform: \$5,000.00 license fee,

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 4-6-180 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-6-180 Hotel.

- (a) *Definitions.* As used in this section:

(Omitted text is unaffected by this ordinance)

“Platform” has the meaning ascribed to that term in Section 4-13-100.

“Restroom” means any room equipped with toilets.

(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, renewal of, a regulated business license to engage in the business of hotel shall be accompanied by the following information:

(Omitted text is unaffected by this ordinance)

It is a condition of the license that all information in the application be kept current. Any change in required information shall be reported to the department in accordance with Section 4-4-050(b).

(Omitted text is unaffected by this ordinance)

- (e) *Legal duties.* Each license engaged in the business of hotel shall have a duty to:

(Omitted text is unaffected by this ordinance)

- (4) if the hotel is listed on any platform:

(i) not to list, or permit any person to list, the hotel or any guest room on such platform unless the listing includes the hotel’s license number;

(ii) not to rent, or permit any person to rent, and not to book for future rental, or allow any person to book for future rental, the hotel or any guest room unless the hotel is properly licensed by the department.

(Omitted text is unaffected by this ordinance)

- (h) *Rules.* The commissioner shall have the authority to promulgate rules necessary or appropriate to implement his section.

SECTION 3. Section 4-6-290 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)

“Permanent occupancy” means occupancy on a daily or nightly basis, ~~or any part thereof,~~ for a period of 32 or more consecutive days.

“Platform” has the meaning ascribed to that term in Section 4-13-100.

~~“Short term residential rental intermediary” or “intermediary” 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)

(c) *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 regulated business license to engage in the business of bed-and-breakfast establishment shall be accompanied by the following information:

(Omitted text is unaffected by this ordinance)

(7) a valid certificate of registration in food handling and sanitation issued by the department of health, as required under subsection (f)(6) of this section.

It is a condition of the license that all information in the application be kept current. Any change in required information shall be reported to the department in accordance with Section 4-4-050(b).

(d) *Departmental duties.*

(4) Either the department of buildings or fire department, pursuant to a coordinated inspection schedule, shall inspect each bed-and-breakfast establishment before any initial license is issued for such establishment. Thereafter, either the department of buildings or fire department, pursuant to a coordinated inspection schedule, shall inspect the establishment once every two years to determine whether the establishment complies with all applicable requirements of this Code. If, within the 12-month period prior to the date of any inspection required under this section, the ~~bed-and-breakfast~~ bed-and-breakfast establishment was inspected either by the department of buildings or fire department in connection with a permit inspection, periodic inspection, code compliance inspection or certificate of occupancy, such inspection shall be deemed to meet the applicable inspection requirement set forth herein. The department of buildings and fire department are authorized to conduct such additional inspections as they deem necessary to maintain health and safety.

(e) *License issuance and renewal – Prohibited when.* No regulated business license to engage in the business of bed-and-breakfast establishment shall be issued to the following persons:

(1) any applicant or licensee, as applicable, unless the establishment identified in the license application is: (A) an owner-occupied, single-family residential building; or (B) an owner-occupied ~~multiple-family~~ multiple-family dwelling that does not exceed four stories in height and contains no more than 11 sleeping rooms; or (C) an owner-occupied condominium, townhouse or cooperative. Throughout the duration of any rental period, occupancy of the establishment by any person owning 25 percent or more of the interest in the establishment shall be a continuing requirement for maintaining a license under this chapter; provided, however, that it shall not be a violation of this requirement if the owner: (i) is absent from the establishment overnight or for any longer period of time not to exceed 120 days within a 12-month period; or (ii) is on active military duty for any length of time; and (iii) appoints a designated agent or employee to manage, control and reside in the establishment during the owner's absence;

(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)

(7) conspicuously display the ~~bed-and-breakfast~~ bed-and-breakfast establishment's license number in every advertisement of any type in connection with the rental of the bed-and-breakfast establishment or any sleeping room within such establishment. Failure to comply with this requirement shall create a rebuttable presumption that the bed-and-breakfast establishment is being operated without the proper license;

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

(i) not to list, or permit any person to list, on such platform any bed-and-breakfast establishment unless the listing includes the ~~bed-and-breakfast~~ bed-and-breakfast establishment's license number;

(ii) not to rent, or permit any person to rent, and not to book for future rental, or permit any person to book for future rental, any bed-and-breakfast establishment that is not properly licensed by the ~~city~~ department;

(iii) following notice of a final determination of ineligibility under Section 4-13-260(b) or Section 4-13-330(b), not to rent or allow any family member to rent, and not to book for future rental or permit any family member to book for future rental, any portion of any bed-and-breakfast establishment identified in such notice that the commissioner has determined is ineligible for listing on any platform. Any person who violates this subsection (f)(8)(iii) shall be fined not less than \$500.00 nor more than \$1,000.00 for renting or booking for future rental such bed-and-breakfast establishment or any portion thereof within 14 calendar days of the date on which such notice is sent; and not less than \$1,500.00 nor more than \$3,000.00 for renting or booking for future rental such ~~bed-and-breakfast~~ bed-and-breakfast establishment or any portion thereof on or after the 15th calendar day and before the 28th calendar day of the date on which such notice is sent; and \$5,000.00 for renting or booking for future rental such bed-and-breakfast establishment or any portion thereof on or after the 28th calendar day of the date on which such notice is sent. Each day that a violation continues after such 28th calendar day shall constitute a separate and distinct offense;

(Omitted text is unaffected by this ordinance)

(g) *Prohibited acts.* It shall be unlawful for any person engaged in the business of bed-and-breakfast establishment to:

(Omitted text is unaffected by this ordinance)

(2) allow occupancy of the establishment or any part thereof to exceed one person per 125 square feet of floor area, excluding elevators, stairways or other shaft enclosures;

(Omitted text is unaffected by this ordinance)

(7) violate Section 2-160-070 in connection with the listing for rental, or rental of, the bed-and-breakfast establishment or any portion thereof.

(Omitted text is unaffected by this ordinance)

(i) *Penalty.* Except as otherwise provided in this section, and in addition to any other penalty provided by law, three or more violations of ~~any provision of~~ this section or any rule or ~~regulation~~ promulgated thereunder on three different days within any 12-month period may result in license suspension or revocation in accordance with Section 4-4-280. Each day that a violation continues shall constitute a separate and distinct offense.

(j) *Regulations Rules.* The commissioner shall have the authority to promulgate rules ~~and regulations~~ necessary or appropriate to implement ~~the requirements of~~ this section. The board of health and the department of health shall have the authority to issue rules ~~and regulations~~ necessary or appropriate to implement subsection (f)(6) of this section and the minimal standards found in subsections (f)(3) and (f)(4) of this section.

SECTION 4. 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:

4-6-300 Vacation rentals.

(a) *Definitions.* As used in this section:

(Omitted text is unaffected by this ordinance)

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

“Excessive loud noise” means: (1) any sound generated between the hours of 8:00 p.m. and 8:00 a.m. from within the vacation rental or on any private open space having a nexus to the vacation rental that is louder than average conversational level at a distance of 100 feet or more, measured vertically or horizontally from the property line of the vacation rental or private open space, as applicable; or (2) any sound generated on the public way immediately adjacent to the vacation rental, measured vertically or horizontally from its source, by any person having a nexus to the vacation rental in violation of Section 8-32-070(a); or (3) any sound generated between the hours of 8:00 p.m. and 8:00 a.m. that causes a vibration, whether recurrent, intermittent or constant, that is felt or experienced on or in any neighboring property, other than a vibration: (i) caused by a warning device necessary for the protection of the public health, safety or welfare; or (ii) caused in connection with the performance of emergency work within the vacation rental by the licensee or such licensee’s agent; or (iii) subject to an exception or exclusion under Section 8-32-170.

(Omitted text is unaffected by this ordinance)

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

(Omitted text is unaffected by this ordinance)

“Objectionable condition(s)” has the meaning ascribed to that term in Section 4-14-010.

“Overcrowding” means exceeding the maximum occupancy limitation in violation of subsection (g)(5) of this section.

(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)

(11) 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 to engage in the business of vacation rental, ~~bed-and-breakfast~~ bed-and-breakfast establishment, hotel or shared housing unit operator, or a shared housing unit registration under Chapter 4-14 is Code, suspended or revoked for cause;

(Omitted text is unaffected by this ordinance)

(14) a statement as to whether the applicant or licensee, as applicable, held a valid vacation rental license for the unit identified in the license application as of June 22, 2016, and if so, the applicable license number.

It is a condition of the license that all information in the application be kept current. Any change in required information shall be reported to the department in accordance with Section 4-4-050(b).

(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)

(12) any applicant or licensee, as applicable, whose vacation rental is located in a restricted residential zone, ~~and (ii) unless~~ unless such vacation rental was ~~not a legally~~ lawfully established use within the meaning of Section 4-17-070 as of the effective date of the ordinance establishing such restricted residential zone.

(Omitted text is unaffected by this ordinance)

(f) *Legal duties.*

(1) *Insurance – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ obtain: (i) homeowner's fire, hazard and liability insurance; and (ii) commercial general liability insurance, with limits of not less than one million dollars (\$1,000,000.00) per occurrence, combined single limit, for bodily injury, personal injury and property damage arising in any way from the issuance of the license or activities conducted pursuant to the license. Each policy of insurance shall: (A) be issued by an insurer authorized to insure in the State of Illinois; (B) name the City of Chicago as additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license; and (C) be maintained in full force and effect for the duration of the license period.

(2) *Registration records – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ maintain current guest registration records ~~which that~~ contain the following information about each guest: (i) name, (ii) address, (iii) signature, and (iv) dates of accommodation.

(3) *Maintenance of records – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ keep the guest registration records required under subsection (f)(2) of this section on file for three years. Except in cases where a licensee consents to disclosure of the applicable guest registration records or some other exception to a warrant applies, including exigent circumstances, guest registration records shall be subject to disclosure to an authorized city official pursuant only to a proper search warrant, administrative subpoena, judicial subpoena, or other lawful procedure to compel the production of records that affords the licensee an opportunity for precompliance review by a neutral decisionmaker.

(4) *License number in advertisements – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ print or ~~to~~ cause the licensee's license number to be printed, in legible type, (i) in every advertisement of any type for any vacation rental that the licensee or the licensee's agent places or causes to be placed in connection with a vacation rental; (ii) on every application for a building permit made by or on behalf of the licensee; and (iii) if the licensee advertises the vacation rental on a primary website established, operated or maintained by such licensee, on such website. Failure to comply with the requirements of this subsection (f)(4) shall create a rebuttable presumption that the business of vacation rental is being operated without a license.

(5) *Soaps and clean linens – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ provide guests with soap, clean individual bath cloths and towels, and clean linen. All linens, bath cloths and towels shall be kept in good repair and changed between guests.

(6) *Sanitized utensils – Food disposal – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ clean and sanitize the vacation rental and all dishes, utensils, pots, pans and other cooking utensils between guests and to dispose of all food, beverages and alcohol left by the previous guests.

(7) *Posting – License number – Local contact person – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ post in a conspicuous place near the entrance of the vacation rental, the vacation rental license and the name and telephone number of the local contact person.

(8) *Posting – Evacuation diagram – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ post in a conspicuous place on the inside entrance door of each vacation rental an evacuation diagram identifying all means of egress from the vacation rental and the building in which the vacation rental is located.

(9) *Food handling safety – Required.* If the licensee provides food to guests, such licensee shall ~~have a duty to~~ comply with all applicable food handling and licensing requirements of this Code and board of health regulations.

(10) *Notification to police of illegal activity – Required.* If a licensee knows or suspects that any criminal activity, egregious condition or public nuisance is taking place in the vacation rental, such licensee shall ~~have a duty to~~ immediately notify and cooperate with the Chicago police department.

(11) *Smoke alarms and carbon monoxide detectors – Required.* Each licensee engaged in the business of vacation rental shall ~~have a duty to~~ ensure that the vacation rental is in compliance with applicable laws regarding the installation and maintenance of functioning smoke alarms and carbon monoxide detectors.

(12) *Compliance with tax laws – Required.* Each licensee 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.

(13) *Disclosure and acknowledgement – Required.*

(Omitted text is unaffected by this ordinance)

(2) The tenant or applicant shall be required to execute a receipt acknowledging that ~~these~~ the written disclosures required under paragraph (1)(i) and (1)(ii) of this subsection (f)(13) have been made.

(Omitted text is unaffected by this ordinance)

(4) The purchaser or prospective purchaser shall be required to execute a receipt that ~~these~~ the written disclosures required under paragraph (1)(i) and (1)(ii) of this subsection (f)(13) have been made.

(g) *Prohibited acts.*

(1) *Rental under ~~10 hours~~ the minimum rental period – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to rent or ~~to~~ lease any vacation rental, or any portion thereof, by the hour or for any period of fewer less than ten two consecutive ~~hours~~ nights;

(2) *Multiple rentals within ~~10 hour~~ the minimum rental period – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to rent or lease any vacation rental, or any portion thereof, more than once within any ~~consecutive ten~~ 48-hour period, as measured from the commencement of one rental to the commencement of the next;

(3) *Advertising ~~hourly rate~~ less than the minimum rental period – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to advertise an hourly rate or any other rate for a vacation rental based on a rental period of ~~fewer~~ less than ten two consecutive ~~hours~~ nights;

(4) *~~Criminal~~ Illegal activity, ~~egregious condition, nuisance~~ objectionable conditions, egregious conditions – Prohibited.*

(i) *Illegal activity and objectionable conditions.* It shall be unlawful for any licensee engaged in the business of vacation rental to permit any ~~criminal activity, egregious condition or public~~ nuisance within the meaning of Section 4-13-260(a)(1) to take place ~~in~~ within or having a nexus to the vacation rental. In addition to any other penalty provided by law, any person who violates this subsection (g)(4)(i) shall be subject to a fine of not less than \$2,500.00 nor more than \$5,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense;

(ii) *Egregious condition.* It shall be unlawful for any licensee engaged in the business of vacation rental to permit any egregious condition to take place within or having a nexus to the vacation rental. In addition to any other penalty provided by law, any person who violates this subsection (g)(4)(ii) shall be subject to a fine of not less than \$5,000.00 nor more than \$10,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense;

(5) *Exceeding maximum occupancy – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to exceed the maximum occupancy limit of: (i) two persons, not including a guest’s children under the age of 18, per guest room within the vacation rental; or (ii) no more than one person per 125 square feet of floor area of the dwelling unit for which the license is issued; or ~~The occupancy limitation set forth in this subsection (g)(5) is the absolute maximum limitation. The~~ (iii) the actual allowed capacity of the dwelling unit shall be based on the applicable provisions of the building code, whichever is less. As used in this subsection (g)(5), the term “guest room” means a room used or intended to be used for sleeping purposes. The term “guest room” does not include bathrooms, toilet rooms, kitchens, closets, halls, incidental storage or utility spaces, or similar areas. In addition to any other penalty provided by law, any person who violates this subsection (g)(5) shall be subject to a fine of not less than \$5,000.00 nor more than \$10,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense;

(Omitted text is unaffected by this ordinance)

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

(Omitted text is unaffected by this ordinance)

(2) *Rental without license – Prohibited.* Such licensee shall not rent, or permit any person to rent, or book for future rental, any vacation rental ~~which~~ that is not properly licensed by the ~~city~~ department;

(Omitted text is unaffected by this ordinance)

(7) *Violation of rental requirements and restrictions – Prohibited.* Such licensee shall not list on any platform or rent any vacation rental that is subject to a rental agreement, if the rental agreement prohibits the use of such dwelling unit as a vacation rental or shared housing unit, in any combination;

(Omitted text is unaffected by this ordinance)

(j) *License – Suspension or revocation.*

(1) *Immediate suspension or revocation – Post-deprivation hearing – Authorized when.* If the commissioner has good cause to believe that: (1) continued rental of a vacation rental causes an imminent threat to public health, safety or welfare, and (2) grounds exist for

revocation or suspension of the licensee's vacation rental license, including, but not limited to, any of the grounds set forth in items (i) through ~~(vi)~~(v), inclusive, of subsection (j)(2) 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 a vacation rental license under this section and prohibit the licensee from renting the vacation rental to guests for a period of time not to exceed ten calendar days; provided, however, that the licensee shall be afforded an opportunity to be heard during such period. If the licensee fails to request a hearing within the prescribed time, or requests a hearing but fails to appear at the hearing, the vacation rental license shall be deemed revoked.

(2) *Suspension or revocation – Pre-deprivation hearing – Authorized when.* In addition to any other applicable reason, a vacation rental license may be suspended or revoked in accordance with Section 4-4-280 under the following circumstances:

(i) *Situs of one or more egregious conditions.* When a vacation rental is the situs of one or more egregious conditions while rented to guests; or

~~(ii) *Situs of three or more objectionable conditions.* When a vacation rental has been the situs, on three 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 item (ii):~~

~~“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 vacation rental.~~

~~“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 vacation rental or the vacation rental'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~~

~~(iii)~~(ii) *Situs of ~~three~~ two or more nuisance conditions.* When, in the determination of the commissioner, the rental of the vacation rental creates a nuisance because at least ~~three~~ two separate incidents involving illegal acts activity or objectionable conditions, as that term is defined in Section 4-4-13(h), occurred during a 12-month period: (1) in the vacation rental; or

(2) in or on the premises in which the vacation rental is located; or (3) in the vacation rental's parking facility, or (4) on adjacent property. For purposes of determining whether ~~three or more~~ illegal acts any nuisance occurred during a 12-month period, such illegal acts activity or objectionable conditions ~~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 vacation rental while rented to a guest. In a proceeding to suspend or revoke the license of a vacation rental that is or creates a nuisance under this ~~Section 4-6-30 (j)(2)(iii)~~ subsection (j)(2)(ii), 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~~ activity or objectionable conditions occurred. If, during any 12-month period, ~~three~~ two or more separate incidents of ~~illegal acts~~ activity or objectionable conditions, in any combination, occur on the licensed premises, or on or in the licensed premises' parking facility, or on adjacent property, a rebuttable presumption shall exist that the vacation rental is or creates a nuisance in violation of this ~~Section 4-6-30(j)(2)(iii)~~ subsection (j)(2)(ii); or

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

~~(v)(iv)~~ (iv) *Threat to public health, safety or welfare.* When the commissioner determines that the continued rental of a vacation rental poses a threat to the public health, safety or welfare; or

~~(vi)(v)~~ (v) *Unlawful discrimination.* When, in connection with the listing for rental or rental of a vacation rental, the commissioner or Chicago commission on human relations has determined that a violation of Section 2-160-070 or Section 4-6-300 (h)(13), as applicable, has occurred.

(Omitted text is unaffected by this ordinance)

(n) Rules. The commissioner shall have the authority to promulgate rules necessary or appropriate to implement this section.

SECTION 5. Section 4-13-100 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting, in correct alphabetical order, the language underscored, as follows:

4-13-100 Definitions.

(Omitted text unaffected by this ordinance)

“Booking service transaction” means any reservation or payment service, provided by a licensee under this chapter, that facilitates a short term residential rental transaction between a shared housing host and a prospective or actual guest of such host, or between a vacation rental licensee, bed-and-breakfast establishment licensee, or hotel licensee and such licensee’s prospective or actual guest or transient occupant, or for which a licensee under this chapter collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation or payment of services provided for the transaction.

“Code” means the Municipal Code of Chicago.

“Commissioner” means the Commissioner of Business Affairs and Consumer Protection or the Commissioner’s designee.

(Omitted text is unaffected by this ordinance)

“Department” means the Department of Business Affairs and Consumer Protection.

(Omitted text is unaffected by this ordinance)

“Provider” means a short term residential rental provider.

(Omitted text is unaffected by this ordinance)

“Shared Housing Ordinance” means the ordinance passed by the Chicago City Council on June 22, 2016 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* on pages 27712 - 27770 of that same date, as amended from time to time.

(Omitted text is unaffected by this ordinance)

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

(Omitted text is unaffected by this ordinance)

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

(Omitted text is unaffected by this ordinance)

SECTION 6. Section 4-13-200 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-13-200 License – Required.

No person shall engage in the business of short term residential rental intermediary without first having obtained a an intermediary license under Article II of this Chapter 4-13. The holder of an intermediary license is entitled to primarily list shared housing units on its platform in accordance with this Article II. Listings on the intermediary's platform of vacation rentals, bed-and-breakfast establishments and hotels are also permitted in accordance with this chapter.

SECTION 7. Section 4-13-205 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-205 ~~Annual Licensee License~~ – Fee – Required.

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

SECTION 8. Section 4-13-210 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

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

- (a) 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 intermediary shall be accompanied by the following information:

(Omitted text is unaffected by this ordinance)

(b) It is a condition of the license that all information in the application be kept current. Any change in required information shall be reported to the department in accordance with Section 4-4-050(b).

SECTION 9. Section 4-13-215 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-215 Attestation – Acknowledgment – Required.

The intermediary shall be required to make available in a conspicuous place on its platform an electronic copy of a summary of the requirements of ~~this ordinance~~ the Shared Housing Ordinance, including: (1) the provider's need to obtain from the department a valid registration or license number, as applicable, for the short term residential rental prior to advertising it for rent, listing it on the platform, renting it or booking it for future rental; (2) the requirement that ~~the~~ a shared housing host must be a natural person; (3) the eligibility requirements for registration with the department of a shared housing unit, as set forth in Chapters 4-13 and 4-14 of ~~the Municipal Code of Chicago;~~ this Code of Chicago; and (4) the potential penalties ~~applicable~~ for violation of the ~~ordinance~~ Shared Housing Ordinance. As a condition of listing a shared housing unit on the platform, the intermediary shall require the shared housing host to: (1) attest that the host has reviewed the summary of the requirements of this ordinance, and ~~to~~ (2) acknowledge that the listing, rental and operation of shared housing units in the City are subject to those requirements.

SECTION 10. Section 4-13-220 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-220 Legal duties.

(a) *Insurance for intermediary – Required.* Each licensee under this Article II shall ~~have the duty to~~ obtain commercial general liability insurance, with limits of not less than one million dollars (\$1,000,000.00) per occurrence, for bodily injury, personal injury (if such coverage is commercially available to the licensee), and property damage arising in any way from the issuance of the ~~short-term residential rental~~ intermediary 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) *Insurance for guests – Required.* Each licensee under this Article II shall ~~have the duty to~~ provide commercial general liability insurance, with limits of not less than one million dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury (if such coverage is commercially available to the licensee), and property damage arising in any way from activities conducted pursuant to a registration or issuance of license for a short term residential rental. Such insurance shall cover any bodily injury, personal injury (if such coverage is commercially available to the licensee), or property damage sustained by any guest arising in any way from activities related to the rental of the short term residential rental. Each policy of insurance provided shall have policy limits, as set forth in this subsection (b), that apply separately for each short term residential rental, and if the policy has an aggregate limit, the aggregate limit shall apply separately to each short term residential rental. Each policy of insurance shall be: (i) issued by an insurer authorized to insure in the State of Illinois; and (ii) maintained in full force and effect for as long as the short term residential rental is registered or licensed, ~~whichever is as~~ applicable. The licensee shall provide advance notice to the commissioner of the cancellation of, or lapse in, the policy as soon as is reasonably practicable after the licensee becomes aware of ~~the such cancellation of, or lapse in, the policy;~~

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

(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;

(e) *Compliance with rental, homeowners association and cooperative building agreements – Required.* Each licensee under this Article II shall ~~have the duty not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee~~ advises post a notice on its platform informing the short term residential rental ~~provider~~ providers that the provider must comply with all existing applicable rental agreements, or homeowners association or cooperative building rules or restrictions, regarding ~~the rental for~~ transient occupancy of the short term residential rental for transient occupancy;

(f) *Descriptive listing information – Required.* Each licensee under this Article II shall ~~have the duty not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee~~ advises post a notice on its platform informing short term residential rental ~~provider~~ providers that every listing on the intermediary's platform shall must include the information set forth in required under Section 4-14-040(a)(1) through (a)(4), inclusive;

(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'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 any short term residential rental determined by the department to be ineligible for listing on a platform under Section 4-13-260 or any hotel, bed-and-breakfast establishment or vacation rental 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 Registration or 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 shared housing unit, hotel, bed-and-breakfast establishment or vacation rental listed by a provider on its platform includes the provider's registration or license number, as applicable;

(k) *Approved application program interface – Required.* Each licensee under this Article II shall use an application program interface (“API”) mandated by the department to transmit data and other communications to the department and to receive data and other communications from the department.

SECTION 11. Section 4-13-230 of the Municipal Code of Chicago is hereby repealed in its entirety and replaced with a new Section 4-13-230, underscored as follows:

4-13-230 Shared housing units – Registration of unit by provider with department required – Advertising, listing, renting, and booking for future rental prohibited when.

(a) *Shared housing hosts – Duties – Prohibited acts.* Prior to advertising for rent, listing on a platform, renting, or booking for future rental any shared housing unit or portion thereof, the shared housing host shall successfully register such unit with the department in accordance with Section 4-14-020, as evidenced by the assignment of a unique registration number to such unit by the department. It shall be unlawful for any shared host to advertise for rent, list on a platform, rent, or book for future rental, any shared housing unit: (1) until such time that the department assigns a unique registration number to the shared housing unit; or (2) at any time while departmental approval of the registration is pending; or (3) without including the registration number on any advertisement, listing, rental agreement, or booking. Any shared

housing host who violates this subsection (a) shall be subject to the penalty set forth in Section 4-14-090(a).

(b) *Departmental duties.* Upon receipt of a registration application for a shared housing unit, the department shall determine whether the unit identified in the registration application is eligible for such registration under Section 4-13-260. If the department determines that the shared housing unit is eligible for registration, the department shall assign a unique registration number to the shared housing unit and shall notify the shared housing host of such fact. If the department determines that the shared housing unit is ineligible for registration under Section 4-13-260, the notification and hearing process set forth in Section 4-13-260(b) shall apply.

SECTION 12. Chapter 4-13 of the Municipal Code of Chicago is hereby amended by inserting a new Section 4-13-235, as follows:

4-13-235 Intermediaries – Prohibition on booking service transactions – Applicable when.

It shall be unlawful for any licensee under this Article II to process or complete any booking service transaction for any: (1) shared housing unit or portion thereof, unless such unit has first been registered with the department within the meaning of Section 4-13-230(a), or (2) vacation rental, bed-and-breakfast establishment or hotel, or any portion thereof, unless such establishment is properly licensed under Chapter 4-6 of this Code.

SECTION 13. Section 4-13-240 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-240 Data and reports – Required.

(a) *Departmental Aldermanic report – Required.* Each licensee under this Article II shall ~~have a duty to submit to the department~~ each alderman, every two months, a report, in a form approved by the commissioner, that contains, on a ward specific basis for the respective ward, the following information about each of the short term residential rentals listed on the intermediary's platform during the applicable reporting period: (i) the ~~total~~ 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 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 to the city under

Section 3-24-030 in connection with the rental of each short term residential rental listed on the platform during the applicable reporting period; and (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 (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.

(b) ~~Additional departmental~~ *Department 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.~~

(e) ~~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 the intermediary's platform during the applicable reporting period.

(d)(c) *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.

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

(e)(e) *Form of data and report submission.* The information contained in the reports required under subsections (a), (b) and (e) (d) 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 (e) (d) 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 regarding the guests of the shared housing unit or the rental of the unit. The intermediary 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 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 14. Section 4-13-250 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 15. Section 4-13-260 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

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 registration with the department as a shared housing unit or for licensure as a bed-and-breakfast establishment or vacation rental, and shall not be listing listed 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~~ activity or objectionable conditions, as ~~that term is~~ those terms are defined in Section 4-13(h) ~~4-6-300(a)~~, occurred, in any combination, during a 12-month period: (i) in the short term residential rental; or (ii) in or on the premises in which the short term residential rental is located; or (iii) in the short term residential rental's parking facility; or (iv) on adjacent property. For purposes of determining whether ~~three or more~~ any nuisance ~~illegal acts~~ activity or objectionable conditions occurred during a 12-month period, such ~~illegal acts~~ activity or objectionable conditions ~~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

(Omitted text is unaffected by this ordinance)

(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~~ City's Building Code Scofflaw List or Problem Landlord List pursuant to Section 2-92-416; or

(Omitted text is unaffected by this ordinance)

SECTION 16. Section 4-13-270 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-270 Departmental duties.

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

(b) *Duty to maintain ineligibility ~~list~~ database.* The commissioner shall prepare and maintain a ~~list~~ database of all short term residential rentals that are ineligible to be advertised for rent by a provider, listed on a ~~short term residential rental intermediary's~~ platform by a provider, rented by a provider, or booked for future rental by a provider. Such ~~list~~ database, which shall be updated by the commissioner ~~periodically, but in no event fewer than four times per calendar year~~ without undue delay following a determination of ineligibility under Section 4-13-260, shall include the date on which the ~~list~~ database was most recently updated and shall be made available by the commissioner to all licensed short term residential rental intermediaries and short term residential rental advertising platforms in a form and manner prescribed by the commissioner.

(Omitted text is unaffected by this ordinance)

SECTION 17. Section 4-13-300 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-13-300 License – Required.

No person shall engage in the business of short term residential rental advertising platform without first having obtained a an advertising platform license under Article III of this Chapter 4-13. The holder of an advertising platform license is entitled to primarily list vacation rentals, bed-and-breakfast establishments and hotels on its platform in accordance with this Article III. Listings on the advertising platform of shared housing units are also permitted in accordance with this chapter.

SECTION 18. Section 4-13-305 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-305 Annual Licensee License – Fee – Required.

(a) The advertising platform license required under this Article III shall be renewed annually.

(b) The advertising platform license fee set forth in Section 4-5-010 shall be payable annually.

SECTION 19. Section 4-13-310 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-13-310 License application – Additional information required.

(a) 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 advertising platform shall be accompanied by the following information:

(Omitted text is unaffected by this ordinance)

(2) an affidavit from the local contact person identified in the license application attesting that such local person: (i) is designated for service of process; (ii) is authorized by the applicant ~~or~~ 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.

(Omitted text is unaffected by this ordinance)

(b) It is a condition of the license that all information in the application be kept current. Any change in required information shall be reported to the department in accordance with Section 4-4-050(b).

SECTION 20. Section 4-13-320 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

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 – Attestation from providers – 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~~ obtain, from each provider listed on its platform, an attestation, in a form to be determined by the commissioner, in rules, from its short term residential rental providers acknowledging 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~~ certifying that any third party hired or otherwise retained by the licensee to facilitate a booking service transaction, or otherwise 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 each such providers provider, in a form to be determined by the commissioner in rules, acknowledging that each such provider has a duty to comply with all such applicable laws and regulations regarding collection and payment of taxes. In addition, if a licensee under this Article III lists shared housing units on its platform, the licensee or shared housing host, or their respective agents, shall remit to the City, in conformity with Chapter 3-24 of this Code, the hotel accommodation taxes imposed under that Chapter.

(d) *Conditions for listing on the platform – ~~Vacation rental license required~~ – ~~Exceptions~~ Platform to post license number on all listings Notification to providers required. 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) post a notice, in a conspicuous place on its ~~website~~ platform, advising short term residential rental providers that such providers are required ~~under this Article II to:~~ (1) 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 a valid registration or license number, as applicable, for a short term residential rental prior to advertising it for rent, listing it on the platform, renting it, or booking it for future rental; and (2) post the applicable registration or license number on the platform as part of the listing.

(e) Approved application program interface – Required. Each licensee under this Article III shall use an application program interface (“API”) mandated by the department to transmit data and other communications to the department and to receive data and other communications from the department.

SECTION 21. Chapter 4-13 of the Municipal Code of Chicago is hereby amended by inserting a new Section 4-13-325, as follows:

4-13-325 Advertising platforms – Prohibition on booking service transactions – When applicable.

It shall be unlawful for any licensee under this Article III to process or complete any booking service transaction for any: (1) vacation rental, bed-and-breakfast establishment or hotel, or any portion thereof, unless such establishment is properly licensed under Chapter 4-6 of this Code; or (2) shared housing unit or portion thereof, unless such unit has first been registered with the department within the meaning of Section 4-13-230(a).

SECTION 22. Section 4-13-340 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

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, shared housing unit 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.

SECTION 23. Section 4-13-400 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-13-400 Rules.

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

SECTION 24. Section 4-14-010 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting, in correct alphabetical order, the language underscored, as follows:

4-14-010 Definitions.

(Omitted text is unaffected by this ordinance)

~~“Building containing two to four dwelling units” includes, but is not limited to, a duplex or row house comprising two to four connected dwelling units.~~

“Building containing five or more dwelling units” includes, but is not limited to, a row house ~~comprising~~ consisting of five or more connected individual dwelling units.

“Building containing two to four dwelling units” includes, but is not limited to, a duplex or row house consisting of two to four connected individual dwelling units.

“Commissioner” means the commissioner of business affairs and consumer protection or the commissioner’s designee.

(Omitted text is unaffected by this ordinance)

“Department” means the department of business affairs and consumer protection.

“Egregious condition” means: (1) drug trafficking; (2) prostitution; (3) gang-related activity; (4) violent acts involving the discharge of a firearm, or the death of, or serious bodily injury to, any person; ~~or~~ (5) exceeding the design load; (6) overcrowding; (7) the use of a shared housing unit by a guest for commercial purposes, including, but not limited to, holding out the unit to members of the general public as the location of a party, amusement or event, or inviting persons to the unit under circumstances where the invitee is required, either directly or indirectly, to pay an admission fee, entrance fee or other compensation, consideration or revenue to gain entry to the unit; or (8) using or allowing the use of a shared housing unit for a party.

amusement, event or other gathering in excess of the maximum occupancy limitation set forth in Section 4-14-050(b).

“Exceeding the design load” means placing loads, including natural persons, on structural elements or components of buildings, including but not limited to porches, balconies and roof decks, in excess of the design load allowed under the building code.

“Excessive loud noise” means: (1) any sound generated between the hours of 8:00 p.m. and 8:00 a.m. from within the shared housing unit or on any private open space having a nexus to the shared housing unit that is louder than average conversational level at a distance of 100 feet or more, measured vertically or horizontally from the property line of the shared housing unit or private open space, as applicable; or (2) any sound generated on the public way immediately adjacent to the shared housing unit, measured vertically or horizontally from its source, by any person having a nexus to the shared housing unit in violation of Section 8-32-070(a); or (3) any sound generated between the hours of 8:00 p.m. and 8:00 a.m. that causes a vibration, whether recurrent, intermittent or constant, that is felt or experienced on or in any neighboring property, other than a vibration: (i) caused by a warning device necessary for the protection of the public health, safety or welfare; or (ii) caused in connection with the performance of emergency work within the shared housing unit by the shared housing host or such host’s agent; or (iii) subject to an exception or exclusion under Section 8-32-170.

(Omitted text is unaffected by this ordinance)

“Guest suite” has the meaning ascribed ~~the~~ that term in Section 4-6-300(a).

(Omitted text is unaffected by this ordinance)

“Illegal activity” means any criminal conduct, of whatever degree, in violation of federal, State or local law.

(Omitted text is unaffected by this ordinance)

“Objectionable condition(s)” means any disturbance of the peace, public drunkenness, drinking in public, harassment of passersby, loitering, public urination, unlawful garbage or waste disposal, gambling, lewd conduct or excessive loud noise.

“Overcrowding” means exceeding the maximum occupancy limitation in violation of Section 4-14-050(b).

(Omitted text is unaffected by this ordinance)

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

(Omitted text is unaffected by this ordinance)

“Single-family home” means a building that: (i) contains one dwelling unit only; and (ii) ~~is located on its own lot; and (iii)~~ is not attached to any other dwelling unit.

(Omitted text is unaffected by this ordinance)

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

SECTION 25. Section 4-14-020 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

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

(a) *Registration by intermediary with the department required.* ~~Except as otherwise provided in subsection (g) of this section, no~~ No dwelling unit listed on a short-term residential rental intermediary's platform shall be rented by a shared housing host shall advertise for rent, list on a platform, rent, or book for future rental any shared housing unit or portion thereof until such intermediary, acting on behalf of the owner or tenant of the listed dwelling unit, and shared housing host, in accordance with Section 4-13-230 (a): (1) registers such unit with the department, as evidenced by the submission by submitting to the department of a registration application meeting the requirements of subsections (b) and (c) of this section; and (2) is issued a unique registration number by the department for the shared housing unit identified in the registration application; and (3) includes such registration number in any advertisement for rent, listing on a platform, rental agreement, or booking for future rental pertaining to such shared housing unit; and (4) if the shared host advertises the shared housing unit on a primary website established, operated or maintained by such shared housing host or his agent, includes such registration number in any advertisement for such shared housing unit on such website. A separate registration shall be required for each dwelling unit used as a shared housing unit.

(b) *Registration application – Form and contents.* The registration application required under subsection (a)(1) 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 a natural person, and the shared housing host's residence address. The accuracy of the information required under this

subsection (b)(1) shall be verified by documentation provided in a form approved by the commissioner;

(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~~ contact information for the host or for a local contact person;

(4) whether the dwelling unit identified in ~~such~~ the registration application is a: (i) a single family home, or (ii) a unit in a building containing ~~multi-dwelling~~ multiple dwelling units, and, if so, the number of dwelling units in the building, and (iii) whether the ~~listing host will~~ intends to make the entire dwelling unit available for rent or only a room or portion of the dwelling unit available for rent;

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

(6) any other information that the commissioner may reasonably require in connection with the issuance or renewal of a registration under this chapter.

It is a condition of the registration that all information in the application be kept current. Any change in required information shall be reported to the department within ten business days of such change.

(c) ~~(1)~~ *Attestation— Accurate Information – Required.* It shall be unlawful for any shared housing host: (i) ~~not to submit the attestation required under Section 4-13-215, or (ii) to submit incomplete or false information or to make any false, misleading or fraudulent statement~~ on in the registration application required under subsection (b) of this section; or (ii) use any scheme or subterfuge for the purpose of evading the requirements of this chapter.

~~(2) *False statements.* Any information on a registration application submitted pursuant to subsection (b) of this section shall be deemed to be an application to the city within the meaning of the False Statements Ordinance, Chapter 1-21 of this Code, regardless of the method by which such information is submitted or transmitted to the department.~~

(d) (1) *Zoning review – Required.* Each registration under this section shall include a zoning review, ~~as provided by the commissioner in rules,~~ to ensure that the location of the shared housing unit is in compliance with the Chicago Zoning Ordinance.

(2) *Review of prohibited building list – Required.* Each registration under this section shall include a review of the prohibited ~~building~~ buildings list maintained by the

commissioner pursuant to ~~under~~ Section 4-13-270(c) to ensure that the shared housing unit is not located at an address identified on that list.

(3) *Review of restricted residential zone list – Required.* Each registration under this section shall include a review of the list of current restricted residential ~~zone list~~ required under maintained by the city clerk pursuant to Section 4-17-060 to ensure that the shared housing unit is not located in a restricted residential zone, unless ~~such~~ the shared housing unit located within a restricted residential zone that is a legally lawfully established use within such zone within the meaning of Section 4-17-070.

(c) *Registration number – Required.* The commissioner shall assign a unique registration number to each approved shared housing unit registered with the department.

(f) *Duty to post registration number.* ~~Upon notification from the commissioner that a unique registration number has been assigned to the dwelling shared housing unit identified in the registration application, the shared housing host shall promptly post the registration number in a conspicuous place in all applicable listings on any platform. The shared housing host shall include, in legible type, the shared housing unit's unique registration number in any advertisement for rent, listing on a platform, rental agreement, or booking for future rental pertaining to such shared housing unit.~~

(g) *Listing Advertising for rental, listing on a platform, renting, and booking for future rental* ~~and rental of a shared housing unit while registration is pending – Permitted Prohibited.~~ 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). It shall be unlawful for any shared housing host to advertise for rent, list on a platform, rent or book for future rental any shared housing unit: (1) while registration of that unit with the department is pending, and (2) until such time that a unique registration number is assigned to such shared housing unit by the department.

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

(i) *Transfer of registration – Prohibited.* The registration for a shared housing unit shall not be non-transferable transferable to any other shared housing unit or shared housing host.

SECTION 26. Section 4-14-030 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through, as follows:

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's~~ a 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 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's platform, the shared housing host shall update the applicable listing on the intermediary's platform to include the registration number identified in such notice.~~

SECTION 27. Section 4-14-040 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

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:

(1) the ~~short term residential rental provider's~~ shared housing host's cancellation and check-in and check-out policies;

(2) a statement on: (i) whether the ~~short term residential rental~~ shared housing unit is wheelchair or ADA accessible; (ii) whether the ~~short term residential rental~~ shared housing unit has any parking availability or restrictions; and (iii) the availability of, or restrictions on, the use of any recreational facilities or other amenities applicable to guests;

(3) a description of the ~~short term residential rental~~ shared housing unit, including the number of sleeping rooms and bathrooms, and whether the entire dwelling unit, or only a portion thereof, is available for rent; and

(4) ~~except as otherwise provided in Section 4-13-230 (d), the short term residential rental provider's city license or registration number~~ assigned by the department to the shared housing unit.

(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, listings, rental agreements and bookings for future rental – Required.* ~~Except as otherwise provided in Section 4-13-230(d), each~~ 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, in every listing of the shared housing unit on any platform, and in every rental agreement for, and booking for future rental of, any 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.

(Omitted text is unaffected by this ordinance)

SECTION 28. Section 4-14-050 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-14-050 Unlawful acts.

(a) ~~Criminal activity, nuisances,~~ Illegal activity, objectionable conditions, ~~egregious conditions~~ -- Prohibited.

(1) Illegal activity and objectional conditions. It shall be unlawful for any shared housing host to permit any ~~criminal activity, or public nuisance~~ within the meaning of Section 4-13-260(a)(1), ~~or egregious condition~~, to take place within the shared housing unit. In addition to any other penalty provided by law, any person who violates this subsection (a)(1) shall be subject to a fine of not less than \$2,500.00 nor more than \$5,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(2) Egregious condition. It shall be unlawful for any shared housing host to permit any egregious condition to take place within the shared housing unit. In addition to any other penalty provided by law, any person who violates this subsection (a)(2) shall be subject to a fine of not less than \$5,000.00 nor more than \$10,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(b) Exceeding maximum occupancy – Prohibited. It shall be unlawful for any shared housing host to exceed the maximum occupancy limit of: (i) two persons, not including a guest's children under the age of 18, per guest room within the shared housing unit; or (ii) no more than one person per 125 square feet of floor area of the shared housing unit; ~~or The occupancy limitation set forth in this subsection is the absolute maximum limitation. The (iii) the actual allowed capacity of the shared housing unit shall be based on the applicable provisions of the building code, whichever is less.~~ As used in this subsection (b), the term "guest room" means a room used or intended to be used for sleeping purposes. The term "guest room" does not include bathrooms, toilet rooms, kitchens, closets, halls, incidental storage or utility spaces, or similar areas. In addition to any other penalty provided by law, any person who violates this subsection (b) shall be subject to a fine of not less than \$5,000.00 nor more than \$10,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(Omitted text is unaffected by this ordinance)

(e) Rental under ~~ten hours~~ the minimum rental period – Prohibited. It shall be unlawful for any shared housing host to rent any shared housing unit, or any portion thereof, ~~by the hour or for any period of fewer than ten consecutive hours~~ less than two consecutive nights.

(f) Multiple rentals within ~~10 hour~~ the minimum rental period – Prohibited. It shall be unlawful for any shared housing host to rent any shared housing unit, or any portion thereof, more than once within any consecutive ~~ten hour~~ 48-hour period, as measured from the commencement of one rental to the commencement of the next.

(g) Advertising ~~hourly rate~~ less than the minimum rental period – Prohibited. It shall be unlawful for any shared housing host to advertise an hourly rate or any other rate for any

shared housing unit, or any portion thereof, based on a rental period of ~~fewer than ten~~ less than two consecutive ~~hours~~ nights.

(Omitted text is unaffected by this ordinance)

SECTION 29. Section 4-14-060 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-14-060 Rental requirements and restrictions.

(a) *Lawfully established dwelling unit with six or fewer sleeping rooms – Required.* It shall be unlawful for any shared housing host to advertise for rental, list on any platform, ~~or to rent~~ or book for future rental any shared housing unit that is not a lawfully established dwelling unit within the meaning of Section 17-17-0248, ~~which contains~~ containing six or fewer sleeping rooms and located within a residential building.

(b) *Violation of condominium or cooperative building restrictions – Prohibited.* It shall be unlawful for any shared housing host to advertise for rental, list on any platform, ~~or to rent~~ or book for future rental any shared housing unit if the homeowners association or board of directors has adopted by-laws prohibiting the use of the dwelling unit as a shared housing unit or vacation rental, in any combination.

(c) *Violation of rental requirements and restrictions – Prohibited.* It shall be unlawful for any shared housing host to advertise for rental, list on any platform, ~~or to rent~~ or book for future rental any shared housing unit that is subject to a rental agreement, if the owner of the building in which the dwelling unit is located has prohibited the use of such dwelling unit as a shared housing unit or vacation rental, in any combination.

(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 advertise for rental, list on any platform, ~~or to rent~~ or book for future rental any shared housing unit that is a single family home, unless such single family home is the shared housing host's primary residence. Provided, however, that this prohibition shall not apply if: (i) 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 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 host to advertise for rental, list on any platform, ~~or to rent or book for future rental~~ 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) of this subsection 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) of this subsection 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 advertise for rental, list on any platform, ~~or to rent or book for future rental~~ any shared housing unit that is located in a building containing five or more dwelling units, when 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.

~~(g) *Removal of ineligible listings from platform.* Following notice of a final determination of ineligibility under Section 4-13-260 (b) or Section 4-14-030(b), it shall be unlawful for a shared housing host to fail to remove the ineligible listing from the platform in the manner prescribed by the commissioner in rules. In addition to any other penalty provided by law, any person who fails to comply with this subsection (g) 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 Section 4-13-260 (b) or Section 4-13-220 (h) is sent; and not less than \$2,500.00 nor more than \$5,000.00 for 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.~~

SECTION 30. Section 4-14-070 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-14-070 Rules.

The commissioner is authorized to promulgate rule necessary or appropriate to implement this chapter.

SECTION 31. Section 4-14-080 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-14-080 Registration – Suspension or revocation.

(Omitted text is unaffected by this ordinance)

(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 ~~(e)(6)~~(c)(5), 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 or more objectionable conditions.* When a shared housing unit has been the situs, on three 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)~~(2) *Situs of three two or more nuisance conditions.* When, in the determination of the ~~Commissioner~~ commissioner, the rental of the shared housing unit creates a nuisance because at least ~~three~~ two separate incidents involving illegal acts activity or objectionable conditions, as that term is defined in Section 4-13-313(h), occurred during a 12-month period: (i) in the shared housing unit; or (ii) in or on the premises in which the shared housing unit is located; or (iii) in the shared housing unit’s parking facility; or (iv) on adjacent property. For purposes of determining whether ~~three or more illegal acts~~ any nuisance occurred during a 12-month period, such illegal acts activity or objectionable conditions 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~~ subsection (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~~ 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 activity or objectionable conditions occurred. If, during any 12-month period, ~~three~~ two or more separate incidents of illegal acts activity or objectionable conditions, in any combination, occur on the registered premises, or 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 4-18-080~~ subsection (c)(3); or

(4)(3) *Scofflaw or problem landlord.* When a shared housing unit is listed on, or is located in a building that is listed on, the city’s City’s Building Code Scofflaw List or Problem Landlord List pursuant to Section 2-92-416; or

~~(5)~~(4) *Threat to public health, safety or welfare.* When the commissioner determines that the continued rental of a shared housing unit poses a threat to the public health, safety or welfare; or

~~(6)(5)~~ *Unlawful discrimination.* When, in connection with the listing for rental or rental of a shared housing unit, the commissioner or the Chicago commission on human relations has determined that a violation of Section 2-160-070 or Section 4-14-040(c), as applicable, has occurred.

(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 10 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 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 shall act in accordance with the approved process established pursuant to Section 4-13-220(h).~~

SECTION 32. Section 4-14-105 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-14-105 Limit calculation.

The limits on the number of shared housing units in a building shall be calculated as maximum limits using the method in section Section 17-1-0605-B.

SECTION 33. Section 4-16-210 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-16-210 License application – Additional information required.

(a) 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 operator shall be accompanied by the following information:

(Omitted text is unaffected by this ordinance)

(b) It is a condition of the license that all information in the application be kept current. Any change in required information shall be reported to the department in accordance with Section 4-4-050(b).

SECTION 34. Section 4-16-220 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through, as follows:

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 35. Section 4-16-230 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through, as follows:

4-16-230 Departmental duties.

(*) *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 36. Chapter 4-16 of the Municipal Code of Chicago is hereby amended by inserting a new Section 4-16-240, underscored as follows:

4-16-240 Rules.

The commissioner shall have the authority to promulgate rules necessary or appropriate to implement this section.

SECTION 37. Effective date.

(a) SECTION 4 (amending Section 4-6-300), SECTION 24 (amending Section 4-14-010), SECTION 28 (amending Section 4-14-050), and SECTION 31 (amending Section 4-14-080) of this ordinance shall take full force and effect ten days after its passage and publication. Provided, however, that the prohibitions set forth in Section 4-6-300(g)(1) and (g)(2) and in Section 4-14-050(e) and (f), pertaining to rental and multiple rentals within the minimum rental period, shall not apply to any rental that was lawfully booked prior to the date of introduction of this Ordinance.

(b) The remainder of this ordinance shall take full force and effect on April 1, 2021 in accordance with this subsection. On and after April 1, 2021, any person submitting an initial application for registration of a shared housing unit with the department shall comply with the application requirements set forth in Section 4-14-020(b). Persons holding a valid registration number issued before April 1, 2021 for a shared housing unit ("existing registration") shall comply with the application requirements set forth in Section 4-14-020(b) at the time of renewal of such existing registration or in accordance with an expedited renewal schedule for existing registrations as may be required by the commissioner in duly promulgated rules.