



Vacation Rental Licensing in Chicago

Facts about operating Vacation Rental dwelling unit(s) (4-207). *Effective January 1, 2011.*

What is a “Vacation Rental”?

A “Vacation Rental” is a dwelling unit with up to six (6) sleeping rooms that are available for rent, or for hire, for transient occupancy by guests, and must **NOT** be owner-occupied.

A limit of six (6) dwelling units per building can be licensed as a vacation rental at the same time.

APPLICATION & LICENSE FEE: \$500.00 PER DWELLING UNIT (renewable every two years)

The Vacation Rental license does **NOT** include the following business activities:

- Single-Room Occupancy buildings
- Bed-and-Breakfast establishments
- Hotels
- A dwelling unit which a tenant has a month-to-month rental agreement
- Corporate Housing

Zoning Requirements:

- The following zoning districts allow Vacation Rentals: B1, B2, B3, C1, and C2.
- The following zoning districts require a Zoning Special Use approval for Vacation Rentals: RM 4.5, RM 5-5.5, RM 6-6.5, DC, DX, DR, and DS.
- The following zoning districts require a Zoning Nonconforming Use approval for Vacation Rentals: RS 3, RT 3.5 and RT 4.

The following documentation is required:

- Business entity registration documents (e.g. Art. of Inc., LLC Art. of Org., etc.); FEIN & IBT # (SSN for Sole Proprietors).
- Proof of ownership of the business property (i.e. Title, Deed or Executed Sales Contract).
- Floor plan of the dwelling unit.
- A completed Local Contact Person Affidavit (LCA), which attests that the listed local contact person:
 - 1) is designated for service of process;
 - 2) is authorized by the owner to take remedial action and respond to any violation(s); and
 - 3) maintains a residence or office located in the City.
- If applicable, a completed Homeowners Association Affidavit (HOA), executed by an authorized representative of the homeowners association or the board of directors, which attests that:
 - 1) the homeowners association or board of directors has approved the dwelling unit to be used as a vacation rental and specifically identifies all the other dwelling units approved to be used as vacation rentals; and
 - 2) the bylaws are in compliance with subsection 4-207-060 (a)(6) of the vacation rental ordinance.
- A certificate of insurance evidencing homeowner’s fire, hazard and liability insurance, and general commercial liability insurance with limits of not less than \$1,000,000 per occurrence.
- Any City debt must be resolved prior to the issuance, or renewal, of any business license.

INSPECTION:

A Department of Buildings onsite, or administrative, inspection will be performed based on the history of the building.

TAXES:

On November 17, 2010, the Chicago City Council amended the Hotel Accommodations tax to eliminate the threshold of seven units per building in the definition of the term “hotel accommodation”. The change will have the effect of subjecting all vacation rentals, as the term “vacation rentals” is defined in Code Chapter 4-202, to the city’s 3.5% Hotel Accommodations Tax, regardless of how many such units are in a given building.



For more information visit www.cityofchicago.org/bacp, or call (312) 74-GOBIZ / 744-6249

CITY OF CHICAGO · DEPARTMENT OF BUSINESS AFFAIRS & CONSUMER PROTECTION · VACATION RENTAL FACT SHEET



Standard of Operation:

- a) No licensee shall:
 1. rent or lease any vacation rental by the hour, or for any period of fewer than 24 consecutive hours;
 2. rent or lease any vacation rental more than once within any consecutive 24 hour period measured from the commencement of one rental to the commencement of the next;
 3. advertise an hourly rate, or any rate for a vacation rental based on a rental period of fewer than 24 consecutive hours.
- b) The licensee shall maintain current guest registration records (with each guest's name, address, signature, and dates of accommodation), which must be kept on file for three years and made available for inspection by City officials during regular business hours or in case of emergency.
- c) No licensee shall permit any criminal activity or public nuisance to take place in the vacation rental.
- d) The maximum number of guests in a vacation rental shall be no more than one person per 125 feet of floor area.
- e) Every licensee shall print its license number in every print, and online, advertising for the vacation rental placed by or on behalf of the owner, and on every application for a building permit. If the licensee has a website for the vacation rental, then the license number should be listed in the website.
- f) No licensee shall serve or otherwise provide alcohol to any guest.
- g) Each guest shall be provided soap, clean individual bath cloths and towels, and clean linen in good repair. Linens, bath cloths and towels must be changed between guests.
- h) The vacation rental shall be cleaned and sanitized between guests and all food, beverages and alcohol must be thrown out. All dishes, utensils, pots, pans and other cooking utensils shall be cleaned and sanitized between guests.
- i) The name and phone number of the local contact person and the vacation rental license shall be posted in a conspicuous place near the entrance of the vacation rental.
- j) An evacuation diagram identifying all means of egress from the vacation rental and the building in which it is located shall be posted in a conspicuous place on the inside entrance door of each vacation rental.
- k) Any licensee who provides food to the guests shall comply with all applicable food handling, licensing and inspection requirements.

Reasons for license denial or revocation:

- The applicant does not own the vacation rental.
- The applicant's license has been revoked within two (2) years of the date of the application.
- A license issued for a vacation rental for that dwelling has been revoked within two (2) years of the date of the application.
- The applicant makes any false, misleading or fraudulent statement or misrepresents any fact in the license application.
- Failure of the homeowners association, or board of directors, to adopt bylaws which:
 - a) approve the use of the premises for vacation rentals;
 - b) restrict the number of dwelling units that may be licensed as vacation rentals to six (6) or less, and specifically identifies those units;
 - c) authorize the homeowners association, or the board of directors, to act as the local contact person for the owner of the vacation rental; and
 - d) authorize access by City officials to the common areas.
- The applicant has violated any applicable federal, state or local law or regulation.

How do I apply?

- In-Person at BACP's Business Assistance Center, 121 North LaSalle Street, Room 800.
 - Application intake hours are 8:30 AM – 3:30 PM, Monday – Friday.
 - An appointment is recommended, and can be made online, or by calling (312) 74-GOBIZ / 744-6249.
- Online at www.cityofchicago.org/bacp.

