

**THE CITY OF NORTH CHICAGO
LAKE COUNTY, ILLINOIS**

ORDINANCE
NO. _____

**AN ORDINANCE AMENDING NORTH CHICAGO
CITY CODE 5-14 AND 5-3 (SHORT-TERM RENTALS)**

Passed by the City Council, _____, 2026

Printed and Published, _____, 2026

Printed and Published in Pamphlet Form
By Authority of the City Council

CITY OF NORTH CHICAGO
LAKE COUNTY, ILLINOIS

I hereby certify that this document
was properly published on the date
stated above.

City Clerk

ORDINANCE NO. _____

BE IT ORDAINED by the Mayor and City Council of the City of North Chicago, Lake County, Illinois, THAT:

**AN ORDINANCE AMENDING NORTH CHICAGO
CITY CODE 5-14 AND 5-3 (SHORT-TERM RENTALS)**

shall be, and is hereby, adopted as follows:

Section 1. BACKGROUND.

The City of North Chicago ("**City**") is an Illinois home rule municipal corporation under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois.

Title 5, Chapter 14 of the City of North Chicago Code of Ordinances regulates landlord and rental requirements within the City. The Council finds that regulating the use of short-term rentals reduces adverse impacts on neighboring properties and increases compliance with all other city rules and regulations.

Title 5, Chapter 3 of the City of North Chicago Code of Ordinances imposes a tax of nine and one-half percent of the gross rent charged for the use of renting a hotel room within the City. The Council finds that amending this chapter provides greater clarification of the applicability of such tax to short-term rentals.

The City has determined that it is in the best interest to amend Title 5, Chapters 3 and 14 (Landlord Licensing) to establish additional standards to regulate the use of short-term rentals and amend the hotel/motel use tax.

Section 2. ESTABLISHING A SHORT-TERM RENTAL LICENSE PROGRAM

A program to permit and regulate the use of property as short-term rentals shall and is hereby established under the City's landlord license program. The City's Director of Economic and Community Development shall publish such policies, forms, and rules to regulate the use of properties as short-term rentals in accordance with the City Code.

Section 3. Title 5 (Business and License Regulations), Chapter 14 (Landlord Licensing) is hereby amended and will be read as follows in Exhibit A attached hereto (stricken text removed, **bold and underlined text added**):

Section 4. Title 5 (Business and License Regulations), Chapter 3 (Hotel/Motel Use Tax) is hereby amended and will be read as follows in Exhibit B attached hereto (stricken text removed, **bold and underlined text added**):

Section 5. EFFECTIVE DATE.

This Ordinance shall be in full force and effect from the ____ day of _____, 2026, and after its passage and approval as required by law.

PASSED AND APPROVED THIS ____ DAY OF _____, 2026

LEON ROCKINGHAM, MAYOR

ATTEST:

LORI COLLINS, CITY CLERK

VOTES:

AYES:

NAYS

ABSENT:

ABSTAIN:

EXHIBIT A

CHAPTER 14 LANDLORD LICENSING¹

5-14-1: LEGISLATIVE FINDING AND PURPOSE:

- A. It is hereby found that there now exists and may in the future exist, within the City of North Chicago ("City"), units of residential rental property, which, by reason of their condition, operation, use or over-occupancy, adversely affect or are likely to adversely affect the public health (including the physical, mental and social well-being of persons and families), safety and general welfare.
- B. The Corporate Authority of the City regulate minimum health and safety requirements for existing buildings and structures within its jurisdiction and, by this chapter, desires to amplify the landlord licensing requirement to ascertain compliance with local regulations related to life and safety.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-2: DEFINITIONS:

- A. The following definitions shall apply in the interpretation and enforcement of this chapter:
 - 1. **Administrative Hearing Officer** means a person who hears testimony and accepts evidence that is relevant to the existence of a code violation by virtue of the Administrative Adjudication Process for the City.
 - 2. **Building Code** shall mean those codes adopted, and as amended, under section 12-1-1 of the City Code.
 - 3. **Code Official** shall mean Economic and Community Development Director or his/her designee.
 - 4. **Dwelling Unit** means the permanent or temporary abode of a family, an individual, or group of individuals; a single unit providing complete independent facilities for the exclusive use of the family, individual, or group of individuals, including but not limited to permanent provisions for living, sleeping, eating, cooking and sanitation.
 - 5. **Guest** shall mean a person who is a temporary resident (less than ten (10) percent of the time) of a dwelling unit and who does not utilize the unit as a legal address for any purpose. "Guest" shall also mean a person who occupies a dwelling unit without providing compensation for the privilege of occupying said unit.
 - 6. **Inspection** means a visual examination by a Code Official to determine compliance with portions of the Building Code and/or City Code related to life and safety.
 - 7. **Landlord License** means the license issued by the City to the owner(s) of residential rental property.
 - 8. **Landlord License Certificate of Compliance** means the document issued by a Code Official affirming that an individual dwelling unit has been inspected by the Department of Economic and Community

¹Editor's note(s)—Ord. No. 2023-15, § 3(Exh. A), adopted April 3, 2023, repealed the former Title 5, Ch. 14, §§ 5-14-1—5-14-22, and enacted a new Ch. 14 as set out herein. The former Ch. 14 pertained to similar subject matter and derived from Ord. No. 2010-75, § I, adopted June 21, 2010; Ord. No. 2016-40, § 3A.—3F., adopted Nov. 7, 2016; Ord. No. 2022-24, §§ 2—4, adopted Sept. 19, 2022.

Development and found to be habitable and approved for occupancy as a residential rental property, pursuant to section 6-5-1 of the City Code.

9. **Let for Occupancy** or **Let** means to permit, provide or offer possession or occupancy of a dwelling, dwelling unit, rooming unit, building, premise or structure to a person who is not the legal owner of record thereof, pursuant to a written or unwritten lease, agreement or registration, or pursuant to an unrecorded agreement of contract for the sale of the premises.
 10. **Maximum Allowable Occupancy** shall be the maximum number of persons permitted to occupy a dwelling unit by the application of the Building Code or City Code.
 11. **Multi-Unit** shall mean two (2) or more dwelling units at a property address.
 12. **Occupant** means a person occupying a dwelling unit, or using the property as a legal address for any purpose.
 13. **Owner** means any person, agent, operator, firm or corporation having a legal or equitable ownership interest in the fee title to the property.
 14. **Person** includes a corporation, firm, partnership, association, organization or any group acting as a unit, as well as a natural person. References in the masculine gender include the feminine gender and the neuter. The present tense shall include the future tense, and the singular shall also include the plural.
 15. **Premises** shall mean a lot, plot or parcel of land, easement or public way, and any structures thereon.
 16. **Property Agent** means a person, operator, firm, partnership, corporation or other legal entity designated in writing by the property owner to the City to manage a residential rental property including the authority to receive notices or citations.
 17. **Reinspection** means an inspection to determine the landlord's or owner's correction of ordinance violations cited during the initial inspection.
 18. **Residential Rental Property** means any dwelling unit and common grounds let or intended to be let for any amount of rent or other compensation.
 19. **Rooming Unit** is a room or a suite of rooms forming a single, separate, habitable unit to be used for living and/or sleeping, but not for cooking and/or eating purposes.
 20. **Short-term rental means the use of a dwelling unit for overnight accommodation that is made available for rent by transient guests for a period shorter than 30 consecutive days. The term "short-term rental" further includes a bed and breakfast establishment as defined under the Bed and Breakfast Act (50 ILCS 820/1 et seq.), as amended from time to time. The use of the term "short-term rental" as used in this Chapter does not include motels, hotels, or food service establishments.**
 21. **Short-term rental endorsement means the endorsement given by the City for a landlord license to be issued for a short-term rental.**
- B. Definitions for words not defined in this chapter shall reference section 1-3-2 of the City Code, when applicable.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-3: PROHIBITED CONDUCT:

- A. It is unlawful for any person, firm, partnership, corporation or other legal entity to operate or maintain a residential rental property within the City without first obtaining a landlord license.

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- B. It shall be unlawful for any person to erect, construct, alter, extend, repair, remove, maintain, fail to maintain, provide, fail to provide, occupy, let to another, or occupy or permit another person to occupy any residential rental property regulated by portions of the Building Code and/or City Code related to life and safety or cause such things to be done contrary to, or in conflict with, or in violation of, this chapter or in violation of any of the provisions of said codes, or to fail to obey a lawful order of the Code Official, or to remove or deface a placard or notice posted under the provisions of said codes.
- C. It is unlawful for a person to occupy a residential rental property, or for any owner or property agent to allow anyone to occupy a residential rental property, that is without a landlord license certificate of compliance for the individual residential rental property as provided in this chapter.
- D. It is unlawful to knowingly provide false information of any documents used in the landlord licensing process.
- E. The landlord licensing requirements of this chapter shall not apply to the following:
1. A dwelling unit for which there is a recorded agreement of contract for the sale of the premises, in which the party acquiring the property occupies said dwelling unit.
 2. Buildings that are vacant, and that are not intended to be let for rent.
 3. Townhouse and condominium owner occupied units.
 4. Hotels, motels, and other structures, **excluding short-term rentals as defined in this chapter**, that rent rooms to occupants that are primarily transient in nature, and make use of the facilities for a period of less than thirty (30) days.
 5. Buildings, structures and uses registered and inspected by the State of Illinois or the federal government, including but not limited to, nursing homes, retirement centers, rest homes, etc.
- F. It shall be unlawful for any person, firm, partnership, corporation or other legal entity to lease, rent, or allow the use of any residential rental property, structure, building, trailer, mobile home, or other dwelling unit to be used by a registered sex offender as a temporary or permanent residence within one thousand five hundred (1,500) feet of a school building, the real property comprising any school that persons under the age of eighteen (18) attend, a park or a playground. Any occupancy in violation of this paragraph as of the effective date of this Ordinance may be continued until the expiration of the current occupancy agreement or twelve (12) months from the effective date, whichever occurs first.
- G. It is unlawful for any person, firm, partnership, corporation or other legal entity to operate or maintain a short-term rental within the City without first obtaining a landlord license with a short-term rental endorsement.**
- H. It shall be unlawful for any short-term rental to permit outdoor activities by short-term rental guests during the hours of 10:00 p.m. to 8:00 a.m.**
- I. It shall be unlawful for any person, firm, partnership, corporation, or other legal entity to let any rooming unit that does not meet the definition of a dwelling unit, as defined in this chapter, as a short-term rental.**
- K. The City may cause to revoke the landlord license or short-term rental endorsement of any person, owner, or agent should they have been found to be in violation of the terms, standards, and regulations of this Chapter on three or more separate occasions.**
- L. No short-term rental shall be Let to a Person under the age of twenty-one (21) years old.**

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-4: LANDLORD LICENSE:

- A. The landlord license shall expire each year on December 31, or when one of the following occurs:

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(Supp. No. 22, Update 1)

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1. Title to the property covered under a landlord license is transferred or conveyed so that fifty (50) percent or more of the record ownership or beneficial interest therein has changed.
 2. The landlord license is lawfully revoked or suspended.
- B. No more than twenty-five (25) landlord licenses with short-term rental endorsements may be issued at any given time. Applications shall be considered in the order that they were received. Renewal applications submitted before the license year renewal deadline shall receive priority over new applications.**
- C. A landlord license with a short-term rental endorsement may not be issued for a property on a zoning lot that contains less than the minimum number of required parking spaces defined by the North Chicago Zoning Ordinance.**

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-5: CERTIFICATE:

- A. The landlord license certificate of compliance for each residential rental property shall expire two (2) years from the date of issue or when the following occurs:
1. Title to the property covered under a landlord license is transferred or conveyed so that fifty (50) percent or more of the record ownership or beneficial interest therein has changed.
 2. The residential rental property is damaged, by any means, beyond fifty (50) percent of its replacement value.
 3. The landlord license certificate of compliance is lawfully revoked or suspended.
 4. The residential rental property is altered, remodeled, maintained, or repaired without a proper permit for work issued by the City.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-6: APPLICATION:

- A. An application for landlord licensing shall be on a form provided by the Department of Economic and Community Development. Such application shall, at a minimum, contain:
1. The full legal name, address (**P.O. boxes not accepted**), telephone numbers and email addresses of the principle owner, and any property agents acting on behalf of the owner, including a 24-hour contact number. Property owners who live or have an office more than fifty (50) miles from the City must have a property agent who lives or has an office within fifty (50) miles of the City.
 2. If the residential rental property is held by a corporation or a limited liability company, the principal of said organization shall be listed as the principal owner, subject to all requirements of this chapter.
 3. If the residential rental property is held in trust, the contact information of the individual serving as the responsible party will be provided.
 4. The address of the residential rental property;
 5. The total number of dwelling units within the property, as well as a the number of residential rental property specifically (if different) and;
 6. Proof of insurance for each address.

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- B. Each application for landlord licensing shall be accompanied with a fee listed in section 14-7-1 of the City Code.
- C. The first application for landlord licensing and fee shall be due within forty-five (45) days of the adoption and effective date of this chapter for all residential rental property presently occupied, and for all residential rental property presently held out for occupancy.
- D. Each application form and landlord license issued thereon shall apply to a single address with the improvements thereon, and operated as one proprietary unit, listing each residential rental property contained therein.
- E. Once issued, a landlord license and landlord license certificate of compliance cannot be transferred or assigned to another residential rental property or to a successor owner. If a residential rental property transfers ownership, the new owner will have thirty (30) days to obtain a landlord license and landlord license certificate of compliance.
- F. If a landlord license or landlord license certificate of compliance is revoked, suspended or is no longer valid, they shall be obtained using the same procedure, application, inspection and fee as is required for an original landlord license and landlord license certificate of compliance.
- G. An application for landlord licensing with a short-term rental endorsement shall additionally contain:**
- 1. Signed form acknowledging owner's responsibility to pay all applicable municipal fees or taxes, including the hotel/motel tax;**
 - 2. Signed form acknowledging owner's responsibility to inform their guests of the city's standards for short-term rentals.**
 - 3. A list of all websites and platforms the short-term rental will be let or advertised on;**
 - 4. A drawing of the site showing the location of all existing parking areas and driveways in relation to the property lines and structures;**
 - 5. The full name and valid contact information for a North Chicago resident who will serve as an emergency 24-hour contact if the owner of the short-term rental is not a North Chicago resident;**
 - 6. A non-refundable application fee for each short-term rental endorsement applied for as listed in section 14-7-1 of the City Code.**
 - 7. Any additional forms, information or exhibits as may be requested by the Department of Economic and Community Development to reasonably confirm that the property and use will adhere to all state, local, and federal regulations, laws, and standards, including this Ordinance and the City of North Chicago Zoning Ordinance.**

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-7: NOTIFICATION:

Until written notification of a change of the address is received by the City, any notice to be provided under the provisions of this chapter or the codes specified herein shall be deemed sufficiently given if deposited in the United States mail 1st class, postage prepaid and addressed to the person at the address listed on the application. Notification will also be made via facsimile or email if that information has been provided in the landlord application.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-8: CRIME FREE LEASE ADDENDUM:

Any owner, manager or designee of a residential rental property is required to utilize a crime free lease-addendum or have a clause in the lease similar to a crime free lease addendum for any leases executed. The addendum or clause shall make criminal activity (not limited to violent criminal activity or drug related criminal activity engaged by, facilitated by or permitted by the renter, member of the household, guest or other party under the control of the renter) a lease violation. The owner, agent or designee shall have authority under that clause to initiate an eviction proceeding for such a violation.

Landlord-Tenant Lease Addendum:

"This addendum to the lease executed by and between (NAME OR NAMES) as Owner/Landlord and (NAME OR NAMES) as Tenant(s) for leasing of the property at (ADDRESS), (CITY), Illinois (ZIP CODE), is entered into this (##) day of (MONTH), (YEAR), and includes the following provisions which are hereby agreed, incorporated into and made a part of said lease:

Any violations of the City Code or any other federal, state or local criminal, nuisance, or property maintenance statutes, regulations, or ordinances may result in the EVICTION of the tenant who committed, allowed or facilitated the violation.

Tenants and all persons who reside in the leased premises, by assuming possession of the same, agree that the landlord or his/her agents may release to the City information concerning the identity of all occupants.

Tenants who fail to provide the landlord the names of individuals who will be temporarily residing at the dwelling unit more than seven (7) consecutive calendar days may be subject to EVICTION.

Crime Free Agreement

In consideration of the execution or renewal of a lease of the rental unit identified in this lease, Owner (or Owner's agent or representative) and Resident/Tenant agree as follows:

1. Tenant, any member of the Tenant's household, a guest or invitee in the dwelling unit or on the common grounds, or any other person in the dwelling unit or on the common grounds invited there in any way by the Tenant or a member of Tenant's household, shall not engage or in any way be involved in criminal activity, including but not limited to:
 - a. Drug related criminal activity, meaning the manufacture, sale, distribution or use of a controlled substance, cannabis or methamphetamine (as defined in the Illinois Compiled Statutes).
 - b. Facilitate any drug related activity.
 - c. Prostitution as defined in the Illinois Compiled Statutes.
 - d. Criminal street gang activity as defined in the Illinois Compiled Statutes.
 - e. Threatening or intimidating actions as prohibited in the Illinois Compiled Statutes.
 - f. Assault as prohibited in the Illinois Compiled Statutes, including but not limited to unlawful discharge of firearms.
 - g. Any breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the Landlord, his/her agent or other Tenants or involving imminent or actual serious damage as defined in the Illinois Compiled Statutes.
2. Tenant and every member of the household shall not permit the dwelling unit to be used for criminal activity or to facilitate criminal activity, in the unit or on the common grounds, regardless of whether the individual engaging in such activities is a member of the household, a guest or invitee and regardless of whether the Tenant is present during any such offense.

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3. VIOLATION OF ANY OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR TERMINATION OF THE TENANCY, PROVIDED, HOWEVER, A TENANT SHALL NOT BE RETALIATED AGAINST NOR EVICTED WHEN MERELY A VICTIM OF ANY CRIMINAL ACT PROHIBITED HEREIN, BUT SHALL BE RESPONSIBLE FOR THE ACTS OF HIS/HER GUESTS AND HOUSEHOLD MEMBERS. A single violation of any of the provisions hereof shall be deemed a serious violation and material non-compliance with the lease. IT IS UNDERSTOOD AND AGREED THAT A SINGLE VIOLATION SHALL BE GOOD CAUSE FOR IMMEDIATE TERMINATION OF THE LEASE UNDER THE ILLINOIS COMPILED STATUTES. Unless otherwise provided by law, proof of violation shall not require criminal conviction, BUT SHALL BE BY A PREPONDERANCE OF THE EVIDENCE."

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-9: RESIDENTIAL NUISANCE PROPERTY:

A residential rental property will be declared a nuisance if it is detrimental to the health, peace and comfort of the City. Any residential rental property owner or property agent will be held up as the responsible party who knowingly allows or permits nuisance violations as defined in Title 6, Chapter 4 and Title 8, Chapter 2 of the City Code as it relates to the occupant, member of the occupant's household, guest, or other party under control of the occupant.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-10: INSPECTIONS:

- A. Each residential rental property must have a valid landlord license certificate of compliance before being granted a landlord license. Renewal of a landlord license certificate of compliance shall be initiated by the owner thirty (30) days before the expiration date.
- B. Inspection of residential rental property, to the extent reasonable and possible, shall be conducted with the consent and cooperation of the owner(s) or the property agent and tenants.
 1. If the residential rental property is unoccupied, the owner or owner's agent must be present for the inspection.
 2. If the residential rental property is occupied, a member of the tenant's household eighteen (18) years of age or older must be present during the inspection, or a signed and notarized release, dated not less than three (3) days prior to the inspection date, must be provided authorizing the owner and the inspector to enter the unit for purpose of inspecting.
 3. In the event the owner, manager, agent or tenant of the residential rental property to be inspected does not provide consent for the Code Official to enter the premises, the Code Official may contact the City Attorney to seek an administrative search warrant or other court order to conduct the required inspection.
- C. Each inspection shall be made by the Code Official, and shall be for the purpose of determining compliance with portions of the Building Code and/or City Code related to life and safety.
- D. Any violations found as a result of the inspection shall be set forth in a written report to the owner(s) or owner's agent as designated on the application form. The original report will be given to the owner or owner's agent at the conclusion of the inspection. A copy of the inspection report will be available to the occupier or occupiers of the residential rental property.
- E. Reinspections shall be made as often as reasonably necessary to ensure corrective action to cure any violations of the relevant ordinances or regulations, and to bring the residential rental property into

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(Supp. No. 22, Update 1)

compliance, and if necessary, the appropriate warrant may be sought for these purposes based upon the probable cause or causes supplied by the noted violations.

- F. Nothing in this section shall prohibit or prevent the City from requesting the owner or tenant in possession to submit to a voluntary inspection of a residential rental property covered under a landlord license and/or landlord license certificate of compliance if the City has probable cause to believe that a violation of this chapter has or is taking place upon the subject property or to confirm the provisions set forth in the application. Nothing in this section shall be construed to prevent the City from seeking a lawful administrative search warrant at any time circumstances exist that would support the issuance of such a warrant.
- G. With respect to multi-family developments containing fifty (50) or more units, under single ownership, having been constructed on or after January 1, 1990:
 - 1. Only twenty-five (25) percent of the units must be inspected on an annual basis, except as provided in this section.
 - 2. All common grounds and common mechanical equipment must be inspected on an annual basis, except as provided in this section.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-11: OWNER RESPONSIBILITY:

- A. The owner of a residential rental property shall maintain information for each residential rental property to include the full legal name of the tenant and each member of the tenant's household over eighteen (18) years of age as well as the total number of individuals residing in the residential rental property.
 - 1. Such information will be provided to City officials when requested and within the time specified by the requesting official.
- B. The owner or property agent of a residential rental property shall provide each tenant with the name and telephone number of a responsible person who, in emergency situations, will be available on a 24-hour basis and who has the authority to make repairs as needed.
- C. **The owner or property agent of a short-term rental shall maintain a logbook of short-term rental guests staying on the premises for a period of up to two (2) years after their stay and shall be made available to the City upon request of a City representative.**

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-12: INTERPRETATION AND IMPLEMENTATION:

The Code Official shall have the authority as necessary in the interest of public health and safety to interpret and implement the provisions of this chapter and to achieve the intent thereof. Such interpretations shall be consistent and in compliance with portions of the Building Code and/or City Code related to life and safety, and shall not have the effect of waiving structural or fire-performance requirements or violating accepted engineering practice involving public safety.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-13: ORGANIZATION:

The Code Official may engage any number of officers, technical assistants, and commissioners and other

consultants or employees authorized by the City and as shall be necessary for the administration of this chapter.
(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-14: RESTRICTION OF EMPLOYEES—CONFLICTS OF INTEREST:

An official or employee connected with the enforcement of this chapter shall not be engaged in, or directly or indirectly connected with, the furnishing of labor, materials or appliances for the construction, inspection, alteration or maintenance of a building or the preparation of construction documents unless that person is the owner of the building; nor shall any officer or employee connected with the enforcement, interpretation or application of this chapter engage in any work that is considered a conflict of interest with his/her official duties or with the interests of the City under the statutes and common law of the State of Illinois.
(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-15: OFFICIAL RECORDS:

All final decisions regarding licenses, certificates and the like issued by the Code Official shall be in writing.
(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-16: CERTIFICATE—REVOCATION AND SUSPENSION:

- A. A landlord license, short-term rental endorsement, or landlord license certificate of compliance may be suspended or revoked by the Code Official upon a finding of conditions or practices pertaining to such residential rental property in violation of this chapter, or not in compliance with portions of the Building Code and/or City Code related to life and safety.
1. The suspension or revocation of a landlord license or landlord license certificate of compliance can occur if there are multiple, serious violations of portions of the Building Code and/or City Code related to life and safety. When this occurs, the tenants will be vacated from the residential rental property until such time as the violations are abated and a follow-up inspection has taken place.
 2. In no event shall the refusal by an owner or tenant of a residential rental property to submit the property to an inspection be grounds for the suspension or revocation of a landlord license or landlord license certificate of compliance.
 3. The suspension or revocation of a landlord license will mean that the property owner cannot operate the rental property. Suspension or revocation of the landlord license can be connected to non-compliance with City of North Chicago Ordinances or the property has been declared a nuisance property. If the landlord license is suspended or revoked, no new tenants can be moved into any residential rental property; likewise, unless immediate vacating of the premises is required as previously mentioned, current tenants will be given notice on the status of the building and the need to vacate the building within a reasonable time frame in accordance with Fair Housing Regulations.
 - a. Under normal circumstances, the revocation or suspension of a landlord license will result in the owner or owner's agent receiving a summons to appear before the Administrative Hearing Officer of the City of North Chicago Administrative Court for adjudication of the violations.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-17: APPEALS:

Any person notified of violations as provided in this chapter, or any person denied a landlord license, short-term rental endorsement, or landlord license certificate of compliance, or any person whose landlord license or landlord license certificate of compliance has been suspended or revoked shall have the right of appeal to the Planning and Zoning Commission under section 8.6 of the City of North Chicago Zoning Ordinance. The residential rental property shall not be rented or leased pending the appeal if the decision being appealed is based upon one or more of the following:

- (1) Structural, Mechanical, Plumbing or Electrical Code violations, which present a substantial risk of harm to the health or safety of the occupants or the potential occupants of the residential rental property.
- (2) The failure of the owner or applicant to provide a completed application for a landlord license and/or landlord license certificate of compliance.
- (3) The occupancy of the residential rental property exceeds the Maximum Allowable Occupancy under the Building Codes.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-18: FEES:

- A. The fee for a landlord license shall be as outlined in section 14-7-1 of the City Code.
- B. The fee for a landlord license certificate of compliance, including related inspection(s), shall be as outlined in section 14-7-1 of the City Code.
- C. **The fee for a short-term rental endorsement application shall be \$50.00 per unit per year, which shall be due at the time of application for a short-term rental endorsement. Chaptand shall be in addition to all other applicable landlord license fees required by this chapter.**

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-19: LATE FEES:

Landlord license applications received on or after January 1st shall be required to pay a late fee as outlined in section 14-7-1 of the City Code.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-20: NEW CONSTRUCTION:

Late fees shall not apply to newly constructed properties which are occupied by someone other than the owner for the first time within the calendar year.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-21: OTHER INSPECTIONS NOT AFFECTED:

This chapter shall not be construed to restrict the authority of the City to seek penalties for violations of other codes, ordinances or regulations of the City.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

5-14-22: NO EFFECT ON LEASES:

This chapter is not intended to and does not affect the rights and obligations of the parties to a lease, oral or written, of a residential rental property.

(Ord. No. 2023-15, § 3(Exh. A), 4-3-2023)

EXHIBIT B

5-3-1: DEFINITIONS:

Certain words or terms herein shall have the meaning ascribed to them as follows:

FACILITATOR: Any person or entity who provides a means, whether electronically or otherwise, through which a person may book a hotel room and/or transient occupancy rental unit from a lessor, regardless of whether payment is transferred through or processed by such facilitator. Facilitators are considered lessors, as used herein. Online travel companies are considered facilitators, as used herein.

GROSS RENT: The total amount of consideration paid as condition of being granted occupancy in a hotel, valued in money, whether received in money or otherwise, including all receipts, cash, credits, and property or services of any kind or nature, including but not limited to, amounts charged for the making, booking, facilitating or servicing of reservations. Gross rent means both (a) the "net rate" paid to the hotel or motel by a facilitator for room occupancy by the consumer; and (b) the amount retained by the facilitator for travel-related services provided to the consumer (sometimes referred to as a "facilitation fee"), and any additional amounts retained by the facilitator as compensation for its services to the consumer for the individual transaction, or, in the instance of a consumer's direct rental of a room with the hotel or motel, gross rent shall mean the amount charged by the hotel or motel directly to the consumer for the occupancy of the room.

HOTEL: A structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment, home, lodging house, dormitory, **short-term rental**, or place where sleeping, rooming, office, conference or exhibition accommodations are furnished for any valuable consideration, whether with or without meals. For avoidance of doubt, transient occupancy rental units are hotels under this definition.

HOTEL ROOM: any living quarters, sleeping or housekeeping accommodation leased or rented out for a period of thirty (30) days or less.

LESSEE: Any person who pays for the privilege of occupying all or part of a hotel.

LESSOR: Any person having a sufficient proprietary interest in conducting the operation of a Hotel, or receiving the consideration for the rental of all or part of such hotel, so as to entitle such person to all or a portion of the net receipts thereof, including facilitators, as defined herein.

ONLINE TRAVEL COMPANY: An organization that books, reserves, or rents hotel or motel rooms and makes other travel arrangements for consumers via the World Wide Web, internet or other digital means. Online travel companies are considered facilitators, as used herein.

PERMANENT RESIDENT: Any person who has occupied or has the right to occupy all or part of a hotel for more than thirty (30) consecutive days.

PERSON: Any natural person, receiver, administrator, executor, conservator, assignee, trust in perpetuity, trust, estate, firm, co-partnership, joint venture, club, company, business trust, domestic or foreign corporation, association, syndicate, society or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise. Whenever the term "person" is used in any clause prescribing and imposing a penalty, the term as applied to associations shall mean the owners or part-owners thereof, and as applied to corporations, the officers thereof, or any other entity recognized by law as the subject of rights and duties.

SHORT-TERM RENTAL: the use of a dwelling unit for overnight accommodation that is made available for rent by transient guests for no more than 30 consecutive days. The term "short-term rental" further includes a bed and breakfast establishment as defined under the Bed and Breakfast Act (50 ILCS 820/1 et seq.), as amended from time to time. The use of the term "short-term rental" as used in this Chapter does not include motels, hotels, or food service establishments.

TRANSIENT OCCUPANCY RENTAL UNIT: A dwelling unit or a habitable unit that is offered, in whole or in part, for rent, lease or hire and that is rented, leased or hired for which a lessor receives consideration from a lessee for a

period of thirty (30) days or less and that such lessee has the right to use, occupy or possess all or part of the dwelling unit or habitable unit for said period. **This definition shall include short-term rentals as defined in this chapter.**

(Ord. No. 2021-03, § 3, 2-15-2021, eff. 4-1-2021)

5-3-2: HOTEL USE TAX IMPOSED:

- A. There is levied and imposed a tax of nine and one-half (9.5) percent of the gross rent charged for the privilege and use of renting a hotel room within the City for each twenty-four (24) hour period or any portion thereof for which a room charge is made.
- B. Accommodations within said buildings or structures which are leased to the same occupant for a period of more than thirty (30) consecutive days shall be exempt from the tax provisions of this Article.
- C. Lessors renting or leasing hotel rooms within the City are required to collect the hotel use tax; however, the ultimate incidence of any liability for payment of the tax is to be borne by the lessee. The failure of any hotel to collect the tax herein described shall not excuse the lessee from paying the tax.
- D. The Hotel Use Tax shall be paid in addition to any and all other taxes and charges.
- E. It shall be the duty of every lessor of every hotel room within the City to separately state such tax at the nine and one-half (9.5) percent rate upon the total amount of compensation charged for the use of the hotel room. The lessor shall also state separately the amount of tax on the invoice for the transaction that will be tendered to the lessee.
- F. It shall be the duty of every lessor of every hotel within the City to collect the tax from the lessee at the time the lessee pays for the privilege of occupying all or part of a hotel and/or transient occupancy rental unit, and to remit to the City the tax under procedures provided for in this chapter or otherwise prescribed by the City. If more than one person is the lessor as related to a particular transaction, the lessors are jointly and severally responsible for collecting and remitting the tax.
- G. It shall not be a defense to this chapter that the lessor is not licensed by the City to rent hotels and the lessor will still be required to remit the proper tax to the City.

(Ord. No. 2021-03, § 3, 2-15-2021, eff. 4-1-2021)