

ORDINANCE NO. _____-2024

**AN ORDINANCE ADDING CHAPTER 26, ARTICLE XI OF THE MUNICIPAL
CODE OF THE CITY OF OTTAWA, LASALLE COUNTY, ILLINOIS
(Short-Term Rentals)**

WHEREAS, the Illinois Municipal Code provides that municipalities may license and regulate certain businesses to promote the public health, safety, and welfare of its citizens; and

WHEREAS, the City believes short-term rentals can pose a life-safety concern, quality of neighborhood concern, security concerns, and fire safety concern, which can cause a negative impact on surrounding properties, but can also provide a tax revenue increase for the City; and

WHEREAS, the City of Ottawa, Illinois has determined it is necessary to regulate short-term rentals in order to promote, protect, and safeguard the public safety, health, and welfare of the citizens and visitors of the City of Ottawa and to enable an accurate record of the short-term rental locations within the City of Ottawa.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OTTAWA, ILLINOIS, AS FOLLOWS:

Section One: That the Municipal Code of Ottawa, Illinois is hereby amended by the addition of Article XI to Chapter 26 to read as follows:

ARTICLE XI. – SHORT-TERM RENTALS

Sec. 26-600. – Purpose.

It is the intent and purpose of this article is to establish a license and regulations for short-term rentals in order to promote the public health, safety, and general welfare of the City; and to enable an accurate record of commercial transactions pertaining to short-term rentals, and to enhance local tax revenue by requiring short-term rentals to assume tax collection and remittance responsibilities.

Sec. 26-601. – Definitions.

The following words, terms, and phrases, when used in this article will have the meanings ascribed to them in this article, except where the context clearly indicates a different meaning:
Dwelling or Dwelling unit: A building, or portion thereof, which is designed or used

exclusively for residential occupancy and forms a single habitable unit with facilities which are used or intended to be used for living, sleeping, cooking, bathing, and eating.

Guest: A person who rents or occupies a short-term rental.

Guestroom: A room within a structure kept, used, or maintained as, or advertised or held out to the public to be in a short-term rental where sleeping or rooming accommodations are furnished for payment.

Host: An owner, operator, and/or manager of a short-term rental that provides sleeping or rooming accommodations to guests.

Hosting platform: A marketplace entity, in whatever form or format which facilitates short-term rentals through advertising, matchmaking or other means, using any medium or facilitation from which the operator of the hosting platform derives revenue, including booking fees or advertising revenues from providing or maintaining the marketplace information.

Short-term rental: Part or all of a dwelling or dwelling unit that is offered, advertised, or held out to the public for use or is otherwise in operation for transient occupancy by guests for more than ten (10) nights in a twelve-month period, and rented for a period shorter than 30 consecutive days. The term “short-term rental” does not include (i) hotels or motels, (ii) inns, (iii) bed and breakfast establishments, or (iv) dwelling units owned by the federal government, the state, or any of their agencies or political subdivisions.

Sec. 26-602. – Zoning and other city requirements.

All short-term rentals are subject to the city’s ordinances, codes, regulations, and requirements, including all zoning ordinances, building ordinances, and property maintenance ordinances. Short-term rentals are allowed in zoning districts where residential dwelling units are a permitted use or conditional use.

Sec. 26-603. – License required.

Beginning January 1, 2025, it is unlawful for any person to conduct, keep, manage, rent, advertise, or operate or cause to be conducted, kept, managed, rented, advertised, or operated any dwelling unit as a short-term rental without a valid license issued by the City. A license must be obtained for each short-term rental. Any person required to obtain a license under this Article, is not required to obtain a Business Registration under Article IX of this Chapter.

Sec. 26-604. – License Application.

Applications will be on a form prepared and supplied by the City, and submitted to the Community Development Department for review. The application will contain the following information:

- (1) Address of the short-term rental.

- (2) Name, address, email address, and telephone number of the owner(s).
- (3) Name of the Manager and/or Management Company, if applicable, and its address, email address, and telephone number.
- (4) The maximum number of occupants that the short-term rental can be rented to during any given rental period.
- (5) The hosting platform(s) used to market the short-term rental, if applicable.
- (6) A statement certifying the owner consents to inspection by the City and will make the dwelling unit available for inspection upon request.
- (7) All other information deemed appropriate by the City.

All applications must be signed by the owner, or if owned by a corporation or limited liability company, then a shareholder or member owning at least 50% of the entity.

Sec. 26-605. – License Fee.

A license fee of \$100.00 is due with the submission of the application. The license fee is non-refundable and in no event will any rebate or refund be made of the license fee or any part thereof if the license is denied.

Sec. 26-606. – Inspection.

Following receipt of the license application, the Community Development Department and Fire Department has the right to inspect the short-term rental to ensure compliance with all zoning requirements, building requirements, life-safety requirements, and all other applicable local or state laws. It is the duty of the owner or owner's representative to admit the individuals for the purpose of making an inspection upon request of the City. All inspections by the City will be conducted at a reasonable time.

Sec. 26-607. – Issuance of License.

After receipt of the license application and fee, the application will be referred to the Community Development Department for review and to issue the license. The license may be denied if:

- (1) The property does not meet the requirements of this article or any other city ordinances or applicable state laws.
- (2) If the inspection request was refused or the inspection identified local or state violations that have not been corrected within a reasonable time.
- (3) If the owner has failed to provide any of the requested information on the application.
- (4) If the owner is delinquent in paying any hotel operators' tax or any other fee, fine, or tax owed to the City or State of Illinois.
- (5) The owner is in violation of or continues to violate any building code violations, life-safety requirements, property maintenance codes, the requirements of this article, or any other applicable city ordinance or state law.
- (6) The property is or has become a nuisance.

Sec. 26-608. – Term and Renewal of License.

Each license issued under this article will be valid from January 1 to December 31. Each license must be renewed annually by completing an application and submitting the non-refundable license fee of \$100.00. Applications made for only a partial term will still be required to pay the full \$100.00 application fee. Any applications submitted well in advance of the January 1, 2025 effective date will obtain a license with an expiration date of December 31, 2025.

Sec. 26-609. – Changes to Registration.

The owner of the short-term rental must submit written notice of any changes to the previously submitted application within thirty (30) days of the occurrence of the change.

Sec. 26-610. – Transfer prohibited.

A short-term rental license may not be assign, sold, or transfer to any other person, firm, partnership, corporation, limited liability company, limited liability partnership, or any other business entity, even if such other person or entity intends to conduct a short-term rental in the same dwelling or dwelling unit.

Sec. 26-611. – Information to be Kept.

The host of each short-term rental unit must keep a list of the names of all persons who rented the short-term rental, the renter's contact information, the arrival and departure dates of the renter, and number of guests who stayed in the short-term rental for at least twelve months. This information must be made available for inspection by city officials upon request.

Sec. 26-612. – Hotel Operator's Tax.

It is the duty of every owner of a short-term rental to collect, report, and remit taxes in accordance with the City's Hotel Operator's Tax as set forth in Chapter 94, Article II of this Code.

Sec. 26-613. –Regulations of Short-Term Rentals.

Short-term rentals must comply with the following regulations:

- (1) *Recreational Vehicle.* Short-term rentals shall not be located in a recreational vehicle.
- (2) *Signs.* Except as permitted in Chapter 6 of this Code, no short-term rental will be permitted to have more than one sign with a maximum area of one square foot. Signs will only be permitted on the walls and cannot be in located the front yard. Signs may not be internally illuminated. If more than one dwelling unit shares a common entrance, only one sign will be permitted on the unit.
- (3) *Events.* Short-term rentals will not be used to host events such as weddings,

graduations, family reunions, lawn parties, or other similar activities attended by people other than the overnight guests.

- (4) *Noise*. All short-term rentals must comply with all noise regulations set forth in Chapter 62, Article VI.

Sec. 26-614. – Penalties.

- (1) The owner of any short-term rental that does not have a short-term rental license prior to being managed, rent, advertised, or operated will be subject to a \$500.00 fine.
- (2) Except as otherwise provided in this Article, any host who violates any provision of this Article will be fined not less than \$75.00 and not exceeding \$750.00. A separate offense will be deemed committed on each day a violation occurs or continues to occur.

Sec. 26-615. – Suspension or Revocation of License.

- (1) A license issued under article will be automatically revoked without a hearing if the license was not properly renewed within 30 days after the expiration date of the license or upon the transfer of ownership of the short-term rental.
- (2) Any license issued under this article may be suspend or revoked by the Mayor, or his designee, if after a hearing the Mayor, or his designee, finds:
 - a. Fraudulent, misrepresentations, or incorrect statements are contained in the application.
 - b. The short-term rental is causing a disturbance of the peace or comfort to the residents of the City or is a menace to the health, safety, or welfare of the public.
 - c. The short-term rental is not free from fire hazards or is in violation of any local, state, or federal laws relating to the safety, fire prevention, or maintenance of structures and threatens the guests' safety.
 - d. The refusal to permit the Community Development Department and Fire Department to inspect the short-term rental.
 - e. The owner of the short-term rental is delinquent on the Hotel Operator's Tax or has any other outstanding fees, fines, penalties, or any other amount due and owing to the City.
 - f. Continuous violations of any of the requirements for short-term rentals set forth in this article or for continuous violation of other applicable city ordinance, including, but not limited to building code violations, safety requirements, property maintenance violations and nuisance violations, or any applicable state law.
- (3) If the Mayor or his designee determines the short-term rental is in violation of one or more of sub-section (2) above, the Mayor or his designee must give the owner of the short-term rental written notice of a hearing date by personal service or certified mail to the owner's address on the application. The Notice must provide the alleged violations, and the date, time, and place of the hearing.

The hearing date must not be less than seven (7) days after the date of the Notice. The owner of the short-term rental will have a right to be represented by counsel at the hearing and will be able to present witnesses and evidence. The rules of evidence will not apply, and the standard of proof is preponderance of the evidence.

- (4) Following the hearing, the Mayor or his designee will issue a decision as to whether the short-term rental is in violation of one of the above provisions and either suspend or revoke the license. If the owner or owner's representative fails to appear at the hearing, then the license will automatically be revoked on the hearing date.
- (5) An owner who has a license revoked is not eligible to reapply for a new license for that same location.

Section Two: Any ordinance or part thereof in conflict with the provisions of this ordinance is hereby repealed to the extent of such conflict.

Section Three: This Ordinance shall be in full force and effect on January 1, 2025.

| | Aye | Nay | Absent |
|--------------------------|------------|------------|---------------|
| Commissioner Eichelkraut | _____ | _____ | _____ |
| Commissioner Ganiere | _____ | _____ | _____ |
| Commissioner Pearson | _____ | _____ | _____ |
| Commissioner Barron | _____ | _____ | _____ |
| Mayor Hasty | _____ | _____ | _____ |

PASSED and **APPROVED** this 19th day of March 2024.

ATTEST:

Robert Hasty, Mayor

Shelly L. Munks, City Clerk

Published in pamphlet form by authority of the Council of the City of Ottawa, LaSalle County, Illinois this _____ day of _____, 2024

Shelly L. Munks, City Clerk

CantlinLawFirm/Shared Documents/OTTAWA/Ordinance/Municipal Code Amendments/Chapter 26 - Businesses/26-600 - short-term rental ordinance.docx