

## ORDINANCE

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

**SECTION 1.** Section 5-12-020 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

#### **5-12-020 Exclusions.**

Rental of the following dwelling units shall not be governed by this chapter, unless the rental agreement thereof is created to avoid the application of this chapter:

- (a) Dwelling units in owner-occupied premises containing six units or fewer; provided, however, that Sections ~~5-12-130(j)~~ 5-12-135, 5-12-136, 5-12-137, 5-12-138, 5-12-138.5, 5-12-139, 5-12-140, 5-12-150 and 5-12-160, and 5-12-195 shall apply to every rented dwelling unit in such premises within the City of Chicago;

*(Omitted text is unaffected by this ordinance)*

(g) Sections 5-12-135, 5-12-136, 5-12-137, and 5-12-138, 5-12-138.5, 5-12-139 shall not apply to dwelling units in properties owned by the Chicago Housing Authority or to Qualified Tenants in Foreclosed Rental Properties within the meaning of Section 5-14-010 et seq. of the Chicago Municipal Code (the Protecting Tenants in Foreclosed Rental Properties Ordinance), who, pursuant to Section 5-14-050, either receives a relocation assistance fee or a renewal or extension of their rental agreement

(h) A landlord who claims that a dwelling unit is exempt from governance of this chapter shall prominently state this exemption on marketing materials, rental applications and the rental agreement. If the landlord does not prominently state this exemption on marketing materials, rental applications or the rental agreement, the landlord may not later claim that the property is exempt from this chapter.

**SECTION 2.** Section 5-12-030 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

#### **5-12-030 Definitions.**

Whenever used in this chapter, the following words and phrases shall have the following meanings:

*(Omitted text is unaffected by this ordinance)*

(b) "Department" means the City of Chicago Department of Housing or any department subsequently tasked with the responsibilities of the Department of Housing.

~~(b)~~ (c) "Landlord" means the owner, agent, lessor or sublessor, mortgagee in possession, court appointed receiver or master, or the successor in interest of any of them, of a dwelling unit or the building of which it is part. Provided, however, that any receiver appointed under 65 ILCS 5/11-31.2, 65 ILCS 5/11-31-2.1, or 765 ILCS 605/14.5 shall be exempt from the provisions of this chapter.

~~(c)~~ (d) "Owner" means one or more persons, jointly or severally, in whom is vested all or part of the legal title to property, or all or part of the beneficial ownership and a right to present use and enjoyment of the premises, including a mortgagee in possession. For purposes of sections 5-12-135(d) and 5-12-137(a)(3), "owner" means a natural person but does not include a trustee or a mortgagee in possession.

~~(d) "Periodic tenancy" means a tenancy that continues for successive periods, whether month-to-month or otherwise, unless the landlord or tenant takes affirmative action to terminate the tenancy pursuant to this section.~~

(e) "Owner-occupied" means an owner's occupancy of a dwelling unit disclosed in section 5-12-195(c) which is occupied as the principal residence of an owner at the time a rental agreement is offered to a tenant and remains so at the time that any claim or assertion of exemption or exclusion is made by or on behalf of the owner under Section 5-12-020.

~~(e)~~ (f) "Person" means an individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association or any other legal or commercial entity.

~~(f)~~ (g) "Premises" means the dwelling unit and the structure of which it is a part, and facilities and appurtenances therein, and grounds, areas and facilities held out for the use of tenants.

(h) "Principal residence" means a person's sole, primary or chief residence that the person occupies on a regular basis.

(i) "Qualified relative" means the owner's spouse or domestic partner, child, parent, grandparent, sibling, or grandchild, and the owner's spouse's or domestic partner's child, parent, grandparent, sibling, or grandchild. "Domestic partner" shall have the same meaning as in 2-152-072 of this Code.

~~(g)~~ (j) "Rent" means any consideration, including any payment, bonus, benefits, or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a dwelling unit.

~~(h)~~ (k) "Rental agreement" means all written or oral agreements embodying the terms and conditions concerning the use and occupancy of a dwelling unit by a tenant.

~~(i)~~ (l) "Successor landlord" means any person who follows a landlord in ownership or control of a dwelling unit or the building of which it is part, and shall include a lienholder who takes ownership or control either by contract, operation of law or a court order. ~~However, a "successor landlord" shall not include a receiver appointed pursuant to a court order.~~

~~(j)~~ (m) "Tenant" means a person entitled by written or oral agreement, subtenancy approved by the landlord or by sufferance, to occupy a dwelling unit to the exclusion of others.

**SECTION 3.** Section 5-12-130 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

### **5-12-130 Landlord remedies.**

Every landlord shall have the remedies specified in this section for the following circumstances:

~~(a) Failure to Pay Rent. If all or any portion of rent is unpaid when due and the tenant fails to pay the unpaid rent within five days after written notice by the landlord of the landlord's intention to terminate the rental agreement if rent is not so paid, the landlord may terminate the rental agreement. Provided, however, that at any time prior to the issuance of any order of possession or an eviction order made pursuant to Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-101, et seq., the tenant has a one-time right to cure the non-payment of rent by paying the landlord unpaid rent, duly owed from the date of the notice of termination to the date of payment, together with all filing fees and costs paid by the landlord and all fees and costs expended by the landlord for service of process, but not including attorney's fees. If the tenant so cures, then the case shall be dismissed upon motion by either the landlord or the tenant. If a landlord does not provide a total amount due, the tenant shall be obligated to provide only the amount of rent due from the notice to the date of judgment. Nothing in this~~

~~subsection shall affect a landlord's obligation to provide notice of termination of tenancy in subsidized housing as required under federal law or regulations. A landlord may also maintain an action for rent and/or damages without terminating the rental agreement.~~

~~(b) *Noncompliance by Tenant.* If there is material noncompliance by a tenant with a rental agreement or with Section 5-12-040, the landlord of such tenant's dwelling unit may deliver written notice to the tenant specifying the acts and/or omissions constituting the breach and that the rental agreement will terminate upon a date not less than ten days after receipt of the notice, unless the breach is remedied by the tenant within that period of time. If the breach is not remedied within the 10-day period, the residential rental agreement shall terminate as provided in the notice. The landlord may recover damages and obtain injunctive relief for any material noncompliance by the tenant with the rental agreement or with Section 5-12-040. If the tenant's noncompliance is willful, the landlord may also recover reasonable attorney's fees.~~

~~(a) (e) *Failure to Maintain.* If there is material noncompliance by the tenant with Section 5-12-040 (other than subsection (g) thereof), and the tenant fails to comply as promptly as conditions permit in case of emergency or in cases other than emergencies within 14 days of receipt of written notice by the landlord specifying the breach and requesting that the tenant remedy it within that period of time, the landlord may enter the dwelling unit and have the necessary work done in the manner required by law. The landlord shall be entitled to reimbursement from the tenant of the costs of repairs under this section.~~

~~(b) (d) *Disturbance of Others.* If the tenant materially violates Section 5-12-040(g) within 60 days after receipt of a written notice as provided in Section 5-12-135(b) as provided in subsection (b), the landlord may obtain injunctive relief against the conduct constituting the violation, or may terminate the rental agreement on ~~ten~~ fourteen days' written notice to the tenant specifying the acts or omissions constituting the material violation.~~

~~(c) (e) *Abandonment.* Abandonment of the dwelling unit shall be deemed to have occurred when:~~

*(Omitted text is unaffected by this ordinance)*

~~(d) (f) *Disposition of Abandoned Property.* If the tenant abandons the dwelling unit as described in subsection (e) (c) hereof, or fails to remove his personal property from the premises after termination of a rental agreement, the landlord shall leave the property in the dwelling unit or remove and store all abandoned property from the~~

dwelling unit and may dispose of the property after seven days. Notwithstanding the foregoing, if the landlord reasonably believes such abandoned property to be valueless or of such little value that the cost of storage would exceed the amount that would be realized from sale, or if such property is subject to spoilage, the landlord may immediately dispose of such property.

~~(e) (g) Waiver of Landlord's Right to Terminate. Provided that the tenant is not in the process of exercising the one-time right to cure non-payment of rent under Section 5-12-130(a) and if the landlord otherwise accepts the rent due, including holding rent, after alleging that the tenant has materially violated the rental agreement, including non-payment of rent, knowing that there is a default in payment of rent by the tenant, the landlord thereby waives the right to terminate the rental agreement for that breach.~~

~~(f) (h) Remedy After Termination. If the rental agreement is terminated, the landlord shall have a claim for possession and/or for rent.~~

~~(g) (i) Notice or Renewal of Rental Agreement. No tenant shall be required to renew a rental agreement more than 90 days prior to the termination date of the rental agreement. If the landlord violates this subsection, the tenant shall recover one month's rent or actual damages, whichever is greater.~~

*(Omitted text is unaffected by this ordinance)*

~~(j) Notice or Refusal to Renew Rental Agreement. Provided that the landlord has not terminated the rental agreement under Section 5-12-130(a), (b), or (d), or that the dwelling unit has not been deemed abandoned under Section 5-12-130(e) hereof, the following notice requirements shall apply:~~

~~(1) For any residential tenancy of less than six months, the landlord shall notify the tenant in writing at least 30 days prior to the stated termination date of the rental agreement of the landlord's intent to terminate a periodic tenancy, not renew a fixed-term rental agreement or increase the rental rate. If the landlord fails to give the required written notice, the tenant may remain in the dwelling unit for up to 60 days after the date on which written notice is given to the tenant, regardless of the termination date specified in the notice or in an existing rental agreement. During such occupancy, the terms and conditions of the tenancy shall be the same as the terms and conditions during the month of tenancy immediately preceding the notice; provided, however, that if rent was waived or abated in the preceding month or months as part of the original~~

~~rental agreement, the rental amount during such 60-day period shall be at the rate established on the last date that a full rent payment was made.~~

~~(2) For any residential tenancy of six months to three years, the landlord shall notify the tenant in writing at least 60 days prior to the stated termination date of the rental agreement of the landlord's intent to terminate a periodic tenancy, not renew a fixed-term rental agreement or increase the rental rate. If the landlord fails to give the required written notice, the tenant may remain in the dwelling unit for up to 60 days after the date on which written notice is given to the tenant, regardless of the termination date specified in the notice or in an existing rental agreement. During such occupancy, the terms and conditions of the tenancy shall be the same as the terms and conditions during the month of tenancy immediately preceding the notice; provided, however, that if rent was waived or abated in the preceding month or months as part of the original rental agreement, the rental amount during such 60-day period shall be at the rate established on the last date that a full rent payment was made.~~

~~(3) For any residential tenancy greater than three years, the landlord shall notify the tenant in writing at least 120 days prior to the stated termination date of the rental agreement of the landlord's intent to terminate a periodic tenancy, not renew a fixed-term rental agreement or increase the rental rate. If the landlord fails to give the required written notice, the tenant may remain in the dwelling unit for up to 120 days after the date on which written notice is given to the tenant, regardless of the termination date specified in the notice or in an existing rental agreement. During such occupancy, the terms and conditions of the tenancy shall be the same as the terms and conditions during the month of tenancy immediately preceding the notice; provided, however, that if rent was waived or abated in the preceding month or months as part of the original rental agreement, the rental amount during such 120-day period shall be at the rate established on the last date that a full rent payment was made.~~

**SECTION 4.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-135, as follows:

**5-12-135 Just cause required.**

No landlord shall terminate or not renew a rental agreement, or attempt to recover possession, or initiate or prosecute an eviction or other action seeking possession of a dwelling unit, unless the landlord establishes one or more of the following grounds:

- (a) *Nonpayment of rent.*

(1) If all or any portion of rent is unpaid when due and the tenant fails to pay the unpaid rent within five days of receipt of written notice from the landlord of the landlord's intention to terminate the rental agreement if rent is not paid, the landlord may terminate the rental agreement pursuant to Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-101 et seq., provided the increase in rent is not unconscionable and complies with the provisions of this Ordinance governing rent increases, including notices of rent increases. If the rent, together with filing fees and fees for service of process, is paid prior to the fourteenth day after any order of possession or an eviction order made pursuant to Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-101 et seq., is issued, then the order of possession or eviction order shall be vacated and the case dismissed upon motion by either the landlord or the tenant. If the landlord refuses to provide a total amount due, the tenant may cure by making a good faith payment of the amount that the tenant believes to be due.

(2) Nothing in this subsection shall be construed to impair a landlord's obligation to provide notice of termination of tenancy in subsidized housing as required under federal law or regulations.

(b) *Material noncompliance.*

(1) If the landlord alleges that the tenant has committed acts in material noncompliance with the rental agreement or the tenant's obligations under this Ordinance, the landlord may deliver written notice to the tenant stating the acts and omissions constituting the alleged material noncompliance and that the tenant has the right to remedy the alleged material noncompliance by a date certain but not less than fourteen days from the date that the landlord served the notice upon the tenant. If the breach is not remedied by the specified date, the landlord may terminate the rental agreement as provided in the notice. Material noncompliance means:

(A) A serious breach of a material term of a rental agreement;

(B) A deliberate or reckless violation of Section 5-12-040;

(C) The use of the dwelling unit or other parts of the property for any criminal activity that either materially threatens the health, safety, or peaceful enjoyment of other tenants at the property, or has a material adverse effect on the management of the property. Provided, however, that this subsection (C) shall not diminish the rights of a landlord, if any, to terminate a rental agreement pursuant to 735 ILCS 5/9-118, 735 ILCS 5/9-119, or 735 ILCS 5/9-120; and

(D) The unreasonable denial of the landlord's access to the dwelling unit for a purpose authorized under Section 5-12-050 of this Chapter, provided that the landlord provided notice in compliance with applicable federal, state, and local laws for seeking access.

(2) If, after receiving written notice from the landlord, the tenant does not remedy the material noncompliance within the 14-day period, the landlord may recover possession of the unit, damages and obtain injunctive relief for any material noncompliance by the tenant.

(3) If the landlord accepts rent or does not file an eviction action within 30 days after serving the written notice or the end of the next rental period, whichever is longer, then the landlord's written notice is deemed withdrawn and the rental agreement shall remain in full force and effect.

(c) *Refusal to renew rental agreement.* In all tenancies or rental agreements for a term of one year or more, if the tenant refuses to renew or extend the rental agreement within fourteen days after receipt of the landlord's request that the tenant do so in compliance with Section 5-12-130(g), the landlord may terminate the tenancy provided the offered renewed or extended rental agreement must be in writing and substantially similar in material terms to the existing tenancy or rental agreement. Where the landlord elects to terminate, the landlord shall provide the tenant with written notice that the landlord may recover possession of the dwelling unit if the tenant does not vacate within 60 days after expiration of the rental agreement.

(d) *Occupancy by owner or qualified relative.*

(1) Upon 120 days' written notice, the landlord, in good faith and without retaliation, may seek to recover possession of the dwelling unit so that the owner of the property or a qualified relative may occupy the dwelling unit as that person's principal residence for a period of no fewer than 12 continuous months. The owner or qualified relative must move into the unit within three months from the tenant leaving the unit. If a substantially equivalent replacement unit is vacant and available, that unit may be made available to the tenant at a substantially similar rental rate as the tenant's current rental agreement or at a rental rate agreeable to the tenant. The tenant may reject the landlord's offer of a replacement unit without prejudicing the tenant's right to relocation assistance under this chapter.

(2) If the landlord recovers possession under this subsection, and continuous occupancy by the owner or qualified relative is for fewer than 12 months or the owner or qualified relative fails to occupy the unit within three months of the tenant leaving the unit, a rebuttable presumption arises that the landlord has violated this subsection. The landlord may rebut this presumption by demonstrating that the intent to occupy for at least 12 continuous months was in good faith but could not be achieved due to circumstances beyond the landlord's control.

(3) A landlord may not recover possession of a dwelling unit under this subsection if the tenant has a disability as defined in 2-160-020 of the Municipal Code of Chicago and the tenant's treating medical professional supports by letter that the tenant would not be able to move in 4 months for a disability-related reason.

(e) *Condominium conversion.* The landlord, in good faith and without retaliation, may seek to recover the unit to sell it in accordance with a condominium conversion approved under Chapter 13-72 of the Municipal Code of Chicago.

(f) *Significant repair needed.*

(1) The landlord may seek to recover possession of the dwelling unit:

(A) In order to comply with a court or government agency's order to vacate, order to comply, order to abate, or any other order that necessitates the vacating of the dwelling unit as a result of a violation of the Municipal Code of Chicago or any other provision of law. This section includes when Chicago Housing Authority determines that a property fails Housing Quality Standards, as defined in 24 CFR 982.401, terminates its Housing Assistance Payment contract with the landlord, and requires a Housing Choice Voucher (HCV) participant to make a mandatory move to remain in the HCV program. The landlord shall promptly provide the tenant with a notice to vacate within the time mandated by the court or government agency, and include a copy of the order; or

(B) In order to substantially rehabilitate or make necessary repairs to the dwelling unit, which will, according to a licensed contractor, render the unit uninhabitable for the duration of the rehabilitation or repair. The landlord must provide written 120 days' notice to the tenant, together with a written statement from the licensed contractor stating the reason why the unit cannot be inhabited for the duration of the rehabilitation or repair.

(2) If a substantially equivalent replacement unit is vacant and available, that unit may be made available to the tenant at a substantially similar rental rate as the tenant's current rental agreement or a rental rate agreeable to the tenant. The tenant may reject the landlord's offer of a replacement unit without prejudicing the tenant's right to the relocation assistance fee under this chapter.

(g) *Removal or demolition.* If the landlord seeks, in good faith, to recover possession to demolish or permanently remove the dwelling unit from residential use, the landlord must provide the tenant with written 120-days' notice to terminate rental agreement.

**SECTION 5.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-136, as follows:

**5-12-136 Notice requirements.**

(a) A landlord shall not attempt to recover possession of a dwelling unit, including, but not limited to, an eviction action under Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-101 et seq., unless the landlord has complied with all

applicable notice requirements under state, federal, and local law, and the landlord's notice terminating tenancy or other written demand for possession of a dwelling unit to the tenant must be in English and the tenant's primary language or, if the tenant's primary language is not known, then in Arabic, Chinese (simplified), Chinese (traditional), Filipino, Hindi, Korean, Polish, and Spanish, and must include:

(1) An explicit statement identifying which subsection of Section 5-12-135 the landlord is invoking and setting forth the grounds with enough specificity to allow the tenant to prepare a defense;

(2) The following statement: "You may wish to contact a lawyer or your local legal aid or housing counseling agency to discuss any rights that you may have;" and

(3) If terminating under subsection (d), (e), (f), or (g) of Section 5-12-135, a statement providing notice that the tenant may be entitled to a relocation assistance fee in the amount set forth in Section 5-12-137.

(b) The landlord shall serve the notice in compliance with Illinois statutory law (735 ILCS 5/9-104). A tenant does not implicitly waive the right to proper service of the notice by acknowledging that they have found an improperly delivered notice.

(c) The failure to include any of the notice requirements shall be a defense to any eviction action or action for possession of the dwelling unit. A landlord who seeks to recover possession of a dwelling unit, including in an eviction action under Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-101 et seq., bears the burden to prove compliance with this Section.

**SECTION 6.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-137, as follows:

**5-12-137 Tenant relocation assistance.**

(a) Amount of payment.

(1) General. For tenants whose tenancy is terminated based on the grounds set forth in subsection (d), (e), (f), or (g) of Section 5-12-135, the landlord shall pay a one-time, per unit relocation assistance fee in an amount equal to five times the median monthly rent in the City of Chicago for a dwelling unit with the same number of bedrooms, as determined annually by the Department.

(2) Not-for-profit. Where the dwelling unit is owned by a not-for-profit corporation, the landlord shall provide relocation assistance to the tenant(s) as required by federal, state, or local law or regulation, or contract that applies to or

governs the tenancy and/or dwelling unit. If no federal, state, or local law or regulation, or contract requires the non-profit to provide relocation assistance, the non-profit shall pay a one-time, per unit relocation assistance fee in an amount equal to three times the median monthly rent amount in the City of Chicago for a dwelling unit with the same number of bedrooms, as determined annually by the Department.

(3) Owner-occupied. Where a dwelling unit is in an owner-occupied premise containing six units or fewer, the landlord shall pay a one-time, per unit relocation assistance fee, in an amount equal to three times the median monthly rent in the city of Chicago for a residential dwelling unit with the same number of bedrooms, as determined annually by the Department. For these dwelling units, the landlord and tenant may enter into a written agreement that allows the landlord to pay the relocation assistance fees, in whole or in part, by a reduction in rent, rent forgiveness, the waiver of rent, or other mutually agreeable method.

(b) Where a tenant's household includes a minor child, a person with disabilities, or a person age 55 or older, then the landlord shall add to the relocation assistance fee provided for in subsection (a) the total amount of \$2,500.

(c) The landlord shall pay the relocation assistance fee within 14 days prior to the date set for termination of the tenancy or 14 days prior to the date set for the time to move from the unit in an applicable court or agency order, whichever is sooner.

(d) If the landlord fails to pay the relocation assistance fee within the time prescribed in this section, the landlord shall pay the tenant the relocation assistance fee together with an amount equal to two times the relocation assistance fee.

(e) Reimbursement to landlord in certain circumstances.

(1) A landlord of an owner-occupied premises of six units or fewer who pays a relocation assistance fee pursuant to subsections (a) and/or (b), as applicable, may apply to the Department for reimbursement of up to one-half of the amount paid to the tenant, upon proper documentation of payment, as determined by the Department.

(2) A landlord of an owner-occupied premises of six or fewer units who pays a relocation assistance fee pursuant to subsection (d) of section 135 (occupancy by owner or qualified relative) may apply for reimbursement of the entire amount of assistance paid to the tenant, upon proper documentation of payment, as determined by the Department. Reimbursement for relocation expenses under this subsection shall only be available to a landlord once every three years.

(3) A landlord of an owner-occupied premises of six or fewer units who is age 55 or older may notify the Department of the landlord's intent to terminate a tenancy under one of the grounds set forth in section 5-12-135 by providing the termination notice to the Department. Upon receiving such notice, the Department shall issue a check for the relocation fee due to the tenant no less than 14 days prior to the date set for termination of the tenancy on the notice, or 14 days prior to the date set for the tenant to move from the unit in an applicable court or agency order, whichever is sooner. The landlord's notification to the Department under this subsection shall constitute compliance with section 5-12-137.

**SECTION 7.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-138, as follows:

**5-12-138 Notices for rent increases.**

(a) If a landlord wishes to renew a rental agreement at an increased rent amount, the landlord must provide the tenant with:

(1) 60 days' written notice prior to the effective date of the change for any increase by less than ten percent; except notice for any rent increase shall be given pursuant to subsection (2) for a residential tenancy greater than three years or where the tenant has resided in the dwelling unit for greater than three years; or

(2) 120 days' written notice prior to the effective date of the change for any increase by ten percent or more.

(b) Where a landlord offers a renewal that increases rent by ten percent or greater, the tenant may accept the increase or, in addition to any other remedies, reject the increase and notify the landlord that they will vacate the premises on or before the expiration of the notice provided, and the landlord shall provide the tenant relocation assistance fee in the amount set forth in Section 5-12-137 within 14 days after receiving the tenant's rejection.

(1) With a tenancy or rental agreement with a term of less than one year, where a landlord demands a singular or cumulative increase in rent of ten percent or greater during the course of any 12 month period, the tenant may accept the increase or, in addition to any other remedies, reject the increase and notify the landlord that they will vacate the premises on or before the expiration of the notice provided ~~in section 5-12-138~~, and the landlord shall provide the tenant relocation assistance fee in the amount set forth in Section 5-12-137 within 14 days after receiving the tenant's rejection.

<b>Duration of Tenancy On Date Notice is Provided</b>	<b>Amount of Rent Increase</b>	<b>Required Notice Period</b>	<b>If the tenant rejects the increase, is the tenant entitled to relocation assistance?</b>
3 years or fewer	Less than 10%	60 days	No
3 years or fewer	10% or greater	120 days	Yes
Greater than 3 years	Less than 10%	120 days	No
Greater than 3 years	10% or greater	120 days	Yes

(c) Where the landlord's notice pursuant to subsection (a) fails to give the requisite amount of time or is otherwise defective, the tenant's rent shall remain the same as it was for the month immediately preceding delivery or service of the landlord's notice; however, if the rent was waived or abated in the preceding month or months, the rental amount shall be at the rate established on the last date that a full rent payment was made.

(d) In the event that any portion of this section is for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this enactment, and for any rent increase, the landlord shall provide the tenant with 120 days' notice prior to the effective date of the change. If the landlord fails to give the required notice, or the notice is otherwise defective, the tenant's rent shall remain the same as it was for the month immediately preceding delivery or service of the landlord's notice; however, if the rent was waived or abated in the preceding month or months, the rental amount shall be at the rate established on the last date that a full rent payment was made.

**SECTION 8.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-138.5, as follows:

**5-12-138.5 Standard of unconscionability.**

To determine whether a rent increase is unconscionable, a court shall consider (1) the amount of the proposed rent increase; (2) the landlord's expenses and profitability; (3) how the existing and proposed rent compares to rent charged at similar rental properties in the geographic area; (4) the relative bargaining position of the parties; and (5) based on the judge's general knowledge, whether the rent increase would "shock the conscience" of a reasonable person.

**SECTION 9.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-139, as follows:

**5-12-139 Remedies and defenses to violations of just cause, relocation assistance, and notice requirements.**

(a) If landlord acts in violation of or fails to comply with Section 5-12-135, 5-12-136, 5-12-137, or 5-12-138, the tenant has a defense and/or a claim in an eviction action or any action brought by the landlord or owner against the tenant to recover possession of the dwelling unit.

(b) For each violation of Section 5-12-135, 5-12-136, 5-12-137, or 5-12-138, a tenant shall be entitled to two times the relocation assistance fee, together with reasonable attorney's fees and costs.

(c) In addition to any other damage, compensation, remedy, refund, claim, or relief to which the tenant may be entitled, a tenant may bring a private cause of action seeking damages for violations of and/or seeking compliance with Sections 5-12-135, 5-12-136, 5-12-137, and 5-12-138 and/or for injunctive relief. The prevailing tenant shall be entitled to reasonable attorney's fees and costs.

(d) The rights, obligations, and remedies set forth in this section shall be cumulative and in addition to any others available at law or in equity.

**SECTION 10.** Section 5-12-140 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

**5-12-140 ~~Rental Agreement~~ Prohibited provisions.**

Except as otherwise specifically provided by this chapter, ~~no rental agreement may provide that the landlord or tenant~~ a landlord shall not request, demand, impose, enforce, or seek to enforce any provision, whether written, oral, or implied, where a tenant:

(a) Agrees to waive or forego rights, remedies or obligations provided under ~~this chapter~~ federal, state, local, or common law;

*(Omitted text is unaffected by this ordinance)*

(h) Agrees to ~~that a tenant shall pay~~ a charge, fee or penalty in excess of \$10.00 per month for the first ~~\$500-~~1000.00 in monthly rent plus five percent per month for any amount in excess of ~~\$500-~~1000.00 in monthly rent for the late payment of rent;

(i) Agrees that, if a tenant pays rent before a specified date or within a specified time period in the month, the tenant shall receive a discount or reduction in the rental amount in excess of \$10.00 per month for the first ~~\$500-~~1000.00 in monthly rent plus five percent per month for any amount in excess of ~~\$500-~~1000.00 in monthly rent;;

(j) Agrees to or authorizes that any fee, fine, charge, or assessment shall be or may be converted to, incorporated into, or considered as rent when unpaid or past due by a tenant;

(k) Agrees that a landlord may apply rent payments to a charge other than rent, including but not limited to utilities, fines, late fees, or other charges;

(l) Agrees that the landlord may impose a fee in excess of the reasonable cost of that expense, including, but not limited to, application fees and move-in fees. A landlord shall not rename a fee or charge to avoid application of this prohibition;

(m) Agrees to a non-disparagement clause that limits any written or oral statements, remarks, or other communications, public or private, directly or indirectly, made by tenants regarding the landlord, property, management, staff, officers, directors, representatives, investors, shareholders, administrators, affiliates, employees, affiliated corporations, divisions, or subsidiaries.

~~A provision prohibited by this section included in a rental agreement is unenforceable. The tenant may recover actual damages sustained by the tenant because of the enforcement of a prohibited provision. If the landlord attempts to enforce a provision in a rental agreement prohibited by this section the tenant may recover two months' rent.~~

If a landlord enforces or attempts to enforce a prohibited provision, the tenant shall recover actual damages or two months' rent, whichever is greater, and attorneys' fees.

If the court finds the rental agreement, or a settlement in which a party waives or agrees to forego a claim or right under this chapter or under a rental agreement, to have been unconscionable when made, the court shall not enforce the unconscionable provisions and shall grant relief provided in this section.

**SECTION 11.** Section 5-12-150 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, as follows:

**5-12-150 Prohibition on retaliatory conduct by landlord.**

*(Omitted text is unaffected by this ordinance)*

(e) Organizes a tenant's union or similar organization, distributes leaflets, seeks permission to use building common spaces to organize, or becomes a member of a tenant's union or similar organization; ~~Becomes a member of a tenant's union or similar organization or~~

**SECTION 12.** Section 5-12-160 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

**5-12-160 Prohibition on interruption of tenant occupancy by landlord.**

It is unlawful for any landlord or any person acting at the landlord's ~~his~~ direction knowingly to oust or dispossess or threaten or attempt to oust or dispossess any tenant from a dwelling unit without authority of law, by plugging, changing, adding or removing any lock or latching device; or by blocking any entrance into said unit; or by removing any door or window from said unit; or by interfering with the services to said unit,; including but not limited to electricity, gas, hot or cold water, plumbing, heat or telephone service; or by removing a tenant's personal property from said unit; or by the removal or incapacitating of appliances or fixtures, except for the purpose of making necessary repairs; or by the use or threat of force, violence or injury to a tenant's person or property; or by any act rendering a dwelling unit or any part thereof or any personal property located therein inaccessible or uninhabitable. The foregoing shall not apply where:

(a) A landlord acts in compliance with the laws of Illinois pertaining to an eviction action ~~forcible entry and detainer~~ and engages the sheriff of Cook County to forcibly evict a tenant or his personal property; or

*(Omitted text is unaffected by this ordinance)*

Whenever a complaint of violation of this provision is received by the Chicago Police Department, the Chicago Police Department ~~department~~ shall investigate and determine whether a violation has occurred. Any person found guilty of violating this section shall be fined not less than ~~then~~ \$200.00 nor more than \$500.00, and each day that such violation shall occur or continue shall constitute a separate and distinct offense for which a fine as herein provided shall be imposed. If a tenant in a civil legal proceeding against their ~~his~~ landlord establishes that a violation of this section has occurred the tenant ~~he~~ shall be entitled to recover possession of their ~~his~~ dwelling unit

or personal property and shall recover an amount equal to not more than two months' rent or twice the actual damages sustained by him, whichever is greater. A tenant may pursue any civil remedy for violation of this section regardless of whether a fine has been entered against the landlord pursuant to this section.

**SECTION 13.** Section 5-12-170 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, as follows:

**5-12-170 Summary of ordinance attached to rental agreement.**

*(Omitted text is unaffected by this ordinance)*

The Department shall translate the summary into Arabic, Chinese (simplified), Chinese (traditional), Filipino, Hindi, Korean, Polish, and Spanish. The landlord shall provide the summary to the tenant in English and the tenant's primary language or, if the tenant's primary language is not known, then in Arabic, Chinese (simplified), Chinese (traditional), Filipino, Hindi, Korean, Polish, and Spanish.

**SECTION 14.** Section 5-12-180 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

**5-12-180 Attorney's fees.**

~~Except in cases of forcible entry and detainer actions, the prevailing plaintiff in any action arising out of a landlord's or tenant's application of the rights or remedies made available in this ordinance shall be entitled to all court costs and reasonable attorney's fees; provided, however, that nothing herein shall be deemed or interpreted as precluding the awarding of attorney's fees in forcible entry and detainer actions in accordance with applicable law or as expressly provided in this ordinance.~~

A tenant who prevails on any claim arising out of the tenant's application of the rights or remedies made available in this ordinance, including any counterclaim or cross-claim, shall be entitled to all court costs and reasonable attorney's fees. No landlord shall be awarded attorneys' fees in an eviction action or other action brought to recover possession of a dwelling unit from a tenant.

**SECTION 15.** Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-195, as follows:

**5-12-195 Residential rental registry.**

(a) *Establishment.* The City of Chicago hereby establishes a residential rental registry, and finds and declares that the rental of dwelling units constitutes a

business or activity which impacts the public health, safety, and general welfare of the people of the city of Chicago. The intent of this section is to regulate the rental of and offering for rental of dwelling units to protect the public health, safety, and general welfare of the people of the city of Chicago and to further achieve the beneficial purposes of:

(1) Protecting the character and stability of residential areas;

(2) Augmenting the correction, prevention, and enforcement of housing conditions that adversely affect or are likely to adversely affect the health, life, safety, and general welfare, including the physical, mental, and social well-being of persons occupying dwellings;

(3) Gathering information to enable the City, renters, and the public to have a better understanding of and transparency concerning Chicago's rental housing stock, its ownership, and condition;

(4) Further educating landlords regarding their obligations; and

(5) Creating a fund from which these and other residential rental housing-related purposes may be promoted or accomplished, including reimbursements of landlords under section 5-12-137(e).

(b) *Registration required.* No person shall allow to be occupied, rent to another for occupancy or charge, or accept or retain rent for any dwelling unit unless the owner has duly registered the dwelling unit with the Department. All owners of one or more dwelling units in the city of Chicago shall register each dwelling unit by January 15 of each year with the Department. For condominiums and cooperatives, the property required to be registered shall be the individual dwelling unit being rented or offered for rent, and not the entire building or development. Within 15 days after a change in ownership of a dwelling unit, the new owner shall notify the Department of the change.

(c) *Registration form.* The Department shall prepare and make available an internet registration web form, yielding searchable data for registry users, for owners to complete that collects information the Department deems desirable and fulfills the need of a publicly available database to accomplish its purposes, including, but not limited to:

(1) The street address and property index number of the building within which any dwelling unit is located;

(2) The number of dwelling units in the building, the number of floors in the building, the floor number and unit number or letter designation for each

dwelling unit that is or may be available for rent any time, and the number of bedrooms in each dwelling unit;

(3) The name, street address, electronic mail address, and telephone number of the owner;

(4) If the owner is a corporation, partnership, limited partnership, limited liability company, or other entity, it shall provide the name, title, street address, telephone number, associated website address (if any), and electronic mail address of a responsible individual partner, member, or officer, and of any partner, member, or officer holding a 20% or greater interest in the entity. In the event that no one person holds 20% or greater interest in the entity, the foregoing information for each of the five persons holding the most interest in the entity shall be disclosed;

(5) The name, street address, electronic mail address, associated website address (if any), and telephone number of the landlord, if different from the owner;

(6) If the owner and landlord do not reside or have a principal place of business in the City of Chicago, Illinois, then the owner shall designate a local contact representative, whose residence or principal place of business is in the City of Chicago, and having full authority to act on behalf of the owner, including the acceptance of service of all notices from the City, and provide the name, street address, telephone number, and electronic mail address of the local contact representative in the registration; and

(7) The name, street address, telephone number, and electronic mail address of the person or entity the tenant is to contact when requesting repairs be made to their dwelling unit, and the contact person's business relationship to the owner.

For purposes of this section, a post office box or commercial mail receiving service shall not be accepted as the owner's, landlord's, or local contact representative's address. Further, the building and dwelling units being registered shall not be accepted as the owner's address, unless it is the principal place of business or residence of the owner.

Failure to provide required information or to pay the registration fee shall be grounds for the Department to disallow registration.

(d) *Registration fees.*

- (1) All owners of residential dwelling units shall pay an annual registration fee in the amount of \$100 per dwelling unit, except that:
    - (a) The Chicago Housing Authority shall be exempt from paying a registration fee for dwelling units it owns.
    - (b) Owner-occupied buildings of one to six units shall be exempt from paying a registration fee.
    - (c) Dwelling units owned, managed, and operated by a not-for-profit corporation, registered in and in good standing with the State of Illinois, shall be exempt from paying a registration fee.
  - (2) Registration fees and fines collected under this section shall not become part of the general or corporate fund of the City, nor shall registration fees and fines be used to substitute, replace, or diminish funds to the Department or to other housing or homelessness programs, except as provided in this section.
  - (3) Registration fees and fines collected under this section shall be first applied to the reimbursement of relocation assistance pursuant to section 5-12-137(e), then to the direct costs of establishing and administering the registry, then to a proactive rental inspection program, and then, upon public notice and comment, to the augmentation of existing programs or the implementation of new programs designed to preserve or expand the stock of healthy, accessible, safe, affordable rental housing.
- (e) *Failure to register, penalty.* Unless otherwise provided, any person who violates this section, or provides false or misleading information to the Department, or violates any rule or regulation promulgated hereunder, shall be barred and prohibited from filing an eviction action or other action seeking possession of any dwelling unit within the building for which the false or misleading information was provided, and shall be fined \$1,000 per dwelling unit. Each day that a violation exists shall constitute a separate and distinct offense. Further, where the failure of an owner to register a dwelling unit is willful or where an owner knowingly provides false information in a registration statement, then the City shall, in addition to other remedies, claw-back or recover any financial benefit given, awarded, or credited to the owner by the City for the seven years preceding the owner's act or omission. Liability for violations of this section shall be joint and several among owners. The remedies available to the City under this section are cumulative and not exclusive.
- (f) *Administration and enforcement.* The Commissioner of the Department shall administer this section and shall promulgate rules and regulations for the

effective administration of this section within 90 days of passage. The Commissioner shall consult and cooperate with other pertinent City departments, including the Chicago Department of Public Health, in the implementation, administration, and enforcement of the provisions of this section.

The Commissioner of the Department shall establish and maintain the rental registry on a user-friendly, publicly accessible, searchable website, and shall include, in addition to the registration forms submitted by owners, records of registration violations, and the results and reports of inspections regarding the health, safety, habitability, and compliance and noncompliance with any building or housing code for each dwelling unit conducted by the Chicago Department of Public Health, the Chicago Department of Buildings, or other City department or office. This website shall maintain public access to these records for a period of 10 years.

The Commissioner of the Department shall enforce any provision of this section by instituting an action with the department of administrative hearings or by the corporation counsel through an injunction or any other suit, action, or proceeding at law or in equity in a court of competent jurisdiction.

**SECTION 16.** Section 5-12-200 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, as follows:

*(Omitted text is unaffected by this ordinance)*

Specifically, but without limitation, the provisions of Section 5-12-135 of this enactment concerning termination of tenancy are not connected to and not dependent on the provisions in Section 5-12-138 concerning notice of any rent increase. This body specifically finds that the provisions of Section 5-12-135 of this enactment concerning termination of tenancy shall be carried out and given full effect even without the provisions in Section 5-12-138 concerning notice of any rent increase. This body would have enacted the provisions of Section 5-12-135 concerning termination of tenancy even if it had not enacted the provisions in Section 5-12-138 concerning notice of any rent increase.

**SECTION 17.** Section 13-72-065 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

**13-72-065 Tenant relocation assistance.**

For any building containing residential rental units that is being converted to a condominium project and for which a declaration is recorded on or after July 30, 2012, a qualified tenant may, at the tenant's option, receive relocation assistance. If such qualified tenant exercises the option for relocation assistance, the landlord of such building shall provide the qualified tenant with relocation assistance in the amount and in the manner prescribed in Section 5-12-137 of the Municipal Code of Chicago, as follows:

~~(A) The landlord shall pay to a qualified tenant who exercises the option for assistance a one-time relocation fee of \$1,500.00; provided that if the tenant's one month's rent is greater than \$1,500.00, the landlord shall pay to the tenant one month's rent at the highest rent charged to that qualified tenant for that rental unit, or \$2,500.00, whichever is less; provided further, that if a rental unit is occupied by two or more qualified tenants, the landlord's total liability to all the qualified tenants of the rental unit shall be no more than if the rental unit was occupied by one qualified tenant.~~

(Omitted text is unaffected by this ordinance)

**SECTION 18.** This ordinance shall take full force and effect upon passage and publication.

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Desmon Yancy  
Alderson, 5th Ward,

Dated: July 18, 2024