

TITLES 4 AND 6
TEXT AMENDMENT
S U B S T I T U T E O R D I N A N C E
SO2025-0018778

Whereas, e-commerce has seen significant growth in the United States over the last five to seven years, and is growing very rapidly; and

Whereas, according to leading analysts of the retail industry expect brick and mortar retail closures to accelerate, and expected to spoke to approximately 15,000 stores in 2025 (Retail Set to Close 15,000 Stores in 2025 as Private Equity Pulls Back; Store Tracker Extra: US Openings and Closures Review and 2025 Outlook | Coresight Research); and

Whereas, as of 2021, on-line sales comprised 13% of all retail sales in the United States, suggesting a structural shift in consumer shopping behavior (see U.S. Census Bureau News, Quarterly Retail E-Commerce Sales 4th Quarter 2021 (February 22, 2022), https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf; CBRE Research, 2022 North America Industrial Big Box Report: Review and Outlook, at 2-3 (March 2022), available at <https://www.cbre.com/insights/reports/2022-north-america-industrial-big-box#download-report>; Boyle, Matthew “Pandemic Unleashes New Big-Box Era,” Bloomberg News, March 16, 2021 <https://www.bloomberg.com/news/features/2021-03-16/target-best-buy-walmart-how-covid-19-forever-changed-big-box-shopping>); and

Whereas, the worker turnover rate at e-commerce industry leaders is as high as 150%, meaning the entire workforce turns over one and a half times per year, burning through local workforces (see Warehouse Turnover Hurts More Than You Think - KPI Solutions; Amazon’s workforce turnover is so high that it could run out of people to hire by 2024 | Vox); and

Whereas, leaked industry memos suggest the medium- to long-term plan to address this high workforce turnover rate is to automate as many of the jobs as possible, thus requiring next to no human labor at these facilities (There might soon be no one left to hire at Amazon’s warehouses - RetailWire); and

Whereas, according to the United States Government Accountability Office in a report published in October 2024, “warehouse and package delivery workers—often referred to as ‘last-mile delivery’ workers—had the *highest estimated rate of serious injury among private sector industries*,” (As Online Shopping Increases. So Do Concerns About Delivery and Warehouse Workers’ Safety | U.S. GAO) (emphasis added); and

Whereas, e-commerce companies’ use of third-party agencies to provide delivery services leads to situations where members of the public do not know the parties responsible for traffic incidents, accidents, or property damage (see e.g., 7 On Your Side helps get repairs covered after a delivery driver allegedly crashed into parked car, drove off - ABC7 New York); and

Whereas, e-commerce companies often impose hard-to-meet sorting and delivery quotas that can require drivers to drive recklessly or violate traffic laws, including double parking or parking in restricted zones, thus impacting traffic patterns and potentially causing slow-downs and accidents (see Amazon Drivers Are Instructed to Drive Recklessly to Meet Delivery Quotas, Vice Magazine, May 6, 2021); and

Whereas, for delivery drivers in particular, the “workplace” are public streets and sidewalks, and therefore “workplace safety” inherently overlaps with public and pedestrian safety; and

Whereas, an international study and domestic studies have shown that years of experience on a job is typically correlated with a reduction of workplace injuries, and therefore stable and longer-term jobs are

1 an important component of creating safer workplaces (“Researchers have consistently found that workers
2 who are new to a certain type of work, or have recently transitioned to a new employer, are more likely to
3 sustain a workplace injury.” *Beyond the Chilling Effect: Immigrant Worker Behavior and the Regulation*
4 *of Occupational Safety and Health*, 14 Empl. Rts. & Employ. Pol’y J. 267, 291 (citing to
5 Fred Siskind, Another Look at the Link Between Work Injuries and Job Experience, Monthly Lab. Rev.,
6 Feb. 1982, at 38, 40 (1982); Bena A, Giraudo M, Leombruni R, Costa G. Job tenure and work injuries: a
7 multivariate analysis of the relation with previous experience and differences by age. BMC Public Health.
8 2013 Sep 22;13:869); and

9 **Whereas**, by gathering information from applicants for licenses and permits, the public and the City’s
10 planners will be able to better understand the impacts of high-intensity UDCs and e-commerce to be able
11 to refine and improve regulations of this industry in the future; and

12 **Whereas**, the City of Chicago is a home-rule municipality and has the legal authority to legislate for the
13 health, safety and public welfare of its residents, including reasonable zoning procedures, licensure
14 requirements, and worker protections for people who are working in the City; and

15 **Whereas**, the City of Chicago requires licenses for numerous businesses, including certain types of
16 delivery businesses, including bicycle messenger services (see Chicago Municipal Code (CMC) Title 4,
17 Chapter 4-168); and

18 **Whereas**, the City of Chicago regularly requires licensees or potential licensees to avoid violating laws,
19 regulations, and ordinances that bear on their ability to operate a business safely, ethically, and in a
20 manner that would not call into question their character and fitness (see *inter alia* CMC 4-36-050(L);
21 CMC 4-68-120; CMC 4-227-030(a)(3),(4); CMC 4-227-040(a)(2)); and

22 **Whereas**, regulation of this industry will benefit from a comprehensive approach that ensures that
23 communities, neighbors, and workers are given opportunities to receive information and contribute
24 information to the City when decisions are being made regarding new licenses, and workers’ conditions are
25 made safer to serve both themselves and the public interest in safe and orderly streets and sidewalks;
26

27 **THEREFORE,**

28 **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**
29
30

31 **SECTION 1.** Title 4 of the Municipal Code of Chicago is hereby amended by inserting the
32 language underscored,

33 *(omitted text is unaffected by this ordinance)*
34

35 Chapter 4-500

36 E-Commerce and Last Mile Facilities
37

38 4-500-010 Definitions

39 4-500-020 License Required

40 4-500-025 Application

41 4-500-030 Inspections Required

42 4-500-040 Reserved

1 4-500-050 Penalties

2
3 4-500-010 Definitions.

4
5 As used in this chapter:

6
7 “Consumer” and “Consumers” means a retail customer or customers in the City of Chicago from
8 whom a merchant received an offer to purchase a product.

9
10 “Last Mile Warehouse.” Last Mile Warehouse. A building of 30,000 square feet or greater, where
11 forty percent (40%) or more of floor area is for the purpose of sorting, storing and/or loading of
12 goods and packages to be put out for intra or interstate delivery, and meets one or both of the
13 following criteria: (a) goods and packages received and sorted at the building are delivered directly
14 to consumers, and 50 percent (50%) or more of orders fulfilled at such facility are placed through
15 a website or mobile application with one brand or trade name or a common brand, trade, business
16 or operating name, that offers, facilitates or otherwise offers consumers goods for direct delivery;
17 or (b) is greater than 49,000 square feet and operates as a transloading warehouse, where freight,
18 goods or packages are moved between different vehicle types such as semi-trailer truck and vans
19 or trucks; cold storage warehouse; or high-cube storage warehouse; and delivery is made to retail,
20 grocery, or wholesale retail businesses. Residential Storage Warehouses and Container Storage
21 Warehouses shall not be considered Last Mile Warehouses.

22
23 “E-Commerce Fulfillment Centers.” A building of 150,000 square feet or greater, where the
24 primary purpose is the receipt, sorting and delivery of goods and packages to a Last Mile
25 Warehouse or to both Last Mile Warehouse Facilities and directly to consumers, and fifty percent
26 (50%) or more of orders for goods fulfilled at such center are placed through a website or mobile
27 application with one brand or trade name or a common brand, trade, business or operating name,
28 that offers, facilitates or otherwise offers consumers goods for direct delivery.

29 “Last Mile Distribution Network” means more than one Last Mile Warehouse and/or E-
30 Commerce Fulfillment Center, owned, controlled, and/or operated by one person where at least
31 fifty percent (50%) of orders fulfilled at such centers are placed through a website or mobile
32 application with one brand or trade name or a common brand, trade, business or operating name,
33 that offers, facilitates or otherwise offers consumers goods for direct delivery that will be fulfilled
34 through a last-mile distribution center.

35 “Pattern or practice of violations” shall mean three (3) or more violations in any two-year period
36 in the previous five (5) years, or four (4) or more violations in the previous five (5) years,
37 attributable to the licensee, or any corporate or legal parent or subsidiary thereof, where such
38 subsidiary is dominated and controlled by the licensee.

39 “Person” has the meaning ascribed to the term in Section 1-4-090.

1 “Violation,” as applied to any city, state or federal law, means a finding by a court of law or a final
2 agency determination that the applicant or licensee violated a law or regulation.

3
4 4-500-020 License Required; Licensure Requirements.

5 (a) License required. 1. Beginning twelve (12) months after passage and adoption of this
6 Ordinance, it shall be unlawful for any person to engage in business as a Last-Mile Warehouse,
7 Last-Mile Distribution Network, or E-Commerce Fulfillment Center, without a valid license, as
8 required by this section, for each place of business in which such a person operates such facility
9 or facilities.

10 2. It is unlawful for a person to permit any premises under such person’s control to be used by any
11 other person in violation of paragraph 1 of this subdivision.

12 (b) Pre-existing operations. 1. For business operations that would be subject to the requirements
13 of this Chapter in existence at the time of the passage and adoption of this Ordinance, an initial
14 application for a license shall not be required for fifteen (15) months after passage and adoption of
15 this Ordinance.

16 2. Within six months of the passage and adoption of this Ordinance, the Commissioner shall
17 provide written guidance regarding licensure to be made available to any pre-existing business
18 operations that are subject to the requirements of this Chapter.

19 4-500-025 Application.

20 (a) 1. In order to obtain or renew a license to engage in business under this Chapter, a person shall
21 file an application with the Commissioner for a Last Mile Facilities, Last Mile Distribution
22 Network, or E-Commerce Fulfillment Center License, for each place of business that the applicant
23 desires to use for the operation of a Last Mile Warehouse , E-Commerce Fulfillment Center, or
24 Last Mile Distribution Network, in the City. The application for each such license or renewal
25 thereof shall be made upon such form as prescribed by the Commissioner.

26 2. The Commissioner shall require at least the following elements be included in the license
27 application:

28 (A). For initial applications, notarized certifications of each of the following:

29 (i). For initial applications for licenses and renewals thereof, that the applicant or licensee
30 is in compliance with all City of Chicago zoning ordinance requirements lawfully applicable to
31 the facilities being licensed;

32 (ii). For initial applications for licenses and for renewals thereof, whether the applicant or
33 licensee is party to a Bona Fide Community Benefits Agreement and/or collective bargaining
34 agreement, and a copy of the Bona Fide Community Benefits Agreement if any

1 (B.) For renewal applications, in addition to the requirements of an initial application, a report
2 stating the make, type, size, weight, and number of vehicles used for delivery of parcels, and the
3 approximate number of parcels delivered, to Consumers since the previous issuance or renewal of
4 the license;

5 3. An applicant for a license or renewal thereof under this section shall disclose to the
6 Commissioner any finding by a court of law or any final federal, state or local agency
7 determination that the applicant or a principal or owner of such applicant committed a Violation
8 of any city, state, or federal law relating to highway or road safety, unfair trade practices, worker
9 protection, compensation, safety or discrimination or the protection of the environment. A pattern
10 or practice of violations of city, state or federal law relating to highway or road safety, unfair trade
11 practices, worker protections, compensation, safety or employment discrimination, or the
12 protection of the environment, by an applicant shall be grounds for denial of a license or renewal
13 of a license, except that no violations occurring earlier than the date of passage and adoption of
14 this Ordinance shall be counted. For purposes of this paragraph, "principal or owner" shall have
15 the meanings found in Sections 11-4-2525(b) and 11-4-2525(c) of Title 11.

16 4. Notice. (A) Applicants for a license under this Chapter shall cause to be posted on the property
17 or properties sought to be licensed a posted notice of an application for a license. This posting shall
18 be posted within five days of submittal of the application and remain until final approval or final
19 denial of the application. If an appeal is filed, the notice shall remain until the appeal is resolved.
20 The posting shall be removed within five days of final disposition of the application. The posting
21 shall conform to the requirements of Section 17-13-0107C subds. (3) and (4) of the Code.

22 (B) Applicants for a license under this Chapter shall within fifteen (15) days of the application
23 submittal, cause to be sent written notice of the application by first-class mail to all property
24 owners within 250 feet of the subject property, the alderman of the ward in which the subject
25 property sits, and the subject property's owner. The notice shall conform to the requirements of
26 Section 17-13-0107-A subds. 3, 4 and 5 of the Code.

27 5. In addition to the requirements of this chapter, the application for a license or renewal of a
28 license under this Chapter shall be subject to the requirements of Section 4-4-060 subd. (a), (c.),
29 and (d) and Section 4-4-070, and any land use, zoning, and special use requirements.

30 6. In addition to the requirements of this chapter, the application for a license or renewal of a
31 license under this Chapter shall require express acknowledgment by the Applicant that all materials
32 submitted in support of foregoing requirements in this Section, shall be available for public
33 inspection under the Illinois Freedom of Information Act, except for any materials exempt from
34 disclosure under 5 ILCS 140/7. The acknowledgment shall include waiver of exemption under 5
35 ILCS 150/7(g).

36 4-500-030

37 Inspections required.

38 Every facility licensed under this Chapter in the City shall be inspected under and by authority of
39 the Fire Commissioner at least once every year. Such inspection shall be made for the purpose of
40 determining whether or not such warehouses comply with all of the laws of the State and the

1 provisions of this Code relating to fire prevention and public safety in case of fire, and for the
2 purpose of determining if such establishments are so dangerous as to constitute a nuisance or to be
3 a menace to the safety of the public or to adjoining property.

4 5 4-500-040 Fee and License Term; Appeals and Revocation

6
7 (a) 1. There shall be an annual fee of \$250 for a license to engage in the business of a last-mile
8 warehouse at each location where a last-mile warehouse operates in the city. The term of a license
9 shall be one (1) year and shall renew automatically for a period of three years, after which period
10 the licensee may apply for renewal of the license.

11 2. There shall be an annual fee of \$500 for a license to engage in the business of a Last-Mile
12 Distribution Network. The term of a license shall be one (1) year and shall renew automatically
13 for a period of three years, after which period the licensee may apply for renewal of the license.

14 3. There shall be an annual fee of \$1,000 for a license to engage in the business of an E-Commerce
15 Fulfillment Center. The term of a license shall be one (1) year and shall renew automatically for a
16 period of three years, after which period the licensee may apply for renewal of the license.

17
18 (b) 1. Any license issued under this chapter may be suspended or revoked by the Commissioner,
19 in a manner provided by law, for the failure of a licensee to comply with any applicable provision
20 of law or any rule duly promulgated by the Commissioner. It is unlawful for a facility or facilities
21 which must be licensed under this chapter to operate if the license or any facility in such network
22 has been suspended or revoked.

23
24 2. A license issued under this chapter shall be subject to the procedures in Section(s) 4-4-280, 4-
25 4-281, 4-4-282, 4-4-283, and 4-4-285. Any adverse action on a license issued under this chapter
26 may be appealed in the manner provided by law.

27 28 4-500-050 Penalties

29
30 (a) Any person violating any provision of this chapter shall be fined not less than \$500.00 nor
31 more than \$5000.00 for each offense, and every day that such violation shall continue shall
32 constitute a separate and distinct offense.

33
34 (b) Any person found to be in violation of any provision of this Chapter shall have their license
35 subject to suspension or revocation.

36
37 (c) Any license issued under this Chapter may be suspended or revoked by the Commissioner, in
38 a manner provided by law, for the failure of a licensee to comply with any applicable provision of
39 law or any rule duly promulgated by the Commissioner or any provision of this Chapter, or other
40 Chapters or Sections of the Municipal Code applicable to Last Mile Warehouses, E-Commerce
41 Fulfillment Centers, or Last Mile Distribution Networks. It shall be unlawful for a Last Mile

Warehouse, E-Commerce Fulfillment Center, or Last Mile Distribution Network to operate if the license for any distribution center in such network has been suspended or revoked.

(d) A licensee under this Chapter may seek review, in the office of administrative trials and hearings, of a determination by the Commissioner that such license has been suspended or revoked within 30 days of receiving written notification of such determination.

(e) Pattern or practice of violations. The Commissioner shall deny any application for a license under this Chapter or renewal thereof, or revoke or suspend any such license, in a manner provided by law, if the applicant or licensee has engaged in a Pattern or Practice of Violations of city, state or federal law relating to highway or road safety, unfair trade practices, worker protection, compensation, safety or discrimination or the protection of the environment in connection with operating a facility defined in this Chapter, subject to the Safe Harbor provision of this Chapter.

(f) If a person fails to pay any fine, assessment of costs or other sum of money owed to the city pursuant to an order of the department, a court order or an order of the department of administrative hearings within 30 calendar days of such fine, assessment or sum of money becoming a debt due and owing to the city within the meaning of Chapter 1-19 of this Code, such person's license may be suspended or revoked by the department in accordance with the requirements set forth in Section 4-4-280. If the license is suspended, the suspension shall remain in effect until such time that the fine, assessment of costs or other sum of money is paid in full. If the license is revoked, the licensee shall be barred from applying for a new or different city license for a period of one year after the date of revocation.

(h) Safe harbor provision. A licensee under this Chapter may seek safe harbor protection from the penalties provided for in this Chapter, including fines, suspension and revocation of their license, if: (1) the licensee informs the Commissioner, in writing on a form of the Commissioner's creation, dated and notarized, of the omission or violation, with specific reference to the provision(s) violated and the specific facts of the violation, within thirty (30) days of the discovery of said omission or violation; and

(2) the report to the Commissioner states that the omission or violation has been corrected, cured or eliminated, or shall be corrected, cured or eliminated within thirty (30) days, and the facts supporting such statement; and

(3) the licensee has not invoked the protection of this safe harbor provision in the previous twelve (12) months, nor twice in the previous thirty-six (36) months; and

(4) no more than six months have passed since the first date of the violation of omission; and

(5) A correction, cure or elimination shall be considered sufficient where (A) the predicate requirements of this Chapter have been met or are in the process of being met within thirty (30) days; and (B) the written statement contains a certification by an agent of the licensee that a record

1 of the omission or violation shall be kept by the licensee for a period of three years and be made
2 available for inspection by the Commissioner or an agent thereof for that period.

3 (i) Licensees under this Chapter shall be subject to the requirements of Sections 4-4-170; 4-4-
4 175; 4-4-190; 4-4-260; 4-4-283; 4-4-285; 4-4-289; 4-4-320; 4-4-322; and in addition to the Penalty
5 provisions of this Chapter, Section 4-4-280

6
7 **SECTION 2.** Title 6 of the Municipal Code of Chicago is hereby amended by inserting the
8 language underscored,

9 *(omitted text is unaffected by this ordinance)*

10
11 Chapter 6-140

12 Heavy Distribution Warehouse, E-Commerce and Last Mile Warehouse Workers

13
14 6-140-010 Definitions

15 6-140-020 Workers Generally

16 6-140-030 Electronic Monitoring and Quotas

17 6-140-035 Worker Training Requirements

18 6-140-040 Written Terms of Employment

19 6-140-050 Retaliation Prohibited

20 6-140-055 Reserved

21 6-140-060 Enforcement and Penalties

22 6-140-070 Civil penalties to be budgeted separately

23
24 6-140-010 Definitions.

25 As used in this chapter.

26 “Adverse Action” means threatening, intimidating, disciplining, discharging, demoting,
27 suspending or harassing an employee, adversely reducing the hours or pay of an employee,
28 informing another employer that an employee has engaged in activities protected by this chapter,
29 discriminating against the employee without the employee’s consent, actions related to perceived
30 immigration status or work authorization, or assessing any demerit, occurrence, any other point,
31 or deductions from an allotted bank of time, which subjects or could subject an employee to
32 disciplinary action, which may include, but not be limited to, failure to receive a promotion or a
33 loss of pay.

1 “Consumer” means a retail customer in the City of Chicago from whom a merchant received an
2 offer to purchase a product.

3
4 “Core Delivery Services” means the subset of core services that involves transporting and delivering
5 packages or goods to City of Chicago consumers, subject to the exceptions in the definition of core services.

6
7 “Core Services” means delivering packages or goods from a Covered Warehouse to Consumers
8 on a Part-Time or full-time basis, other than facilitating or arranging for the delivery of goods
9 solely by commercial motor vehicles required by federal law, rule or regulation to be registered
10 with the federal motor carrier safety administration; or any person who on a part-time or full-time
11 basis moves, sorts, packs, loads, or unloads goods, packages or freight intended to be delivered
12 from a Covered Warehouse located within the geographical boundaries of the City of Chicago.

13
14 “Core Warehouse Services” means the subset of core services that involves sorting and handling of
15 packages within a Covered Warehouse in the City of Chicago, subject to the exceptions in the definition of
16 core services.

17
18 “Covered Employer” means a person employing natural persons to work in a Heavy Distribution
19 Warehouse, Last Mile Distribution Network, E-Commerce Fulfillment Center, or Last Mile
20 Warehouse to perform Core Services in the City of Chicago on a part-time or full-time basis.

21
22 “Covered Warehouse” means a Last Mile Warehouse , E-Commerce Fulfillment Center, and/or
23 Heavy Distribution Warehouse.

24
25 “Electronic monitoring” means the collection of information concerning worker activities,
26 communications, actions, biometrics, or behaviors by electronic means including, but not limited
27 to, video or audio surveillance, electronic work speed data and other means but shall not include
28 any processes already covered or prohibited by 820 ILCS 55/ or 740 ILCS 14/.

29
30 “E-Commerce Fulfillment Centers” means a building of 150,000 square feet or greater, where the
31 primary purpose is the receipt, sorting and delivery of goods and packages to a Last Mile
32 Warehouse or to both Last Mile Warehouse Facilities and directly to consumers, and 30 percent
33 or more of orders for goods fulfilled at such center are placed through a website or mobile
34 application with one brand or trade name or a common brand, trade, business or operating name,
35 that offers, facilitates or otherwise offers consumers goods for direct delivery.

36
37 “Last Mile Distribution Network” has the meaning found in 4-500-010

38 “Last Mile Warehouse ” means a building of 30,000 square feet or greater, where forty percent
39 (40%) or more of floor area is for the purpose of sorting, storing and/or loading of goods and

1 packages for intra or interstate delivery, and meets one or both of the following criteria: (a) goods
2 and packages received and sorted at the building are delivered directly to consumers, and 50
3 percent (50%) or more of orders fulfilled at such facility are placed through a website or mobile
4 application with one brand or trade name or a common brand, trade, business or operating name,
5 that offers, facilitates or otherwise offers consumers goods for direct delivery; or (b) is greater than
6 49,000 square feet and operates as a transloading warehouse, where freight, goods or packages are
7 moved between different vehicle types such as semi-trailer truck and vans or trucks, cold storage
8 warehouse, or high-cube storage warehouse, and delivery is made to retail, grocery, or wholesale
9 retail businesses. Residential Storage Warehouses and Container Storage Warehouses shall not be
10 considered Last Mile Warehouses.

11 “Heavy Distribution Warehouse” means any building of greater than 59,000 square feet where
12 freight, packages or goods are sorted or otherwise prepared for distribution of pallet loads to retail
13 establishments or other warehouses, or that include temperature controlled facilities for perishable
14 products, or any combination thereof.

15
16 “Employee work speed data” means information an employer collects, stores, analyzes, or
17 interprets relating to an individual employee's or group of employees' pace of work, including,
18 but not limited to, quantities of tasks performed, quantities of items or materials handled or
19 produced, rates or speeds of tasks performed, measurements or metrics of employee performance
20 in relation to a quota, and time categorized as performing tasks or not performing tasks.
21 Notwithstanding the preceding sentence, it does not include qualitative performance assessments,
22 personnel records, or itemized wage statements, except for any content of those records that
23 includes employee work speed data.

24
25 “Part-Time” shall mean at least eight hours of work in any thirty-day period in the City of Chicago,
26 but less than full-time as defined by the Illinois Minimum Wage Law and its implementing
27 regulations.

28
29 “Protected Conduct” means expressing advocacy of or opposition to industrial practices, or
30 environmental, economic, or social regulations or policies bearing on the industries covered by
31 this chapter, including the reporting to a state or local agency, to any government official elected
32 or appointed, or to the public, working, environmental or safety conditions believed in good faith
33 to be adverse or unsafe.

34 “Quota” means a work standard under which: (a) an employee or group of employees is assigned
35 or required to perform: at a specified productivity speed; or a quantified number of tasks, or to
36 handle or produce a quantified amount of material, or perform without a certain number of errors
37 of defects, as measured at the individual or group level within a defined time period; or

38 (b) an employee's actions are categorized between time performing tasks and not performing tasks,
39 and the employee's failure to complete a task performance standard or recommendation may have
40 an adverse impact on the employee's continued employment or the conditions of such employment.

41 6-140-020 Workers generally.

1 (a) Any person who delivers packages or goods from a Covered Warehouse to Consumers on a
2 Part-Time or full-time basis shall be an employee of the Owner or Operator of the Covered
3 Warehouse, except that this section shall not apply to any person that facilitates, offers or arranges
4 for the delivery of goods solely by commercial motor vehicles required by federal law, rule or
5 regulation to be registered with the federal motor carrier safety administration. This provision shall
6 take effect on the first day of the thirteenth month after passage and adoption of this ordinance.
7 Extensions shall be granted for Covered Employers who contract with a third-party agency to
8 supply workers otherwise covered by this subdivision (a) where the contract with such agency was
9 in existence prior to passage and adoption of this ordinance and extended beyond the date of
10 passage and adoption of this ordinance, but no extension shall extend later than the last day of the
11 twelfth month after this section (a) becomes effective.

12 (b) It shall be an additional violation of 6-140-020(a) of this Chapter for any Owner or Operator
13 of a Covered Warehouse to fail to comply with the following requirements: (i) For each delivery
14 to Consumers from a Covered Warehouse made by persons not directly employed by the owner or
15 operator of the Covered Warehouse who would otherwise be covered by Section 6-140-020(a).
16 Covered Employers shall maintain a record of the delivery including the identity of the person
17 completing such delivery, including their contact information, proof of commercial auto insurance
18 coverage, driving record and full list of any moving violations; the registration and make and
19 model of the vehicle by which the delivery was made, and the address of the Consumer and
20 approximate time of delivery; (ii) Requiring that each delivery person delivering parcels to a
21 Consumer on at least a Part-Time basis has the name and contact information of their employer
22 clearly and prominently displayed on their uniform and on their delivery vehicle. The name of
23 their employer must be displayed more prominently than the name of any non-employer entity;
24 (iii) For each delivery worker retained to deliver parcels to Consumers on behalf of the Owner or
25 Operator of a Covered Warehouse on at least a Part-Time basis, the Owner or Operator of the
26 Covered Warehouse must post bond in the amount of \$500,000, to be held by the Commissioner
27 in a fund. Such fund shall be made available in the event any person injured or otherwise harmed
28 in a road incident involving covered delivery workers obtains a judgment against such a delivery
29 worker or their employer. These records shall be provided to the department on a semi-annual
30 basis. This Section (b) shall take effect 12 months after its passage and adoption.

31 (c) Any person who provides Core Delivery Services on a part-time or full-time basis in a Covered
32 Warehouse in the City of Chicago shall be an employee of the Owner or Operator of the Covered
33 Warehouse.

34
35 6-140-030 Electronic monitoring and quotas.

36
37 a. Quota disclosure and records. 1. Each Covered Employer shall provide to each employee
38 providing Core Services, upon hire, or within 30 days of the effective date of this section, a written
39 description in the employee's preferred language of each quota to which the employee is subject
40 and how it is measured, including the quantified number of tasks to be performed or materials to
41 be produced or handled or the limit of time categorized as not performing tasks, within the defined
42 time period, and any potential adverse employment action that could result from failure to meet

1 the quota. Such description shall be updated in writing and provided to the employee no less than
2 two days prior to the effective date of any modification of an existing quota or addition of a new
3 quota. Each time an employer takes an adverse employment action against an employee based on
4 failure to meet a quota, the employer shall provide that employee with the most recent 90 days of
5 the employee's own personal work speed data.

6 2. An employee shall not be required to meet a quota that prevents compliance with meal, prayer,
7 rest periods, use of bathroom facilities, including reasonable travel time to and from bathroom
8 facilities, or occupational health or safety laws. An employer shall not take adverse employment
9 action against an employee for failure to meet a quota that does not allow a worker to comply with
10 meal, prayer and rest periods or occupational health and safety laws or for failure to meet a quota
11 that has not been disclosed to the employee pursuant to this section.

12 3. Any actions taken by an employee to comply with occupational health and safety laws shall be
13 considered time on task and productive time for purposes of any quota or monitoring system.
14 Notwithstanding the preceding sentence, meal, prayer and rest breaks are not considered
15 productive time unless the employee is required to remain on call.

16 4. Each Covered Employer shall establish, maintain, and preserve contemporaneous, true, and
17 accurate records of the following:

18 (a) each employee's own personal work speed data;

19 (b) the aggregated work speed data for similar employees at the same establishment; and

20 (c) the written descriptions of each quota such employee was provided pursuant to this section.

21 5. Subsequent to any employee's separation from the employer, such records relating to the six
22 month period prior to the date of the employee's separation from the employer shall be
23 preserved for a period of time not less than three years subsequent to the date of such employee's
24 separation and made available to the Commissioner upon request.

25 6. Nothing in this subdivision shall require an employer to keep such records if such
26 employer does not use quotas as defined in this chapter or monitor work speed data.

27 b. Employee rights. 1. A current employee has the right to request a written description of each
28 quota to which the employee is subject, a copy of the employee's own personal work speed data,
29 and a copy of the prior six months of aggregated work speed data for similar employees at the
30 same establishment.

31 2. A former employee has the right to request, within three years subsequent to the date
32 of their separation from the Covered Employer, a written description of the quota to which they
33 were subject as of the date of their separation, a copy of the employee's own personal work speed
34 data for the six months prior to their date of separation, and a copy of aggregated work speed
35 data for similar employees at the same establishment for the six months prior to their date of
36 separation.

1 3. Such requested records pursuant to this subdivision shall be provided at no cost to the
2 current or former employee upon the first request of such records. The employer cannot charge
3 more than the actual reproduction costs for subsequent requests.

4 4. The Covered Employer shall provide such requested records pursuant to this subdivision
5 as soon as practicable, provided that requested written descriptions of the quota shall be provided
6 no later than two business days following the date of the receipt of the request and requested
7 personal work speed data and aggregated work speed data shall be provided no later than seven
8 business days following the date of the receipt of the request.

9 c. Sale prohibited. It shall be unlawful for an employer to sell for any consideration or otherwise
10 distribute or provide to any third-party any employee work speed data or any other data collected
11 by electronic monitoring, except as required by federal or state statute, or order of a court of
12 competent jurisdiction.

13 d. Collective bargaining agreements not impaired or impeded. Subdivisions (a) and (b) of this
14 Section shall not apply to employees covered by a valid collective bargaining agreement, if the
15 agreement contains an express waiver for some or all of the barred conduct in exchange for
16 valuable consideration.

17 e. None of the foregoing shall impede the enforcement or application of 820 ILCS 55/ or 740
18 ILCS 14/ or other relevant state statutes.

19 f. None of the foregoing shall prohibit or prevent more generous terms and conditions of
20 employment for employees at a Covered Warehouse.

21 6-140-035 Worker Training Requirements

22 a. Certification and Designation. 1. The Commissioner or their designee shall establish a process
23 whereby it will certify and designate at least one "Last-Mile Facility Training Organization."

24 2. In order to become certified as a designated Last-Mile Facility Training Organization,
25 the organization shall meet requirements set forth by the department that shall include, but not be
26 limited to, the following. The Last-Mile Facility Training Organization must have experience
27 providing training to last-mile delivery workers, utilize interactive teaching strategies that engage
28 across multiple literacy levels, and provide trainers and educators who are culturally competent
29 and fluent in the language or languages that last-mile facility workers understand.

30 b. Training Program Requirements 1. The Last-Mile Facility Training Organization shall
31 offer a " Last-Mile Facility Training Program" that includes no less than six hours of training,
32 including live and interactive instruction, on the following elements:

33 A. Core delivery service worker rights and facility operator responsibilities under this
34 chapter;

35 B. How to drive a delivery vehicle safely;

36 C. How to adhere to quota requirements and aggressive delivery routes while driving
37 defensively;

38 D. When and where to make delivery stops along trafficked roads;

39 E. How to ensure the safety of pedestrians while making frequent stops; and

1 F. How to identify bike routes and protected bike lanes, and how to avoid making stops
2 along such routes and lanes in such a way that might create a safety hazard for cyclists.

3 2. The Last-Mile Facility Training Organization may coordinate with a last-mile facility to
4 ensure that training content aligns where appropriate with the facility's policies and procedures.
5 Ultimate discretion regarding training content shall remain with the Last-Mile Facility Training
6 Organization, subject to requirements set forth by the department.

7 3. Facility operators shall ensure that all workers providing Core Services on a Part-Time
8 or full-time basis receive training by a last-mile facility training organization within 92 days of
9 their first day of employment, and thereafter once per year. A last-mile facility shall contract with
10 a certified last-mile facility training organization to conduct, no less than annually, a last-mile
11 facility training program attended by each core employee operating out of the last-mile facility. A
12 facility operator shall document compliance with the training requirement set forth in this section
13 by completing and signing a form as required by the department to certify the dates that the training
14 was conducted and the workers who attended.

15 c. Records. Each last-mile facility shall retain records sufficient to demonstrate compliance with
16 this section, including a copy of a valid form attesting to compliance with the training program
17 requirements.

18 6-140-040 Written Terms of Employment

19 a. Written Terms. 1. Covered Employers shall present the terms and conditions of employment to
20 employees performing Core Services within sixty days of the effective date of this ordinance, and
21 thereafter upon their employment. For purposes of this subdivision, a term or condition of
22 employment shall include at a minimum, hourly wage rate, employee and employer contribution
23 towards non-wage benefits, employee holidays, paid time off and leave benefits, severance
24 payments if any, minimum hours on a weekly or monthly basis, and job responsibilities and duties.

25 2. Revisions to terms and conditions of employment shall be supported by consideration.
26 Continued employment shall not be considered adequate consideration.

27 3. It shall be unlawful to terminate or indefinitely suspend an employee solely for failure to agree
28 to a revised term or condition of employment.

29 b. Accumulation and use of leave. 1. An employee who is injured while on premises maintained
30 by a Covered Employer, while seeking to enter premises maintained by the Covered Employer or
31 while engaged in activities at the direction of a Covered Employer regardless of location shall be
32 entitled to receive compensation for any outstanding portion of the shift during which such injury
33 occurred.

34 2. A person performing Core Services who is tardy for the start of a shift shall not be docked any
35 accrued leave time, whether paid or unpaid, in excess of the closest 15-minute increment to the
36 amount of time they are tardy.

37 c. Collective Bargaining Agreements not Impaired. Nothing in this section shall impair or impede
38 any provision of a valid collective bargaining agreement if the agreement contains an express
39 waiver for some or all of the barred conduct in exchange for valuable consideration.

1 d. None of the foregoing shall prohibit or prevent more generous terms and conditions of
2 employment for workers performing Core Services at a Covered Warehouse.

3
4 6-140-050 Retaliation prohibited.

5 a. No person shall take any Adverse Action against an employee of a Covered Warehouse that
6 penalizes such employee for exercising or attempting to exercise any right protected under this
7 Chapter or otherwise seek the protection of the provisions of this Chapter. An employee need not
8 explicitly refer to this chapter or the rights enumerated herein to be protected from retaliation.

9
10 b. No person shall take any Adverse Action against an employee of a Covered Warehouse that
11 penalizes such employee for, or is reasonably likely to deter such employee from, exercising or
12 attempting to engage in any Protected Conduct. An employee need not explicitly refer to this
13 chapter or the rights enumerated herein to be protected from retaliation.

14
15 6-140-055 Reserved

16
17 Reserved.

18
19 6-140-060 Administration and penalties.

20 a. Noticing and posting of rights. 1. The Commissioner or their designee shall publish and make
21 available notices for employers to post in the workplace or at any job site informing employees of
22 their rights protected under each subchapter of this chapter before the effective date of the local
23 law that added each corresponding subchapter. Such notices shall be made available in a
24 downloadable format on the city's website in accordance with the requirements for language access
25 as described in chapter 2-40 of the Municipal Code of Chicago. The Commissioner shall update
26 such notices if any changes are made to the requirements of this chapter or as otherwise deemed
27 appropriate by the director.

28 2. In accordance with the rules of the department, every employer shall conspicuously post at any
29 workplace or job site where any employee works the notices described in subdivision a of this
30 section that are applicable to the particular workplace or job site. Such notices shall be in English
31 and any language spoken as a primary language by at least five percent of employees at that
32 location if the Commissioner has made the notice available in that language.

33 b. Recordkeeping 1. Employers shall retain records documenting their compliance with the
34 applicable requirements of this chapter for a period of three years and shall allow the department
35 to access such records and other information, consistent with applicable law and in accordance
36 with rules of the department and with appropriate notice, in furtherance of an investigation
37 conducted pursuant to this chapter.

38 2. An employer's failure to maintain, retain or produce a record or other information required to
39 be maintained by this chapter and requested by the department in furtherance of an investigation
40 conducted pursuant to this chapter that is relevant to a material fact alleged by the department in a
41 notice of violation issued pursuant to this subchapter creates a rebuttable presumption that such
42 fact is true.

1 c. Administrative enforcement; jurisdiction and complaint procedures. 1. Jurisdiction. The
2 Commissioner shall enforce the provisions of this chapter.

3 2. Complaints and investigations. A. Any person, including any organization, alleging a violation
4 of this chapter may file a complaint with the department within two years of the date such person
5 knew or should have known of the alleged violation.

6 B. Upon receiving such a complaint, the department shall investigate it.

7 C. The department may open an investigation on its own initiative.

8 D. A person or entity under investigation shall, in accordance with applicable law, provide the
9 department with information or evidence that the department requests pursuant to the investigation.
10 If, as a result of an investigation of a complaint or an investigation conducted upon its own
11 initiative, the department believes that a violation of this chapter has occurred, the department may
12 attempt to resolve it through any action authorized by Article 4 of Title 2 of the Municipal Code
13 of Chicago. Adjudicatory powers pursuant to this subchapter may be exercised by the
14 Commissioner or by the office of administrative trials and hearings pursuant to Article 4 of Title
15 2 of the Municipal Code of Chicago.

16 E. The department shall keep the identity of any complainant confidential unless disclosure is
17 necessary to resolve the investigation or is otherwise required by law. The department shall, to the
18 extent practicable, notify such complainant that the department will be disclosing the
19 complainant's identity before such disclosure.

20 d. Penalties and remedies. 1. Private right of action. Employees shall have a private right of action
21 to enforce the provisions of this Chapter in any court of competent jurisdiction; such court may
22 order compensatory, injunctive, and declaratory relief, and prevailing plaintiffs shall be entitled to
23 reasonable attorney's fees. Compensatory relief may be based on the penalties detailed in this
24 Section 4-550-060 subd. (d). Civil actions shall be commenced within two years, inclusive, of the
25 date the person knew or should have known of the violation. Any person filing a civil action shall
26 simultaneously serve notice of such action and a copy of the complaint upon the department.
27 Failure to so serve a notice does not adversely affect any plaintiff's cause of action. Filing a
28 complaint with a department shall not be a condition precedent or jurisdictional requirement for a
29 civil action, however a civil action filed after a complaint has been filed shall be considered not
30 ripe for adjudication unless that complaint is withdrawn or dismissed without prejudice.

31 2. Relief for employees. For violations of this Chapter, the department may grant the following
32 relief to employees or former employees:

33 A. An order directing compliance with the notice and posting of rights and recordkeeping
34 requirements set forth in this Chapter;

35 B. For each violation of:

36 6-140-040(a): Reinstatement or restoration of any term and condition; \$500 for each violation;
37 order directing compliance; rescission of any discipline issued; payment of back pay for any loss

of pay or benefits resulting from the wrongful discharge or revised pay or benefits; and any other equitable relief as may be appropriate.

6-140-040(b): Restoration of any deducted leave balance; \$500; and order directing compliance.

6-140-040(c): \$500 and an order directing compliance.

6-140-050(a): Rescission of any disciplinary action, reinstatement of terminated employee, and payment of back pay lost as a result of disciplinary action; \$1,000 for each violation not involving termination; \$2,000 for each violation involving termination.

6-140-060(a): An order directing compliance

6-140-060(b): An order directing compliance

6-140-030(a): An order directing compliance and \$500 per violation per employee per day

6-140-030(b): An order directing compliance and \$500 per violation per employee per day

6-140-020(a) and (c): Any Covered Employer who willfully violates these sections shall be subject to the civil and criminal penalties provided under this subdivision. For purposes of this section, "willfully violates" means an employer knew or should have known that his or her conduct was prohibited by this subdivision. An employer who willfully violates this subdivision shall be subject to a civil penalty of up to \$500 for the first violation per employee, plus \$50 per day for each day of misclassification per employee, and to a civil penalty of up to \$5,000 for each subsequent violation per misclassified employee, plus \$50 per day for each day of misclassification per employee, within a five year period. In addition to civil penalties, the civil penalties imposed on an employer who willfully violates the provisions of this subdivision shall be a misdemeanor and upon conviction shall be punished for a first offense by imprisonment for not more than thirty days or a fine not to exceed \$25,000 and for a subsequent offense by imprisonment for not more than 60 days or a fine not to exceed \$50,000. If the employer is a corporation, any officer of such corporation or shareholder who owns or controls at least 10 percent of outstanding stock of such corporation who knowingly permits the corporation to willfully violate the provisions of this article shall also be in violation of this article and the civil and criminal penalties herein shall attach to such officer upon conviction.

6-140-020(b): An order directing compliance and \$250 per violation of each subsection, with each day of non-compliance constituting a separate violation.

3. Enforcement by the corporation counsel. The corporation counsel or such other persons designated by the corporation counsel on behalf of the department may initiate in any court of competent jurisdiction any action or proceeding that may be appropriate or necessary for correction of any violation issued pursuant to this Chapter, including actions to secure permanent injunctions, enjoining any acts or practices that constitute such violation, mandating compliance with the provisions of this chapter or such other relief as may be appropriate.

4. Revocation of license for certain employers. A pattern or practice of violations of this Chapter shall be grounds for suspension or revocation of a license granted under Chapter 4-500 of Title 4

1 of this Code. "Pattern or practice" shall have the same meaning as used in Chapter 4-500 of Title
2 4 of this Code.

3 6-140-070 Civil penalties to be budgeted separately.

4 Penalties imposed and recovered as a result of enforcement of this Chapter shall go to the City's
5 general fund. However civil penalties recovered shall be budgeted into a separate account. Such
6 account shall be used solely to support the department's worker protection education and
7 enforcement activities, as well as public information activities intended to inform residents of their
8 rights and obligations under this Chapter.

9 6-140-075 Safe harbor provision.

10 Safe harbor provision. (a) A employer under this Chapter may seek safe harbor protection from
11 the penalties provided for in this Chapter, if: (1) the employer informs the Commissioner, in
12 writing on a form of the Commissioner's creation, dated and notarized, of the omission or
13 violation, with specific reference to the provision(s) violated and the specific facts of the violation,
14 within thirty (30) days of the discovery of said omission or violation; and

15 (2) the report to the Commissioner states that the omission or violation has been corrected, cured
16 or eliminated, or shall be corrected, cured or eliminated within thirty (30) days, and the facts
17 supporting such statement; and

18 (3) the employer has not invoked the protection of this safe harbor provision in the previous twelve
19 (12) months, nor twice in the previous thirty-six (36) months; and

20 (4) no more than six months have passed since the first date of the violation or omission; and

21 (5) A correction, cure or elimination shall be considered sufficient where (A) the requirements of
22 this Chapter have been met or are in the process of being met; and (B) any individually impacted
23 employees, if any, have been notified of the omission or violation in writing; and (C) the employer
24 certifies that they will post, in a conspicuous place accessible to employees of the employer, for a
25 period of no less than sixty (60) days from the date of the certification, a notice informing the
26 employees of the violation or omission, including the nature and date(s) of the violation(s) or
27 omissions(s).

28 (b) Nothing in this section shall be construed as limiting the rights of impacted employees to bring
29 an action for enforcement of their rights in a court of competent jurisdiction, or act as an exhaustion
30 requirement for bringing such action.
31

32 **SECTION 3.** If any section or provision of this Ordinance is for any reason held to be invalid or
33 unconstitutional by any court of competent jurisdiction, or contravened by reason of any
34 preemptive legislation, the remaining sections and/or provisions of this Ordinance shall remain

1 valid. The City Council hereby declares that it would have adopted this Ordinance, and each
2 section or provision thereof, regardless of the fact that any one or more section(s) or provision(s)
3 may be declared invalid or unconstitutional or contravened via legislation.

4 **SECTION 4.** Except where otherwise effective dates are given, this ordinance shall take effect
5 upon ninety (90) days from its passage and approval.

6