

ORDINANCE NO. 20 - _____

**AN ORDINANCE ADDING CHAPTER 18 (SHORT-TERM RESIDENTIAL RENTALS)
OF TITLE 3 (BUSINESS AND LICENSE REGULATIONS)
OF THE NAPERVILLE MUNICIPAL CODE**

RECITALS

- A. WHEREAS**, the short-term residential rental trend came into prominence in 2007 and offers benefits such as tourism, economic benefit to property owners, and collection of municipal hotel and motel use taxes; and
- B. WHEREAS**, the short-term residential rental market, if not properly regulated, has the potential to impact neighboring residential properties based on concerns resulting from noise, parties, transiency, and spillover parking; and
- C. WHEREAS**, short-term residential rentals may be appropriate within a residential zoning district when conducted in a manner consistent with other uses permitted within said residential zoning district; and
- D. WHEREAS**, the commercial use of a short-term residential rentals, including advertisement and utilization as a venue for parties, events, or large gatherings, is inconsistent with the intent and purpose of residential zoning; and
- E. WHEREAS**, the Naperville City Council discussed potential regulation options and directed staff to prepare short-term residential rental regulations on June 16, 2020; and
- F. WHEREAS**, the City of Naperville is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals, and welfare; and
- G. WHEREAS**, the Naperville City Council has determined that it is appropriate to add a new Chapter 18 (Short-Term Residential Rentals (STR)) to Title 3 (Business and License Regulations).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS, in exercise of its home rule authority, as follows:

SECTION 1: The Recitals set forth above are incorporated herein and made part hereof as though fully set forth in this Section 1.

SECTION 2: Chapter 18 (Short-Term Residential Rentals) of Title 3 (Business and License Regulations) of the Naperville Municipal Code is hereby amended by adding the Chapter and language, as follows:

TITLE 3 (BUSINESS AND LICENSE REGULATIONS)

CHAPTER 18 – SHORT-TERM RESIDENTIAL RENTALS

SECTION:

3-18-1: - DEFINITIONS:

The following words and phrases shall, for the purposes of this Chapter, have the meanings respectively ascribed to them by this Section, as follows:

BEDROOM:	A private room planned and intended for sleeping, separated from other rooms by a door, and including windows and a closet as defined in the International Residential Code as adopted by the City of Naperville, as amended from time to time.
RESIDENTIAL STRUCTURE:	A residential structure located in a residential zoning district within the corporate limits of the City of Naperville, as residential districts are defined in Title 6 hereof (Zoning Regulations), as amended from time to time.
SHORT-TERM RESIDENTIAL RENTAL (OR STR):	A Residential Structure, as defined herein, offered for rent for a period which does not exceed thirty (30) consecutive days. The term “Short-Term Residential Rental” or “STR” shall not include hotels, bed and breakfast establishments, or boarding facilities as those terms are defined in Title 6 hereof (Zoning Ordinance) as amended from time to time.
SHORT-TERM RESIDENTIAL RENTAL PROPERTY OWNER (OR STR OWNER):	The individual or entity which has title to the property which is the subject of a Short-Term Residential Rental.
SHORT TERM RESIDENTIAL REGISTRATION:	The self-registration process by which an STR Owner or Operator registers a Residential Structure within the City of Naperville for Short-Term Residential Rental purposes under this Chapter, as set forth in Section 3-18-3 herein.
SHORT-TERM RESIDENTIAL RENTAL OWNER OR OPERATOR (OR STR OWNER OR OPERATOR):	Any individual or entity that owns and/or operates a Residential Structure as an STR, as defined herein.
SHORT-TERM RESIDENTIAL RENTER (OR STR RENTER):	An entity or adult individual renting an STR.

3-18-2: - PURPOSE AND APPLICABILITY:

It is the intent and purpose of this Chapter (Short-Term Residential Rentals) to provide regulations which permit a Residential Structure to be utilized for the purpose of providing short-term housing, while also establishing minimum regulations which are intended to ensure that STRs operate in a manner consistent with the character and function of a residential zoning district. The rental of individual bedrooms within a Residential Structure shall not be subject to the terms of this Chapter, but shall be subject to the provisions of 6-2-15 (Boarding Facilities) of Title 6 (Zoning Ordinance) of this Code.

3-18-3: - STR REGISTRATION:

1. In order to operate an STR within the City of Naperville, an STR Owner or Operator, as applicable, is required to complete an STR Registration on the City of Naperville's website (www.naperville.il.us).
 - 1.1. STR Registration shall be made via a form provided by the City of Naperville that shall require the provision of certain information for each STR, including but not limited to: the address, number of bedrooms, maximum occupancy permitted by this Chapter, on-site parking accommodations, and the full name and current contact information of the STR Operator and STR Owner; and contact person responsible for the STR who is available on a 24-hour basis, 7 days per week, during periods when the STR is rented, including at a minimum, cell phone (or, if none, landline) numbers, and email address. Any business entity which is an STR Owner or Operator must be authorized to transact business in the State of Illinois and shall provide the full name, address, and telephone number of individual authorized to execute the STR rental agreements and its registered agent.
 - 1.2. At all times STR Owners and Operators are obligated to maintain up-to-date and accurate information regarding their STR Registration on file with the City of Naperville. If a Residential Structure will no longer be used as an STR, the STR Owner or Operator shall promptly notify the City of Naperville via the City's website.
2. It shall be an ordinance violation under Section 3-18-7 to operate an STR in violation of any of the STR Registration requirements.
3. By virtue of registering a property as an STR, the STR Owner and the STR Operator (if not the same person or entity) acknowledge and agree to comply with the provisions of this Chapter. STR Owners and STR Operators, by virtue of STR Registration, consent to accept service of any notice of violation of the provisions of this Chapter in the manner set forth in Section 3-18-8 hereof.

3-18-4: - USE OF SHORT-TERM RESIDENTIAL RENTALS:

STRs shall at all times be in compliance with the following provisions:

1. The total number of individuals permitted for rental of an STR shall not exceed the number of bedrooms in the STR times two (2), plus four (4) additional people. Notwithstanding the foregoing, in no event shall the number of occupants at an STR exceed twenty (20) persons regardless of the number of bedrooms in the STR.
2. The STR must be the primary residence of the STR Owner. This provision will be satisfied if the owner of the Residential Structure, or, if the Residential Structure is owned by a trust or other entity, the trustee or principal agent of said entity, resides in the Residential Structure as a non-STR residence for more than six (6) months each calendar year so that the STR use is an incidental use of the Residential Structure.
3. The discharge of firearms or fireworks on an STR property is prohibited.
4. Appropriate fire and carbon monoxide detection and alarm equipment shall be appropriately installed and located within the STR and shall be operational at all times.
5. AN STR Owner, STR Operator, and STR Renter shall at all times comply with all applicable federal, state, and local laws, including the Naperville Municipal Code, as amended from time to time, including but not limited to: Title 5 (Building Regulations), and Title 6 (Zoning Regulations),
6. STR Owners or Operators are required to notify every STR Renter in writing, in advance of rental, of the regulations set forth in this Chapter. Such notification may be satisfied by providing STR Renters with a copy of the STR Registration.
7. Homeowners' associations and condominium associations may prohibit STRs by written bylaw and/or by covenant.
8. STR Owners or Operators and STR Renters shall be respectful of the residential character of the adjacent neighborhood, and to that end, shall at all times:
 - 8.1. Maintain the property free of garbage, trash, and litter.
 - 8.2. Maintain noise and lighting levels on the property that comply with the limits established in Chapter 14 (Performance Standards) of Title 6 (Zoning Regulations) of this Code.
 - 8.3. Garbage shall be neatly stored and left outside only on the day of garbage pick-up.
 - 8.4. Parking shall be made available to STR Renters so as to accommodate as many vehicles related to the STR on-site as possible; any off-street parking utilized by the STR shall comply with Section 6-2-20 (Motor Vehicle

Regulations in Residential Districts) of this Code, as amended from time to time.

8.5. The STR Owner or Operator shall post the following in a conspicuous and accessible location throughout the duration of any STR:

8.5.1. An up to date copy of the STR Registration required in Section 3-18-3 above; the Registration will cite the regulations set forth in this Chapter.

8.5.2. Information regarding the day of garbage pick-up and requiring that garbage be neatly stored and left outside only on the day of garbage pick-up.

8.5.3. Information regarding the location and operation of available fire suppression equipment.

3-18-5: - SHORT TERM RENTAL PROHIBITED ACTS:

It shall be unlawful for any STR Owner or Operator, or STR Renter to:

1. Violate the provisions set forth and referenced in this Chapter.
2. Operate, offer for rent, or advertise an STR for purposes of hosting parties, events or gatherings which would exceed the maximum number of individuals as set forth in Section 3-18-2:2.1 above.
3. Fail to timely pay applicable taxes including, but not limited to, those provided in Chapter 10 (Hotel and Motel Use Tax) of Title 3 (Business and License Regulations) of this Code, as amended from time to time.

3-18-6: - PUBLIC NUISANCE DECLARED:

Operation of any Short-Term Residential Rental within the City of Naperville in violation of the provisions of this Chapter may be deemed a public nuisance and abated by the City of Naperville pursuant to all available remedies, including but not limited to injunctive relief. In addition to the penalties provided for herein, the City of Naperville shall be entitled to receive from an STR Owner and Operator reimbursement for the cost of City services, including to but not limited to reasonable attorney fees, incurred by the City of Naperville to abate an STR operating as a public nuisance.

3-18-7: - PENALTIES:

Any STR Owner or Operator, STR Renter, or other person or entity who violates any of the provisions set forth or referenced in this Chapter, shall be subject to the following penalties:

1. A fine of five hundred dollars (\$500.00) for a first offense within a 12-month period, and a fine of one thousand dollars (\$1,000.00) for a second or subsequent offense within a 12-month period.
2. Each day that a violation of this Chapter continues shall be considered a separate and distinct offense and a fine shall be assessed for each day a provision of this Chapter is found to have been violated. Notwithstanding the forgoing, the escalation of fines as set forth above shall not occur until a finding of a violation against the STR Owner or Operator, or STR Renter has been entered.
3. Continued violations of this Chapter are subject to an injunction to enforce this Chapter.

3-18-8: NOTICE OF VIOLATION:

The notice of a violation of the provisions set forth or referenced in this Chapter shall be served in any of the following manners:

1. Personal service of process by handing the notice of violation to the respondent, or their employees or agents, by any authorized City of Naperville official, police officer; or code enforcement officer.
2. Personal service of process as authorized by the Illinois Code of Civil Procedure, 735 ILCS 5/2-203.
3. Mailing the notice by certified mail, return receipt requested to the respondent's last known address, or in the case of a business, to the address for the registered agent or the address for its principal place of business. The address on file with the City of Naperville as part of an STR registration shall serve as the last known address for the respective STR Owner and STR Operator.
4. Emailing the notice to the to the respondent's last known email address when the respondent is the STR Owner or STR Operator. The email address on file with the City of Naperville as part of an STR registration shall serve as the last known address for the respective STR Owner and STR Operator; Posting the notice upon the property where the violation is found when the respondent is the STR Owner or STR Operator.

SECTION 3: This Ordinance shall take effect on September 1, 2020 except as follows:

A property owner that can demonstrate to the City Attorney that a rental agreement was fully executed prior to August 5, 2020 permitting the use and occupancy of a Naperville residential property as a short-term rental for dates up to and including October 5, 2020 shall be considered a pre-existing short-term residential rental (hereinafter "Pre-Existing Short-Term Rental"). For said Pre-Existing Short-Term Rentals, the residence may continue to

be used as previously agreed upon through said rental agreement, even if said use is found to be in violation of the new provisions of Chapter 18 (Short-Term Residential Rentals) of Title 3 (Business and License Regulations). Any rental agreements executed prior to August 5, 2020 that would permit occupancy of a residence as a short-term rental on or after October 6, 2020, or any rental agreement executed on or after August 5, 2020, shall be required to comply with all provisions of Chapter 18 (Short-Term Residential Rentals) of Title 3 (Business and License Regulations).

PASSED this day of _____ , 2020.

AYES:

NAYS:

ABSENT:

APPROVED this day of _____, 2020.

Steve Chirico
Mayor

ATTEST:

Pam Gallahue, Ph.D.
City Clerk