



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2919

by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

New Act

Creates the Short-Term Rental Act. Provides that units of local government may not enact or enforce an ordinance, regulation, or plan that has the express or practical effect of prohibiting short-term rentals. Restricts the use of or regulation of short-term rentals based on their classification, use, or occupancy. Allows the regulation of short-term rentals to protect public health, safety, sanitation, traffic control, solid or hazardous waste control, pollution control, and other specified circumstances. Requires short-term rental platforms to apply, calculate, collect, and remit taxes imposed on the owner or occupant of a short-term rental. Defines terms. Limits home rule powers. Effective immediately.

LRB101 06241 AWJ 51267 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Short-Term Rental Act.

6 Section 5. Purpose. The purpose of this Act is to promote
7 access to short-term rentals by limiting local governmental
8 authority to prohibit these beneficial property uses or to
9 specifically target them for regulation except in
10 circumstances necessary to safeguard public health and welfare
11 and to promote property owners access to platforms for offering
12 their properties as short-term rentals and enhancing local tax
13 revenue by requiring platforms to assume tax collection and
14 remittance responsibilities.

15 Section 10. Definitions. As used in this Act:

16 "Short-term rental" means a single-family dwelling, or a
17 residential dwelling unit in a multi-unit structure,
18 condominium, cooperative, timeshare, or similar joint property
19 ownership arrangement that is rented for a fee for less than 30
20 consecutive days. "Short-term rental" includes vacation
21 rentals. "Short-term rental" does not include: (a) a unit that
22 is used for any non-residential purpose, including

1 educational, health care, retail, restaurant, banquet space,
2 event center, or another similar uses; (b) a bed and breakfast
3 establishment as defined in Section 2 of the Bed and Breakfast
4 Act; or (c) transient accommodations, including hotels and
5 motels that are not classified as residential property for real
6 property taxation purposes.

7 "Short-term rental marketplace" means a platform through
8 which the owner or authorized agent of the owner of a
9 single-family dwelling or residential dwelling unit offers a
10 short-term rental to an occupant.

11 "Unit of local government" has the meaning given to that
12 term in Section 1 of Article VII of the Illinois Constitution.

13 Section 15. Limitations in short-term rentals.

14 (a) A unit of local government may not:

15 (1) enact or enforce an ordinance, regulation, or plan
16 that has the express or practical effect of prohibiting
17 short-term rentals;

18 (2) restrict the use of or regulate short-term rentals
19 based on their classification, use, or occupancy; or

20 (3) regulate the operation of a short-term rental
21 marketplace except as provided for in Section 20.

22 (b) Notwithstanding the limitations in subsection (a), a
23 unit of local government may enact and enforce an ordinance,
24 regulation, or plan that regulates short-term rentals based on
25 their classification, use, or occupancy if the unit of local

1 government:

2 (1) demonstrates that the ordinance, regulation, or
3 plan is necessary to achieve a primary purpose of
4 protecting public health and safety, including fire and
5 building codes, health and sanitation, traffic control,
6 and solid or hazardous waste and pollution control;

7 (2) limits or prohibits the use of short-term rentals
8 by sex offenders; in the commission of criminal offenses;
9 for the selling of drugs, liquor, pornography, or obscene
10 materials; for topless dancing or other adult-oriented
11 businesses; or for any commercial purpose of the occupant
12 of the short-term rental; or

13 (3) applies sales taxes and fees to short-term rentals
14 at the same rate and on the same tax base as equivalent
15 taxes and fees applied to commercial transient lodgings,
16 such as hotels, within the taxing jurisdiction.

17 Section 20. Taxes imposed on owner or occupant. A
18 short-term rental marketplace shall apply, calculate, collect,
19 and remit taxes imposed on the owner or occupant of a
20 short-term rental.

21 Section 25. Home rule limitation. A home rule unit may not
22 regulate short-term rentals or short-term rental marketplaces
23 in a manner inconsistent with this Act. This Section is a
24 limitation under subsection (i) of Section 6 of Article VII of

1 the Illinois Constitution on the concurrent exercise by home
2 rule units of powers and functions exercised by the State.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.