

ORDINANCE

WHEREAS, The City Council of Chicago should strive to provide City residents with consumer protections to prevent predatory business practices; and

WHEREAS, The City of Chicago (“City”) is a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, 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, and welfare; and

WHEREAS, A residential lease within the City should always include a clear and definite offer, which provides the signee with transparency and legibility; and

WHEREAS, An increasing trend in leasing practices substitutes a security deposit fee with a “move-in” fee for tenants and prospective tenants, the main difference being that a tenant cannot recover reimbursements at the end of the lease period for “move-in” fees; and

WHEREAS, Move-in fees are not regulated by the current City Code, meaning landlords can require these fees to be non-refundable; and

WHEREAS, Landlords should not be permitted to establish one-time fees to off-set their expenses associated with upkeep and maintenance prior to entering a leasing contract; and

WHEREAS, Junk fees in the form of move-in fees or other surcharges are often not itemized or disclosed to tenants and prospective tenants; now, therefore

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

SECTION 1. Chapter 5-12 of the Municipal Code of Chicago is hereby amended by inserting a new Section 5-12-035, as follows:

5-12-35 Limitations on fees.

(a) Except as otherwise provided by law, no landlord may demand any payment, fee, or charge for the processing, review, or acceptance of an application, or demand any other payment, fee, or charge before or at the beginning of the tenancy, including but not limited to application fees, move-in fees, and fees for background checks or credit checks, without first providing the applicant with an itemized list of the landlord's reasonable estimate of the costs that comprise such fee. Landlords shall not: (i) charge the applicant or tenant, as applicable, any fee in excess of the reasonable cost of that expense; (ii) charge for costs associated with routine maintenance and the upkeep of the premises; or (iii) rename a fee or charge to avoid application of this prohibition.

(b) Any provision of a rental agreement waiving or limiting the provisions of this section is unenforceable. The applicant or tenant may recover actual damages sustained because of the

enforcement of a prohibited provision or demand for payment of a fee in violation of this section. If the landlord attempts to enforce a provision in a rental agreement prohibited by this section, the tenant may recover two months' rent. Any landlord who violates this section shall be subject to a fine of not less than \$200 and not more than \$500 per offense.

SECTION 2. Section 5-12-140 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by inserting the language underscored, as follows:

5-12-140 Rental agreement.

Except as otherwise specifically provided by this chapter, no rental agreement may provide that the landlord or tenant:

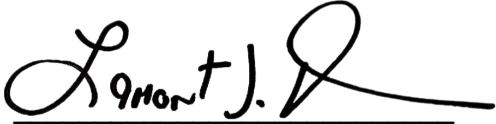
(Omitted text is unaffected by this ordinance).

(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 \$500.00 in monthly rent plus five percent per month for any amount in excess of \$500.00 in monthly rent;

(j) Agrees that the tenant will pay a fee in excess of the reasonable cost of that expense, including, but not limited to, pre-tenancy fees. A landlord shall not rename a fee or charge to avoid application of this prohibition.

(Omitted text is unaffected by this ordinance).

SECTION 3. This ordinance shall take effect January 1, 2025.


LAMONT J. ROBINSON
Alderman, 4th Ward