



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**CITY OF CHICAGO INFORMS RESIDENTS OF NEW LAWS COMING INTO EFFECT
IN 2021**

New local laws and regulations will support workers and their families, increase access to affordable housing, provide relief to businesses, close an historic budget gap and help address public safety issues.

CHICAGO—Mayor Lori E. Lightfoot, along with various City Departments and agencies, is informing Chicago residents, workers and businesses of new local laws, regulations and deadlines that they should be aware of in 2021. These new laws include: the implementation of important protections for Chicago's workers; regulations to reform the shared housing industry to ensure safe and responsible operation; the extension of relief measures for businesses; the legalization of Accessory Dwelling Units in pilot areas; the implementation of new revenue sources that help close an historic budget gap without overly burdening any one group and policy changes to Automatic Speed Enforcement to enhance public safety.

"As we enter 2021 with renewed hope, the City is working to implement new laws passed this year that make our city safer, more equitable and more sustainable," said Mayor Lightfoot. "These laws affect everyone from workers and small businesses to travelers and home-owners, and we want to make sure that everyone is aware of the regulations and deadlines that affect their lives."

Minimum Wage

The COVID-19 pandemic has underscored the importance of Chicago's workers, and their essential role in keeping our city running and our residents safe. It is more important than ever to ensure that workers have the protections and financial stability that they deserve. On July 1, 2021, as a fulfillment of an ordinance passed in 2019, hundreds of thousands of Chicagoans will get a raise. On that day, Chicago's minimum wage will increase to \$15 an hour at large businesses and \$14.50 an hour for workers at businesses with 20 or fewer employees. Also on July 1, the minimum wage for tipped workers will increase to \$9.00 an hour, with employees required to make up the difference if base wage plus tips do not equal \$15.00 an hour. This effort, styled as the "Fight for \$15", was the culmination of years of efforts on the



part of organized labor and workers' rights advocates, and pushed to resolution through Mayor Lightfoot's efforts to bring businesses of all sizes to the table.

Shared Housing Reforms

In September 2020, City Council passed an ordinance that reforms the regulation of the Shared Housing industry in Chicago. As part of this landmark ordinance, a series of new regulatory measures will come into effect on April 1, 2021 that will ensure public safety and accountability within the industry. As part of this new regulatory structure, Chicagoans that use platforms like Airbnb or HomeAway among others to rent their residential units will now need to apply directly with the Department of Business Affairs and Consumer Protection and pay a new \$125 registration fee. This will improve the City's ability to ensure regulations are being met and take enforcement when necessary against problem locations.

Accessory Dwelling Unit Legalization

Starting May 1, 2021, Accessory Dwelling Units (ADUs) will be legalized in five areas around the city, increasing access to safe, affordable housing for thousands of Chicagoans. Under this new program, attics, basements and coach houses will be lawfully permitted in these zones and the Department of Housing will launch a three-year evaluation period to report on ADU activities and make recommendations for a permanent citywide policy. These areas include:

- North zone covering parts of the West Ridge, Edgewater, Uptown, Lake View, North Center, and Lincoln Square community areas;
- Northwest zone covering parts of the Albany Park, Irving Park, Avondale, Hermosa, Logan Square, West Town, Near West Side, and East Garfield Park community areas;
- West zone covering parts of the East Garfield Park, West Garfield Park, North Lawndale, and South Lawndale (Little Village) community areas;
- South zone covering parts of the Ashburn, Auburn Gresham, West Lawn, Chicago Lawn, Washington Heights, Roseland, Chatham, Greater Grand Crossing, Englewood, West Englewood, Washington Park, and Woodlawn community areas; and,
- Southeast zone covering parts of the South Chicago, East Side, South Deering, and Hegewisch community areas.

Extension of Business Relief

As thousands of Chicago businesses continue to deal with the significant impact of the COVID-19 crisis, the City has moved to give further relief to businesses by extending critical relief efforts and renewal dates into 2021. As a part of these measures, all existing Sidewalk Cafes will be now be able to operate until May 1, 2021 without needing to renew or pay a renewal fee. Additionally, all business and public vehicle licenses with an expiration date between March 15, 2020 and June 15,



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2021 will be considered active and will not need to pay a renewal fee until July 15, 2021. Licensees will have until July 15, 2021 to renew without paying a late fee.

Vehicle Fuel Tax and Cloud Tax

In order close an historic \$1.2 billion deficit, the City's 2021 pandemic budget relied on a number of revenue sources and cost savings designed to minimize the burden on any single business sector or resident. Among those will be a series of modest increases in taxes and fees that come into effect on January 1, 2021. This includes an increase in the Vehicle Fuel Tax by \$0.03 per gallon on non-aviation purchases. To fill up a 12-gallon gas tank, motorists will see an increase of approximately \$0.36. Additionally, there will be a 1.75 percentage point increase to the cloud tax which is applied to computer leases of cloud software and cloud infrastructure. This tax aligns with the tax imposed on all other lease, rental or use of rented, personal property currently taxed at 9 percent.

Parking Meter Rates

Consistent with legislation passed last year and in accordance with the calculation therein, the parking meter rates for the \$2-per-hour zone will increase by a quarter to \$2.25 per hour on January 2. Rates in the \$4.50 and \$7.00 zone remain unchanged. Through the hard work in managing this contract of over the years, ***the City will begin to generate revenues off the parking meter contract for the first time since its inception.***

New Threshold for Automated Speed Enforcement

In response to an alarming increase in vehicle speeding and traffic fatalities, the City will enforce the legal limit for issuing speeding violations in Automated Speed Enforcement (ASE) Children's Safety Zones, such as schools when they are in session and children are present and in parks during hours when they are open. Starting on January 15, a 44-day warning period will begin where owners of cars caught speeding between 6-10 mph over the speed limit will receive a warning by mail. The issuing of tickets to vehicles driving 6-10 MPH over the speed limit in ASE zones during hours of enforcement will start March 1. Fines are \$35 for vehicles traveling 6-10 MPH over the speed limit and will remain \$100 for vehicles driving at 11 miles or more over the speed limit. A map of the City's speed cameras and Children's Safety Zones can be found at <https://webapps1.chicago.gov/traffic/>.