



OFFICE OF THE MAYOR  
CITY OF CHICAGO

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**MAYOR RAHM EMANUEL ANNOUNCES 60 PERCENT REDUCTION IN LICENSE TYPES TO HELP  
SMALL BUSINESSES START AND EXPAND IN CHICAGO**

*Reforms Cut Chicago License Types from 117 to 49;*

*Eliminates Unnecessary Red Tape, Establishes New Inspector Tools for Simpler, Smarter Licensing  
System that Better Serves All Small Businesses*

CHICAGO – Mayor Rahm Emanuel today joined small business owners to announce a new ordinance to make Chicago's licensing system simpler and smarter by reducing the number of required licenses by 60 percent, from 117 to 49. Businesses will need to obtain fewer licenses, saving them money and time. The new reforms mean fewer business owners will be fined for having the wrong license. All in all, over 10,000 small businesses will see an annual savings of over \$2 million.

"Getting a business started in Chicago too often requires navigating a maze of rules and red tape. This complexity favors those with the money and connections to hire insiders that can show them the way, leaving small businesses to fend for themselves," said Mayor Emanuel. "Chicago's licensing code contains nearly 120 license types. That is more than Los Angeles, Philadelphia, Phoenix, and Atlanta combined, and many of these licenses don't make sense for a 21<sup>st</sup> century city. Cutting this red tape reduces confusion and saves business owners time and money that they can spend on growing their businesses and creating jobs."

Too often, Chicago business owners pay for licenses they either do not need or should not have to get. For example, pet store owners not only have to get a pet shop license to sell gold fish, but they also need an additional license to sell a fish bowl or fish food. Some auto repair shops obtain as many as four licenses: one to work on cars, one to store chemicals, one to hold tires, and one to sell windshield wipers.

The smarter licensing reforms will allow city inspectors to spend less time citing businesses for having the wrong licenses and more time focusing on problem businesses. The new proposal also



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includes additional tools inspectors can use to crack down on irresponsible business owners, including those that sell tobacco to minors, deceive and defraud consumers, and violate the law.

The proposal also gives city government the flexibility to act as more of a partner to new and emerging businesses, like Logan Square Kitchen where the Mayor made today's announcement, by authorizing the city to provide novel businesses with a temporary permit that allows them to get up and running while the city figures out how best to license them.

"This approach gets government out of the way of innovation and gives Chicago's entrepreneurs a shot at success," said Rosemary Krimbel, Commissioner of the Department of Business Affairs and Consumer Protection (BACP).

Over the past several months, the Mayor's Innovation Delivery Team and BACP heard directly from business owners from across the city through a series of neighborhood business roundtables hosted by the Industrial Council of Nearwest Chicago, local chambers of commerce and business associations for Albany Park, Chatham, Lakeview East, Little Village, and Portage Park. Numerous surveys and interviews were conducted with over 100 small business owners and entrepreneurs.

Mayor Emanuel's proposal also draws from successful approaches to licensing in place in other major cities. The Innovation Delivery Team canvassed cities across the country and spoke directly to the licensing departments for New York, Atlanta, and Philadelphia to learn from their experiences.

Mayor Emanuel committed to reforming the licensing and inspection process during his campaign.

Innovation Delivery Teams help mayors develop and deliver powerful solutions to major urban challenges. Situated in a mayor's office, these teams of top performers bring rigorous focus and best-in-class practice to identifying powerful solutions, developing implementation plans and then managing for results. Chicago is one of five cities to receive an Innovation Delivery Team grant from Bloomberg Philanthropies. Through these investments, Bloomberg Philanthropies seeks to both support grantee cities to achieve impact as well as establish a model that can be used by mayors anywhere to develop and drive innovation over time. The Mayors Project spreads effective programs and strategies between cities.

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