



**CITY OF URBANA**  
*Legal Division*  
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**TO:** Mayor Laurel Lunt Prussing and Urbana City Council

**FROM:** Curt Borman, Acting City Attorney  
Elizabeth H. Tyler, FAICP, Community Development Director

**DATE:** May 5, 2011

**SUBJECT:** Consideration of an Ordinance Amending Chapter 14 of the Urbana City Code to Establish a Hotel and Motel Business License

### ***Introduction***

The proposed Code amendment will establish an annual licensing requirement for the City's hotels and motels.

### ***Background***

Mayor Prussing has asked the Legal Division to draft an ordinance requiring each hotel and motel operating in the City of Urbana to annually obtain a business license. The proposed ordinance does this and also requires each hotel and motel to maintain a register of guests, to keep its facilities clean and in good repair, and to make a floor plan of its guest rooms available to emergency responders.

The ordinance is intended to aid in collection of the City's hotel/motel use tax and in enforcement of its life safety and other ordinances. If the ordinance is passed, the City may suspend or revoke the license of any hotel or motel that fails to remit its monthly hotel/motel use taxes or that violates the Fire Prevention Code, the Property Maintenance Code, or any other City ordinance.

### ***Discussion***

In recent years, the City of Urbana has experienced some difficulties in collecting hotel/motel taxes from some of the hotel/motel facilities in the city. In addition, there have been code compliance issues at some hotel/motel facilities that have required enforcement actions on the part of the City. The attached ordinance will assist in the City's enforcement and collection efforts.

Also in recent months – again due to increased concerns about some hotel/motel properties -- the Community Development and Fire Rescue departments have begun a systematic joint inspection program to ensure that all hotel/motel properties in the City are safe from a building code, property maintenance, and fire protection code perspective. This joint inspection program

supplements the ongoing commercial fire inspection program that has been underway for several years and provides for a more thorough inspection of all code sections. The goal of the program is to conduct a complete inspection of all 17 establishments on a two- to three-year cycle. The inspections conducted so far have identified a number of minor issues at the establishments that have been inspected and have met with excellent cooperation and compliance by the owner/managers of the establishments.

Among the items that are reviewed in the inspections is the status of occupancy of the hotel/motels to ensure that the hotel is not being used as a *de facto* apartment complex. Building code requirements differ for hotel/motel construction and apartment construction. For example, apartments typically have full kitchens with fire separation requirements and unit accessible circuit breakers. In addition, receipt of hotel/motel taxes can be impacted if residents stay longer than 30 days. For these reasons, the Urbana Zoning Ordinance requires that hotels offer rooms for less than 30 consecutive days. In the event that any hotel rooms are found which are occupied on a non-transient basis for longer than 30 consecutive days, Community Development staff will work with the occupants to locate safe, decent affordable housing which can be rented on a permanent basis. As a future plan case item, Community Development staff will be investigating an amendment to the Urbana Zoning Ordinance to address extended stay hotels, in the event that this construction type is proposed in the future.

### ***Outreach***

Community Development staff presented the draft ordinance at a February 17, 2011 meeting of the Champaign-Urbana Hotel Lodging Association (CUHLA). Members in attendance expressed some support and some concerns about the ordinance. Among the concerns that were expressed were the following. A response to the concern is also provided:

- Privacy Laws – privacy laws and court cases concerning guest registers are now very restrictive and hotel/motels may have trouble providing these to city inspectors.  
*Urbana legal staff have reviewed the pertinent laws and cases and are assured that the ordinance is within lawful parameters.*
- Extended Stay – It is not unusual for guests to stay longer than 30 days, for everyone from construction workers to those suffering from emergencies like house fires and floods to executives looking to purchase a home and relocate families after a new job.  
*As noted above, Community Development staff will prepare a plan case to address the emerging use of extended stay hotels. However, hotel/motels are not designed to serve as permanent residences and hotel/motel tax cannot be collected if occupants stay longer than 30 days.*
- Necessity – Hotel/motels already come under a number of inspections, including fire inspections, sprinkler inspections, health inspections, etc. What would a new permit add to this that can't already be achieved through existing inspections?  
*As discussed above, the ordinance is a license requirement that will augment our existing inspection programs to achieve improved compliance and to aid in serious situations where a hotel/motel should not be operating due to nonpayment of taxes and/or significant life safety concerns.*

- Class of Hotels – Most of the problems come from the economy line of hotels/motels, rather than limited service or full service hotels. Is there a way to focus on economy line lodging rather than all lodging?

*It is not practical or defensive from an equal treatment basis to limit the ordinance to only a specific category or categories of hotel/motel operations.*

On March 30, 2011, the Mayor and City staff presented the draft ordinance to the Mayor's Neighborhood Safety Task Force for its review and recommendation. The Task Force recommended approval of the Ordinance by a vote of 7 – 2.

### ***Fiscal impact***

The fiscal impact will not be significant. Currently, only 17 hotels and motels operate in the City. The proposed ordinance would require each to pay \$150 per year for a license, for a total of \$2,550. Approval of the ordinance will, however, give the City greater ability to enforce the Urbana City Code. Non-approval will hinder the City in its efforts to enforce the Code.

### ***Recommendation***

Approve the ordinance amending Chapter 14 of the Urbana City Code to establish a hotel and motel business license.

ORDINANCE NO. 2010-10-096

AN ORDINANCE AMENDING CHAPTER FOURTEEN OF THE URBANA CITY CODE TO  
ESTABLISH A HOTEL AND MOTEL BUSINESS LICENSE

**WHEREAS**, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health and safety; and

**WHEREAS**, the Mayor and City Council find that amending Chapter 14 of the Urbana City Code to establish a business license for hotels and motels will protect the health, safety, and welfare of the citizens of the City.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

**Section 1.**

Urbana City Code Chapter 14, "Licenses and Permits," is hereby amended by adding the following Section thereto:

**Section 14-19.** Hotels and motels.

(a) **License required.** No person shall operate a hotel or motel in the city without a valid license. For purposes of this section, "hotel" and "motel" have the same definitions as provided in the Urbana Zoning Ordinance, as amended.

(b) **Register.** Every licensee shall at all times keep a register within the premises in which shall be written the names and permanent addresses of all guests renting or occupying rooms in such hotel or motel. The register shall also contain the signature of the person renting the room, the room number occupied, and the dates and times of registration and checkout. The register shall at all times be open for inspection by city officials.

(c) **Operating standards.**

(1) No licensee shall rent, let, or otherwise allow occupation of any room that is unsanitary, in a state of disrepair, or in a deteriorated condition that would render it unfit for human

occupation.

(2) Every licensee shall keep all common areas accessible by or visible to guests free of litter, garbage, and offensive odors.

(3) Every licensee shall keep all buildings, structures, walkways, parking areas, signs, fencing, lighting, and other physical improvements on the property in good repair and shall regularly maintain all landscaping.

(4) Every licensee shall number in a plain conspicuous manner every guest room. No two guest rooms shall bear the same number. Every licensee shall maintain a current floor plan of the premises showing the location of all guest rooms and their numbers and shall make the floor plan available to law enforcement or fire personnel, if needed, when responding to or investigating incidents on the premises.

**Section 2.**

Urbana City Code Chapter 14, "Licenses and Permits," Section 14-7, "Schedule of fees," subsection (B), "General," is hereby amended by adding the following fee thereto:

12. Hotel or motel business license.....\$150

**Section 3.**

This ordinance will take effect on July 1, 2011.

**Section 4.**

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

**Section 5.**

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall

any right or remedy of any character be lost, impaired, or affected by this Ordinance.

**Section 6.**

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor