

Business Licensing 101



About Business Licenses

Business License Requirements

- Most business operating in Chicago require a City of Chicago business license

Business License Exemptions

- Some businesses licensed by the State of Illinois are exempt from City licensure
- Ex: Doctors, Attorneys, Architects, PA's

Trade Licenses Issued by Department of Buildings (DOB)

- Department of Buildings issues General Contractor, Electrician, Plumbing & Mason licenses

Types of Business Licenses

Limited Business Licenses (LBL)

- Retail sales
- Broker
- * Administrative offices
- * Retail Computing Center

Regulated Business Licenses (RBL)

- Home Occupation
- Home Repair
- Body Art
- Board up work
- * Expediter
- * Hotel
- * Long Term Care
- * Residential Real Estate Developer

Specialized Licenses

- Retail Food
- Liquor
- Tobacco
- Animal Care
- * Children's Services
- * Filling Station
- * Garage
- * Massage
- * Motor Vehicle Service
- * Public Place of Amusement

Standard Application Requirements

- Business' Legal and DBA name, Ownership Information and Legal Entity Type
- Business Location address and Square Footage
- Detailed description of all business activities conducted on & off the business location premises
- A valid, government-issued, photo ID from all applicants

If Applicable

- Illinois Secretary of state file number
- Federal Employer Identification Number (EIN)
- Illinois Department of Revenue (IDOR) Account ID number

Additional Requirements

- Some business license applications require a fingerprint-based criminal background check on every owner, corporate officer, member or any person with a 5%-25% or more interest in the business, as well as every on-site manager
- Examples include Daycare Facilities, Massage, Tobacco Retailers and Liquor

REMINDER

- **BEFORE A BUSINESS OWNER COMMITS TO A LOCATION, IT IS IMPERATIVE TO RESEARCH THE LOCATION AND CONFIRM THE ACTIVITY ALLOWED PER ZONING**

Types of Liquor License

There are 3 main types of liquor licenses in the City of Chicago.

If you are selling/serving liquor to customers on site:

- **Tavern:** the retail sale of alcohol in an enclosed place which is maintained and held out to the public as a place that primarily serves alcohol for consumption on premises (food or entertainment is secondary)
- **Consumption on Premises, Incidental Activity (COPIA):** the retail sale of alcohol for consumption on premises where the sale of alcohol is incidental or secondary to a primary activity (i.e. restaurants, hotels, theatres)

If you are selling prepackaged liquor:

- **Package Goods:** the retail sale of alcohol enclosed in the original capped, sealed, and labeled container

Additional Liquor Licenses

- There are two popular additional “add-on” liquor licenses
- Must have an underlying Tavern or COPIA

Available to Tavern or COPIA licensees:

- **Outdoor Patio:** an additional license which allows alcohol to be sold and consumed on a privately owned, outdoor location adjacent to a premises
- **Late Hour:** an additional license which allows the holder to remain open and permit the sale of alcohol until 4:00am Monday-Saturday and until 5:00am on Sunday.
 - New Late Hour Liquor Licenses are currently prohibited in the following wards:
 - 19, 32, 42, 43, 44, 47 and 50

Possible Licensing Restrictions

Zoning Code Restrictions

- Underlying allowable land use will control everything regarding your business license application
- This is the very first thing that will be reviewed at BACP
- In addition to the regular land use considerations, there are also specific zoning restrictions contained in 4-60-020

Moratoriums

- Aldermen have the ability to create areas within their ward where the issuance of a new liquor license is prohibited
- Some very limited exceptions to moratoriums (including incidental consumption for restaurants, hotels, theaters, sports stadiums, etc.)

100 Foot Restrictions

- Liquor licenses are not allowed within 100 feet of public libraries, churches, hospitals, or secondary schools
- If your premises has a church or school within 100 feet, you will need to apply for a distance reduction

Vote Dry Areas

- Entire process governed by Board of Elections
- Will prohibit the issuance of a liquor license within an entire voting precinct, unless area is voted wet (dry/wet – allows package goods sales; dry/dry – no liquor sales at all)

Remember: BACP offers Proximity Restriction Measurements for \$250

Public Place of Amusement License

A Public Place of Amusement (“PPA”) License allows a licensee to present amusement activity to the public

- Examples include: bowling alleys, axe throwing, movie theaters, nightclubs/dance clubs, pool halls, arcades, etc.

A PPA license is required if your official occupancy is over 100 and you are providing any type of amusement activity.

A PPA license is also required anytime you are providing entertainment, which is open to the public, and charging a fee. Occupancy does not matter if you are charging a fee.

PPA licenses also have strict zoning requirements, location restrictions, and have mandatory notifications built into the application process.

PPA licensing can be very complicated. It is highly recommended that you meet with a Hospitality business consultant to discuss your business plan before purchasing a building or entering into a lease for the commercial space.



Business License Application Process for Zoning

- The Zoning division reviews and approves all business license applications, location expansions, and changes of location before processing.
- The City of Chicago is divided into multiple zoning districts that cater to different business and neighborhood purposes.
- Each zoning district has its own set of regulations that dictate which types of business activities are allowed.

What does a zoning review include?

- Proper classification of business activity
- If the business activity(s) is allowed in a specific district
- Compliance with parking, landscape, and building requirements
- Verification of valid driveway permit

Zoning Resources For Business

The Chicago Business Zoning Guide: A reliable and consistent reference for business owners and entrepreneurs, providing clear information on zoning usage.

- Helps business owners understand the zoning regulations and requirements for their establishments.
- Ensures reliable information is readily available for making informed business decisions.

Business Zoning Guide Webinar: Learn how to effectively utilize the guide.

- Offers detailed guidance on navigating the Business Zoning Guide.
- Provides valuable insights on maximizing its benefits.

Interactive Zoning Map: Easily determine the zoning for a specific location.

- Accessible tool for looking up the zoning details of any desired area.
- Enables quick identification of zoning requirements for a potential business location

Zoning Information and Resources

Confirming Zoning Status:

- Call the Business Call Center at 312-74-GOBIZ (744.6249).
- Visit the Chicago Small Business Center (SBC) for in-person consultations.
- Walk-in consultations available from Monday to Friday, 8:30 am - 4:30 pm.
Location: 121 N. LaSalle Street, Room 800.

Zoning Reminders

Financial Commitments and Zoning:

- Do not enter into any financial commitments, like signing a lease, unless certain about being in the proper zoning district that permits the proposed business activity.
- Previous owner's zoning designation does not necessarily apply to you.

Importance of Checking Zoning Requirements:

- Carefully examine the zoning requirements for a proposed business location.
- Ensure compliance with the applicable regulations.

Zoning Tips - Consider

Zoning Board of Appeals

- Some uses require a Special Use and or a Variation from the zoning Board of Appeals (ZBA)

Special Uses

- Some Beauty, Nail and/or Barber Shops
 - Massage Establishments
 - Parking, Non- Accessory
 - Outdoor Patio above the 1st Floor
 - Tavern
 - Pawn Shop
 - Secondhand dealer-Valuable Objects dealer
 - Tattoo Shops, Micro Blading and Permanent Make-up
- *Do Not Assume the previous owners zoning designation applies*

Variation

- Amusement (PPA) that are within 125 feet of any RS1,RS2 and RS3 zoning district



Public Way Use



Public Way Use

The City's streets, sidewalks and parkways are considered the Public Way. That means the City is the "Landlord". For a business or property owner to occupy the public way, a permit is required.

There are 3 broad categories of Public Way Use Occupations

- **Over** Street level (Above Grade):
Canopies/Awnings, Signs, Light Fixtures, Balconies, Banners, Bay Windows
- **On** Street Level (At Grade):
Planters, Decorative Pavers, Bollards, Windscreens, Kiosks, Sidewalk Cafes, Sidewalk Sign (A Frame signs)
- **Under** Street Level (Below Grade):
Vaults, Conduit (encased wiring), Caissons (Foundation), Earth Retention systems, Irrigation Systems, Grease Basins, Grease Separators

Most common PWU Types

Signs, Awnings, Sidewalk Cafes, Canopies, Light fixtures, Banners, Fence, Trash containers, Security Cameras, Planters

Public Way Use

How long is the public way use permit good for?

- ***The Public Way User permit is good for a five-year term, but you are billed annually. The only permit that is not for a five-year term is for sidewalk cafes. The sidewalk café permit is an annual permit with a term from March 1st to the last day of February.***

How do business know when a Public way use permit is needed?

- ***Anything encroaching outside the property line on, over, or below grade requires a Public Way Use permit.***

Can Public Way Use Permits be transferred from business to business at that location?

- ***While Public Way Use Permits are technically non-transferable, there are some situations when permits for unchanged and fixed installations/ structures can be transferred. Examples include vaults, light fixtures or a canopy/awning without lettering or business logo.***

What can be done for businesses that require a PWU permit but are regulated through the State or own the property?

- ***To create a public way use permit account with the Department of Business Affairs and Consumer Protection they will need to fill out a Business information sheet and submit it as part of the application***

PWU Applicant Permit Process

APPLICATION

To begin the application process, visit <https://ipi.cityofchicago.org/Profile>

This new web portal improves the efficiency and effectiveness of Public Way Use permitting by allowing applicants and existing permittees to apply for new permits, renew existing permits, and pay fees (annual and outstanding debt) online.

- Create an account
- Begin application process
- Check on permit status

COMPLETE THE APPLICATION

Applicants are expected to provide the following (*application requirements may vary based on permit type*)

- Applicant Information
- Public Way Use Information (Including the location of the Public Way Use)
- Photograph(s)
- Plan/Diagram(s)
- General Liability Insurance(with proper liability limit amounts, and noting that the City is additionally insured)

SUBMIT APPLICATION

Submit a complete PWU application to BACP for intake review.

- Once the application is submitted, it is referred to the appropriate inspecting department(s) for approval.
- The system will cancel out any applications after 60 days on Inactivity on the User's end. At this point, the application cannot be reopened, and the applicant will need to submit a new application.

Public Way Use – Things to Remember

RENEWING PERMITS:

- Each permit is valid for five (5) years; applicants will be billed each year.
- General liability insurance must be re-submitted and remain current each year or the permit will automatically void. At the end of the five-year term, the application process will need to be repeated.

CITY DEBT:

- Any City debt must be resolved prior to the issuance or renewal of any Public Way Use Permit.

OPERATING WITHOUT A PERMIT:

- Using the public way without the proper permits could subject you to a removal order and fines between \$25-\$500 per violation depending on the type of public way use occupation.

SIDEWALK CAFES- SPECIAL CONSIDERATIONS:

- Sidewalk Café Permits have a 12- Month term, and must be applied for and issued every year
- Sidewalk Café season begins March 1st and ends on the last day of February
- The annual, non-refundable, Sidewalk Café permit fee varies depending on the size and location of the Sidewalk café, however, the minimum Sidewalk Café permit fee is \$600.00