



Home Occupation Licensing in Chicago

Facts about the Home Occupation Business License (4-380).

The Home Occupation Ordinance establishes guidelines for home-based businesses in the City of Chicago for the purpose of balancing the ability of persons to operate a business from their place of residence and the need to maintain the residential character of the surrounding communities.

The ordinance only applies to individuals who are self employed or operate their own business. A Home Occupation Business License is not required by individuals who work from their homes on either a part-time or full-time basis for an employer that has a separate place of business.

What is a Home Based Business?

- A home-based business is an enterprise for which the business activities:
 - Take place within an individual's personal residence, and
 - The activities are secondary to the residential use of the home.
- The business must be operated by the person or persons living in the home.
- All home-based business activities must be conducted in the licensed dwelling unit.
- For licensing purposes, the dwelling unit must be in Chicago.

APPLICATION & LICENSE FEE: \$250.00 (renewable every two years)

Application Requirements

- Required for ALL business types including Sole Proprietors and General Partnerships:
 - Government-issued photo ID with a current home address
 - Illinois Department of Revenue (IDOR) Account ID Number
- Additional requirements for LPs, LLPs, LLCs, Corporations and Non-Profit Corporations:
 - Business organization documentation
 - Federal Employer Identification Number (EIN)

Home Occupation License Regulations:

- The license application will be subject to a Zoning Review;
- The home occupation must be accessory and secondary to the use of the dwelling for residential purposes;
- The total square footage of any home occupation may not occupy more than 10% of the floor area of any single-family residence or 15% of the floor area of any unit in a multiple dwelling building;
- No separate entrance from the outside of the building may be added to the residence for the sole use of the home occupation;
- The home occupation may not display or create any external evidence (i.e. signs, banners, advertising) of the operation;
- There may not be any internal or external structural alterations or construction, either permanent or temporary, to the dwelling, or installation of any equipment which would change the residential character of the dwelling;
- The home occupation and all related activities, must be completely within the dwelling, and cannot be operated from an accessory structure or garage;



For more information visit www.cityofchicago.org/bacp, or call (312) 74-GOBIZ / 744-6249

CITY OF CHICAGO · DEPARTMENT OF BUSINESS AFFAIRS & CONSUMER PROTECTION · HOME OCCUPATION FACT SHEET



- No direct sale of any product on display shelves or racks is permitted;
- Bulk deliveries to a home occupation must be limited to one per day, and may only occur between the hours of 8:00 AM and 5:00 PM; no tractor trailer delivery is permitted;
- No home occupation may produce or emit any noise, vibration, smoke, dust or other particulate matter, odorous matter, heat, humidity, glare or any other effect that unreasonably interferes with any person's enjoyment of his or her residence.
- No more than two (2) patrons or clients may be present in the home at one time when the home is used for business purposes.
- No more than ten (10) patrons or clients may be present in the home during a 24 hour time period.
- No more than one non-resident employee may perform any work at the dwelling in connection with the occupation.
- Nothing in the ordinance may prevent a Condominium Association's Board of Directors, a Cooperative Association's Board of Directors, or a landlord from adopting a rule prohibiting home occupations on the premises.
- Any person found to have violated any of the provisions of the ordinance may be fined \$200-\$500 for each offense; and every day that any violation continues will constitute a separate and distinct offense.

When is a Home Occupation license NOT required?

- A Home Occupation Business License is NOT required for professions that are licensed by the State of Illinois Department of Professional Regulation (e.g. Public Accountant, Architect, etc.).
- A Home Occupation Business License is NOT required by individuals who work from their homes on either a part-time or full-time basis for an employer that has a separate place of business.

Businesses that may NOT operate from a home:

- Any activity related to automotive vehicles (e.g. Maintenance, Repair, Painting, Towing, Transport, etc.);
- Restaurants, Catering, or Food Preparation/Packaging Businesses; No food-related activities or services;
- Astrology, Card Reading, Palm Reading or Fortune Telling in any form;
- Animal Hospitals, Kennels, Stables, or Bird Keeping Facilities; No animal-related activities or services;
- Dancing Schools, or any other type of instruction for the arts, education or recreation;
- Funeral Chapels or Homes, Crematoria, or Mausoleums;
- Massage Establishments;
- Public Places of Amusement;
- The Sale of Firearms, Ammunition or Weapons;
- Construction or Landscaping Businesses;
- Warehousing;
- Welding or Machine Shops;
- Any activities considered illegal or prohibited by federal, state and City laws including, but not limited to, adult-related activities or services.

How do I apply?

- In-Person at BACP's Business Assistance Center, 121 North LaSalle Street, Room 800.
 - Application intake hours are 8:30 AM – 3:30 PM, Monday – Friday.
 - An appointment is recommended, and can be made online, or by calling (312) 74-GOBIZ / 744-6249.
- Online at www.cityofchicago.org/bacp, and then click on "Apply for Your Business License Online".



Home Occupations referenced in Chapters 17-9-0202 and 4-238

17-9-0202 Home Occupations.

17-9-0202-A General. *Home occupations* are accessory uses to uses in the *household living* category. The regulations of this section are intended to ensure that *home occupations* will not be a detriment to the character and livability of the surrounding neighborhood. The regulations are intended to ensure that the *home occupation* remains subordinate to the residential use, and that the residential viability of the dwelling is maintained. The regulations recognize that many types of work can be done in a home with little or no effect on the surrounding neighborhood.

17-9-0202-B Applicability. Uses are allowed as *home occupations* only if they comply with all of the standards of this section.

17-9-0202-C Standards. A *dwelling unit* may be used for one or more *home occupations* subject to compliance with all of the following minimum standards:

1. The *home occupation* must be accessory and secondary to the use of a *dwelling unit* for residential purposes, and the *home occupation* must not change the residential character of the *residential building* or adversely affect the character of the surrounding neighborhood.
2. No more than one non-resident employee is allowed in conjunction with a *home occupation*. All other employees must reside in the *dwelling unit* in which the *home occupation* is located. No more than two patrons or clients may be present in the *dwelling unit* at any one time, and no more than 10 clients or patrons may be present in the *dwelling unit* during any 24-hour period.
3. No separate entrance from the outside of the building may be added to the *residential building* for the sole use of the *home occupation*.
4. The *home occupation* may not display or create any external evidence of the operation of the *home occupation*.
5. There may be no internal or external *structural alterations* or construction, either permanent or

accessory, to the *dwelling unit*, nor the installation of any equipment which would change the residential character of the *dwelling unit* or *residential building*.

6. The *home occupation* and all related activities, including storage, must be conducted completely within the *dwelling unit* and may not be operated from an *accessory structure* or garage.
7. The total floor area of any *home occupation* may not occupy more than 10% of the floor area of any *detached house* or 15% of the floor area of any other type of *dwelling unit*; provided, however, that in no instance may one or more *home occupations* in any single *dwelling unit* permanently occupy more than 300 square feet of the *dwelling unit*.
8. No direct sale of any product on display shelves or racks is permitted.
9. Bulk deliveries related to a *home occupation* are limited to one per day (in addition to United States mail service, Federal Express, U.P.S. and messenger services) and may only occur between the hours of 8:00 a.m. and 5:00 p.m. No delivery via tractor trailer is permitted.
10. No *home occupation* may produce or emit any noise, vibration, smoke, dust, or other particulate matter, odorous matter, heat, humidity, glare, or any other effect that unreasonably interferes with any person's enjoyment of their residence.
11. The following uses are expressly prohibited as *home occupations*:
 - (a) any repair of motorized vehicles, including the painting or repair of automobiles, trucks, trailers, boats, and lawn equipment;
 - (b) animal hospitals;
 - (c) kennels;
 - (d) stables;
 - (e) bird keeping facilities;
 - (f) barber shops or beauty parlors;

- (g) dancing schools;
- (h) restaurants;
- (i) massage therapy;
- (j) catering/food preparation businesses or shared kitchens;
- (k) funeral chapels or homes;
- (l) crematoria;
- (m) *mausoleums*;
- (n) medical or dental clinics;
- (o) any facility where products are manufactured, produced or assembled when the *home occupation* licensee is not the retail point of sale for such products;
- (p) public places of amusement;
- (q) the sale of firearms or ammunition;
- (r) caterers;
- (s) construction businesses or landscaping businesses that provide the storage of goods and materials to be utilized in the operation of the business or use;
- (t) warehousing; and
- (u) welding or machine shops.

[4-380-060](#) Requirements applicable to home occupations.

[4-380-070](#) Prohibited activities/other licenses.

[4-380-080](#) Applicability of other laws and rules.

[4-380-090](#) Violations and penalties.

[4-380-095](#) Reserved.

4-380-010 Home occupations defined.

(a) “Home occupation” shall refer to the accessory use, of a business or commercial nature, of a dwelling unit, engaged in by the person or persons residing in that unit. The use must be incidental and secondary to the principal residential use of the dwelling unit and must not change the residential character of the dwelling unit or adversely effect* the character of the surrounding neighborhood.

* **Editor’s note** – As set forth in Coun. J. 7-27-97, p. 53211, § 1; correct language appears to be “affect”.

(b) A dwelling unit may be used for one or more home occupations in accordance with this chapter only if: (1) no more than two patrons or clients are present at the dwelling that is used for a home occupation at any one time; (2) no more than ten clients or patrons are present at the dwelling that is used for a home occupation during any 24 hour period; or (3) no person, other than the person or persons who reside at the dwelling and not more than one non- resident employee, performs any work at the dwelling in connection with the occupation or occupations. Restrictions on the number of patrons, clients and those performing work in a dwelling unit shall apply to all home occupations within a dwelling unit and shall not be cumulative.

(c) No home occupation license shall be required in accordance with this chapter if the person engaged in the occupation is exclusively engaged in the performance of administrative, clerical or research work, as an owner or employee, for an entity, the principal place of business of which is located elsewhere.

(Added Coun. J. 5-2-95, p. 459; Amend Coun. J. 4-1-98, p. 65910)

CHAPTER 4-380 HOME OCCUPATIONS

[4-380-010](#) Home occupations defined.

[4-380-020](#) License requirement.

[4-380-030](#) License application.

[4-380-040](#) Home occupation license fee.

[4-380-050](#) License renewal.

 **4-380-020 License requirement.**

No person shall operate a home occupation without first having obtained a license to do so from the department of business affairs and consumer protection. No more than one license per dwelling unit shall be required. One license shall entitle its holder to conduct more than one occupation within the licensed dwelling, provided that the license applicant indicates, in the application form, the occupation or occupations that will be carried on.

(Added Coun. J. 5-2-95, p. 459; Amend Coun. J. 7-27-05, p. 53211, § 1; Amend Coun. J. 11-19-08, p. 47220, Art. V, § 5)

4-380-030 License application.

An application for a license under this chapter shall be made in conformity with the general requirements of this Code relating to applications for licenses. In addition, the applicant shall state the place at which it is desired or intended to carry on a home occupation, the names of the person or persons who will be designated as licensee, the type (or types) of occupation that will be carried on, and any other information which the commissioner of business affairs and consumer protection, may, at her discretion, require.

(Added Coun. J. 5-2-95, p. 459; Amend Coun. J. 7-27-05, p. 53211, § 1; Amend Coun. J. 11-19-08, p. 47220, Art. V, § 5)

4-380-040 Home occupation license fee.

The fee for a home occupation license shall be as set forth in Section [4-5-010](#) of this Code.

(Added Coun. J. 5-2-95, p. 459; Amend Coun. J. 11-15-06, p. 92532, § 1; Amend Coun. J. 1-13-10, p. 83191, § 1)

4-380-050 License renewal.

Licenses granted in accordance with this chapter shall be renewed pursuant to Section [4-4-021](#) of this Code.

(Added Coun. J. 5-2-95, p. 459)

4-380-060 Requirements applicable to home occupations.

No person shall operate a home occupation except in compliance with the following requirements:

(a) the home occupation must comply with applicable provisions of the Chicago Zoning Ordinance;

(b) the home occupation shall* accessory and secondary to the use of the dwelling for residential purposes;

* **Editor's note** – As set forth in Coun. J. 4-1-98, p. 65911; correct language appears to be "...shall be accessory...."

(c) no separate entrance from the outside of the building shall be added to the residence for the sole use of the home occupation;

(d) the home occupation shall not display or create any external evidence of the operation of the home occupation;

(e) there shall be no internal or external structural alterations or construction, either permanent or accessory, to the dwelling, nor the installation of any equipment which would change the residential character of the dwelling;

(f) the home occupation and all related activities, including storage, shall be conducted completely within the dwelling and shall not be operated from an accessory structure or garage;

(g) the total square footage of any home occupation shall not permanently occupy more than ten percent of the floor area of any single-family residence or 15 percent of the floor area of any unit in a multiple dwelling building; provided, however, that in no instance may one or more home occupations in any single dwelling unit permanently occupy more than 300 square feet of the dwelling unit;

(h) no direct sale of any product on display shelves or racks shall be permitted;

(i) bulk deliveries related to a home occupation shall be limited to one per day (in addition to United States mail service, express mail, U.P.S. and messenger services) and shall only occur between the hours of 8:00 A.M. and 5:00 P.M.. No tractor trailer delivery shall be permitted;

(j) no home occupation shall produce or emit any noise, vibration, smoke, dust or other particulate matter, odorous matter, heat, humidity, glare or any other effect that unreasonably interferes with any person's enjoyment of his or her residence.

(Added Coun. J. 5-2-95, p. 459; Amend Coun. J. 4-1-98, p. 65910)

4-380-070 Prohibited activities/other licenses.

(a) The following activities may not be licensed as home occupations in accordance with this chapter: any repair of motorized vehicles, including the painting or repair of automobiles, trucks, trailers, boats, and lawn equipment; animal hospitals; astrology, card reading, palm reading or fortune-telling in any form; kennels; stables; bird keeping facilities; dancing schools; restaurants; massage establishments; catering/food preparation businesses; funeral chapels or homes; crematoria; mausoleums; any facility where products are manufactured, produced or assembled when the home occupation licensee is not the retail point of sale for such products; public places of amusement; the sale of firearms or ammunition; caterers; construction businesses or landscaping businesses that provide the storage of goods and materials to be utilized in the operation of the business or use; warehousing; and welding or machine shops; provided, however, that nothing in this chapter shall prohibit the performance of emergency medical services in a residential dwelling.

(b) Establishments for which a license is required and issued in accordance with any other chapter of the Municipal Code of Chicago shall not be required to obtain a license in accordance with this chapter; such establishments shall file an appropriate form with the department of business affairs and consumer protection, upon initial license application and upon renewal, indicating that the occupation is practiced in a residence. The subsection shall not be construed to permit any occupation or activity that is not properly licensed in accordance with another chapter of this Code.

(Added Coun. J. 5-2-95, p. 459; Amend Coun. J. 4-1-98, p. 65910; Amend Coun. J. 7-27-05, p. 53211, § 1; Amend Coun. J. 5-9-07, p. 105047, § 15; Amend Coun. J. 11-19-08, p. 47220, Art. V, § 5)

4-380-080 Applicability of other laws and rules.

(a) Nothing in this chapter shall affect the applicability of any federal or state law pertaining to the production, manufacture or assembly of products, or the applicability of the Fair Labor Standards Act, the Occupational Health and Safety Act, or any child labor, workers' compensation, unemployment compensation, wage and hour, or any other applicable law. This chapter shall not apply to any child care institution, day car center, part day child care facility, group home, day car home, group day care home, or day care center that is properly licensed by a state agency or by the City of Chicago.

(b) Nothing in this chapter shall prevent a condominium association's board of directors, a cooperative association's board of directors or a landlord from adopting a rule, declaration, or bylaw prohibiting home occupations on the premises under which circumstances such rule shall supersede this chapter in effect. Nothing in this chapter shall preclude, invalidate or override any existing covenant, bylaw or rule of a condominium association, common interest community, housing cooperative or landlord which prohibits, restricts or regulates, in a stricter manner than this chapter, home occupations.

(Added Coun. J. 5-2-95, p. 459)

4-380-090 Violations and penalties.

Any person found to have violated any of the provisions of this chapter shall be fined not less than \$200.00, nor more than \$500.00 for each offense; and every day that any violation of this chapter shall continue shall constitute a separate and distinct offense.

(Added Coun. J. 5-2-95, p. 459)

4-380-095 Reserved.

Editor's note – Coun. J. 4-1-98, p. 65910, repealed § 4-380-095, which pertained to zoning committee review of Chapter [4-380](#).