



PRESS RELEASE

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Lawsuit challenging Chicago's home-sharing ordinance can proceed, judge says

CHICAGO (Oct. 13, 2017) – A lawsuit challenging Chicago's restrictive and onerous home-sharing ordinance will proceed in part, a Cook County Circuit Court judge ruled today.

The Liberty Justice Center and Goldwater Institute filed the lawsuit, *Mendez v. City of Chicago*, in 2016 after the city enacted some of the nation's most extreme regulations on the use of online home-sharing platforms. Earlier this year, the city of Chicago filed a motion to dismiss the lawsuit.

Judge Sanjay T. Tailor allowed claims to proceed challenging the provisions in the ordinance that:

- Prohibit someone who owns a single-family home or a unit in a building with four or fewer units from renting it out through a home-sharing platform unless the home is the owner's personal, primary residence.
- Impose higher taxes on home-sharing rentals than on hotel rooms.

The court dismissed the homeowners' challenge to the provision that allows the city to search the homes of individuals who rent out their homes through home-sharing at any time, for any reason, and without a warrant. But the court held open the possibility that the homeowners could pursue this claim after the city adopts regulations to govern its searches.

The court dismissed the claims challenging provisions in the ordinance that:

- Impose vague noise rules that single out home-sharers for unfavorable treatment based entirely on the subjective opinion of city officials.
- Limit the number of units in a building that can be listed on a home-sharing platform.

"The city should never have enacted this ordinance to begin with, and we're pleased that we can continue to fight for homeowners' rights in court," said **Jacob Huebert, director of litigation at the Liberty Justice Center**. "Chicago's 58-page ordinance is full of unconstitutional provisions that violate homeowners' rights. It prevents some homeowners from engaging in home-sharing at all and submits others to unreasonable searches and unfair rules and taxes. These provisions should be struck down."

Christina Sandefur, executive vice president at the Goldwater Institute and co-counsel on the case, said the Chicago regulations are part of a disturbing, national trend to stifle property rights in the sharing economy. "Chicago and other major cities spend millions of taxpayer dollars a year promoting tourism, yet these anti-home-sharing regulations stand in the way of bringing

visitors to town,” Sandefur said. “Protecting the rights of Chicagoans to use their property as they see fit will set an important precedent for other cities in the U.S.”

The decision from the lawsuit is available online at: <http://bit.ly/2ykv17w>

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The Liberty Justice Center is a nonprofit, nonpartisan public-interest litigation center that fights to protect economic liberty, private property rights, free speech, and other fundamental rights in Illinois and beyond. First and foremost, the Liberty Justice Center seeks to ensure that the rights to earn a living and to start a business, which are essential to a free and prosperous society, are available not just to a politically privileged few, but to all. The Liberty Justice Center pursues its goals through strategic, precedent-setting litigation to revitalize constitutional restraints on government power and protections for individual rights.

The Goldwater Institute drives results by working daily in courts, legislatures and communities to defend and strengthen the freedom guaranteed to all Americans in the constitutions of the United States and all 50 states. With the blessing of its namesake, the Goldwater Institute opened in 1988. Its early years focused on defending liberty in Barry Goldwater’s home state of Arizona. Today, the Goldwater Institute is a national leader for constitutionally limited government respected by the left and right for its adherence to principle and real world impact. No less a liberal icon than the [New York Times](#) calls the Goldwater Institute a “watchdog for conservative ideals” that plays an “outsize role” in American political life.