

AN ORDINANCE TO AMEND CHAPTER 34 - LICENSES AND TAXATION - OF THE
MOBILE CITY CODE WITH REGARDS TO SHORT-TERM LODGING OR RENTALS

Sponsored by: Councilmember Manzie

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOBILE, ALABAMA, as follows:

Section One. Findings and Purpose.

- a) The City Council desires to make it clear that any person or entity providing short-term lodging or rentals as referenced in this Ordinance is, under the existing Mobile City Code, and shall continue in the future to be, a “business” required to obtain a “business license” as set forth in Article III of Chapter 34 of the Mobile City Code, and is currently, and shall continue to be, responsible for paying, either directly or through a third-party, the lodging tax set forth in Article VI of Chapter 34 of the Mobile City Code, unless exempted therein, in addition to any and all other applicable City of Mobile licenses, taxes and fees. Any currently existing contract between the City of Mobile and any entity collecting and remitting lodging taxes as an agent or third-party on behalf of persons or entities operating Short-term rentals (as defined in this Ordinance) within the City of Mobile or its police jurisdiction is hereby ratified.
- b) The City Council desires to set forth additional requirements for how owners and/or managers of real property, who intend to rent said property on a short term basis, apply for and receive a business license.
- c) The City Council hereby finds that the adoption of a comprehensive ordinance regulating the issuance of and operating conditions attached to “short term” rental business licenses is necessary to protect the public health, safety and welfare.
- d) The purpose of this ordinance is to amend the Schedule of Licenses in the Mobile City Code and further to impose operational requirements to minimize the potential adverse impacts of transient uses in residential and other areas relating to traffic, noise, and trash; and to ensure the health, safety and welfare of renters and guests patronizing short term rentals.
- e) The City Council hereby finds that the City's regulation of short term rental uses is a valid exercise of the City's police power conferred by Code of Ala. 1975, § 11-45-1 and its licensing power conferred by Code of Ala. 1975, § 11-51-90, and furthers the legitimate governmental interests of the City.

Section Two. Amendment of Article III, Chapter 34, of the Mobile City Code.

That the Schedule of Licenses section for NAICS Code 721311 for “Lodging Houses,” Code 237.0, set forth in Article III of Chapter 34 of the Mobile City Code titled “Business License Code and Schedule of Licenses,” is hereby amended and restated to read as follows:

721199	237.0	All other traveler accommodation. Comprises establishments primarily engaged in providing short-term lodging (except hotels, motels, casino hotels, and bed-and-breakfast inns). Includes guest houses, tourist homes, housekeeping cabins and cottages, and hostels.	0.003259
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Section Three. Amendment of and Addition to Chapter 34 of the Mobile City Code.

That Chapter 34 of the Mobile City Code is hereby amended to add a new article entitled “Additional Requirements for the Issuance of a Business License to Provide Short-Term Lodging or Rentals” set forth as follows:

Section I. Definitions.

- a) “Business license” has the same meaning set forth in Sec. 34-43 of the Mobile City Code.
- b) “Dwelling” means a structure or the part of a structure, including a manufactured home, that is or can be utilized as a sleeping place by one or more persons.
- c) “Short-term rental” means the rental of a Dwelling for less than thirty (30) consecutive days per rental period, and also means “short-term lodging” as set forth in Article III, Chapter 34, of the Mobile City Code.
- d) “Short-term rental manager” means any person or entity that arranges the rental, cleaning, listing, advertising, management, or otherwise assists in the operation of a Short-term rental for a profit. Short-term rental manager does not include listing services or online platforms for Short-term rental listings.
- e) “Short-term rental unit” means the Dwelling that is offered, available or held out for Short-term rental purposes.

Section II. Short-term rentals –Generally.

- a) A valid City of Mobile Business license number must be stated on any advertisement or listing for a Short-term rental.

- b) The name and telephone number of a local responsible party shall be conspicuously posted within the Short-term rental unit. The local responsible party shall answer and respond to calls twenty-four (24) hours a day, seven (7) days a week for the duration of each Short-term rental period to address problems or complaints associated with the Short-term rental unit.

Section III. Insurance.

Every person or entity offering Short-term rentals must provide proof of the following insurance coverage upon the issuance or renewal of their Business license:

- a) A rider on a homeowner's insurance policy that expressly covers Short-term rentals and provides a minimum of one million dollars (\$1,000,000) of liability and personal injury coverage; or
- b) A commercial insurance policy covering Short-term rentals at the permitted address that provides a minimum of one million dollars (\$1,000,000) of liability and personal injury coverage.

Section IV. Building code compliance required; Inspections.

- a) Every Short-term rental must meet all current and applicable building and fire codes and be equipped with the following safety equipment and features:
 - 1) Operational smoke and carbon monoxide detectors.
 - 2) Operable egress windows in sleeping areas.
 - 3) One (1) 2.5 lb. Class A-B-C fire extinguisher per floor.
 - 4) Prominently displayed and legible 9-1-1 address on building exterior.
- b) Prior to the issuance or renewal of a Short-term rental Business license every Short-term rental must be inspected for compliance with this section as follows:
 - 1) Short-term rentals located in a single-family Dwelling must be inspected by a licensed home inspector, or other individual approved by the city's chief building official. An inspection report must be completed on the form established by the city's chief building official.
 - 2) Short-term rentals located in commercial or multi-family buildings must be inspected by the City fire inspector and/or building inspector.

Section V. Designation of agent; Short-term rental managers.

- a) In order to be eligible for a Short-term rental Business license the person or entity desiring to offer a Short-term rental must be the owner of the property proposed to be covered under the license or have a completed "designation of agent" form from the property's owner.

- b) Any person or entity operating as a Short-term rental manager must obtain their own separate Business license pursuant to the Mobile City Code, and must be professionally licensed if required by Alabama law.

Section Four. Existing Law.

All other provisions and sections of the Business License Code and Schedule of Licenses set forth in the Mobile City Code shall remain in full force and effect.

Section Five. Severability.

The provisions of this Ordinance are severable. If any part of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, that declaration shall not affect the part or parts that remain.

Section Six. Effective Date.

The Ordinance shall be effective within the corporate limits and police jurisdiction of the City of Mobile on January 1 of the first year following its enactment and publication as required by law.

ADOPTED: _____

City Clerk