

**AN ORDINANCE TO AMEND
CHAPTER 34 – LICENSES AND TAXATION – OF THE MOBILE CITY CODE**

Sponsored by: Mayor William S. Stimpson

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

Section One. Findings and Purpose

(a) The Uniform Development Code adopted by the City Council on July 12, 2022 established certain permitting requirements and site and design criteria for Short-Term Rentals located in areas of the City other than within the Downtown Development District. One of those required criteria is that “a valid City of Mobile business license must be obtained for each discrete Short-Term Rental location.”

(b) The Licenses and Taxation Chapter of the Mobile City Code levies and assesses a business license fee for the privilege of doing any kind of business, trade, profession or other activity in the city or the police jurisdiction. [Chapter 34, Article III, Business License Code and Schedule of Licenses, Section 34-41]. The purpose of this Ordinance is to establish business license codes for Short-Term Rental properties and for Real Property Management. The City Council desires to make it clear that any person or entity providing Short-Term Rentals within the City or its police jurisdiction, whether located in the Downtown Development District or elsewhere, is a “business” required to obtain a “business license” as defined in Article III of Chapter 34 of the Mobile City Code.

(c) The City business license categories established herein do not affect lodging taxes, which are due and owing on gross receipts from charges for lodgings and accommodations as provided by City Code.

(d) 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, Schedule of Licenses

The Schedule of Licenses section set forth in Article III of Chapter 34 of the Mobile City Code titled “Business License Code and Schedule of Licenses,” is hereby amended as follows:

(a) Amend existing NAICS code 721311 to read in its entirety as follows:

| NAICS | TITLE | LICENSE RATE |
|--------|--|--------------|
| 721311 | Real Property - Short-term rental – the rental of a dwelling unit, dwelling of any type, room, building, house or other structure or the part of a structure, including a manufactured home, that is or can be utilized as a transient sleeping place by one or more persons for less than one-hundred and eighty (180) consecutive days per rental period (excludes 721310, 721313, 721311 and 721111). Also excludes a rental between parties to the sale of such building, etc., where valid documentation of the sale is provided. Lodging tax must be filed and remitted. Individuals utilizing a third party for lodging tax collections shall submit a transaction history detail provided by the third party or other similar document that shows the dates booked, gross revenue, and lodging tax remitted. | 0.003259 |

(b) Add the following NAICS code:

| NAICS | TITLE | LICENSE RATE |
|--------|--|--------------|
| 531311 | Real Property Management. Must hold broker’s license from Alabama Real Estate Commission. Excludes those persons or entities exempt from the licensing requirements set forth in Alabama Code Section 34-27-2 and listing services or online platforms for short-term rentals. | 0.002621 |

Section Three. Amendment of and Addition to Definitions in City Code Chapter 34

That Chapter 34, Article III, Section 34-43 of the Mobile City Code is hereby amended to add the following definitions:

Short-Term Rental means a lodging accommodation for transient guests where a residential dwelling unit or any part thereof is provided in exchange for compensation. Includes the rental of a residential dwelling unit or dwelling of any type, room, building, house, or other habitable structure, or any part thereof, including a manufactured home, that is or can be utilized as a transient sleeping place by one or more persons for less than one hundred eighty (180) consecutive days per rental period. Hotels, motels, bed and breakfasts, and other land uses explicitly defined and regulated by the Unified Development Code, Chapter 64 of the Mobile City Code, separately

from short-term rentals are not considered short-term rentals. Excludes a rental between parties to the sale of such dwelling unit or building where valid documentation of the sale is provided. Excludes rentals of property subject to the Alabama Uniform Residential Landlord and Tenant Act, Code of Ala. § 35-9A-101 et seq.

Real Property Management means any person or entity that engages in rental leasing and/or property management services within the City of Mobile or its police jurisdiction within the meaning of Alabama Code Section 34-27-30 and Administrative Regulations applicable to the Alabama Real Estate Commission, including any person or entity that engages in renting or offering to rent a short-term rental. Must hold broker's license from Alabama Real Estate Commission. Excludes those persons or entities exempt from the licensing requirements set forth in Alabama Code Section 34-27-2 and listing services or online platforms for short-term rentals.

Section Four. Amendment of and Addition to City Code Section 34-46

That Chapter 34, Article III, Section 34-46 of the Mobile City Code is hereby amended to add a subsection (b) so that Section 34-46 now reads in its entirety as follows:

Section 34-46. License shall be location specific.

(a) For each place at which any business is carried on, a separate license shall be paid, and any person desiring to engage in any business for which a license is required shall designate the place at which business is carried on, and the license to be issued shall designate such place, and such license shall authorize the carrying on of such business only at the place designated.

(b) The following provisions apply to Short-Term Rentals:

(1) A valid City of Mobile Business license must be obtained for each discrete Short-Term Rental location and the business license number must be stated on any advertisement or listing for each Short-Term Rental. Provided, however, that Short-term Rentals containing multiple units within a single structure that can be rented separately shall only be required to obtain a single license for each structure.

(2) Any person or entity serving or operating as a Short-Term rental Manager that is not also the owner of the property proposed to be covered under the license must obtain their own separate Business License pursuant to the Mobile City Code.

(3) The name and telephone number of a local responsible party shall be conspicuously posted within each Short-term rental. 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.

Section Five. Existing Law.

All other provisions and sections set forth in the Mobile City Code not specifically amended herein shall remain in full force and effect.

Section Six. Severability.

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

Section Seven. Effective Date.

This Ordinance shall be in full force and effect from and after its adoption and publication as required by law.

ADOPTED:

City Clerk