

**ORDINANCE NUMBER 2024 - 2348**

**AN ORDINANCE CONCERNING SHORT-TERM RENTALS**

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**WHEREAS**, short term residential rentals are growing in popularity throughout the United States, and in the City of Athens as well, as a form of transient lodging;

**WHEREAS**, currently, the City’s ordinances do not directly address or define short term residential rentals, leading to some confusion as it relates to business licenses, zoning, lodging taxes, and other issues;

**WHEREAS**, through this Ordinance and other actions, the City Council intends to clarify the City’s ordinances with respect to short term residential rentals, by emphasizing that the operators of these rentals must obtain municipal business licenses and pay lodging taxes; and by crafting reasonable regulations as to appropriate locations and uses that are in the best interest of the community;

**WHEREAS**, in order to allow the City a reasonable opportunity to develop the new regulations and put them into place, and to prevent new short term rentals which may be inconsistent with the pending changes, the City Council intends to impose a temporary moratorium on any new short term residential rentals within the city;

**WHEREAS**, the City Council further intends to require that all existing short term residential rentals within the city register with the Planning Department, and confirm that they are in compliance (or working to compliance) with respect to any applicable business licensing and lodging taxes; and

**WHEREAS**, the City Council finds and determines that these actions are in the best interest of the public health, safety, order, comfort, and convenience; and adopts these measures pursuant, among other things, to the City’s police powers expressed in § 11-45-1 of the *Code of Alabama*.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA**, while in regular session on October, 28, 2024, at 4:30 p.m., as follows:

**Section 1. Definitions.** As used in this Ordinance, the following words shall have the following meanings:

- **Short term residential rental.** The occupancy, or the making available for occupancy, of a dwelling unit for transient lodging by one party in exchange for

compensation, where that party occupies the dwelling unit for a period of 30 continuous days or less. The term “party” as used in this definition shall mean one or more persons who as a single group rents a short term residential rental pursuant to a single reservation and/or payment. The definition of “short term residential rental” shall exclude: (a) dwelling units rented to the same party for more than 30 continuous days, (b) hotels, (c) motels, (d) assisted living facilities, (e) independent living facilities, (f) extended stay facilities, (g) bed and breakfasts, (h) manufactured home parks, (i) group homes, (j) nursing homes, (k) rooming/boarding houses, and (l) recreational vehicle parks (as such terms are defined in the City’s Zoning Ordinance).

**Section 2. Temporary Moratorium on New Short Term Residential Rentals.**

There shall be no new locations used for short term residential rentals in the city for a period of three (3) months from the effective date of this Ordinance. For purposes of this Ordinance, a new location used for a short term residential rental shall be one that has not previously been rented as a short term residential rental at least three (3) times within the last six (6) months prior to the effective date of this Ordinance, and one that the owner or operator intends to continue using for short term residential rental.

**Section 3. Reporting of Existing Short Term Residential Rentals.** Any and all owners and operators of locations used for existing short term residential rentals within the city shall report the following information to the City’s Planning Department within thirty (30) days of the date of this Ordinance. A location used for an existing short term residential rental shall be one that has previously been rented as a short term residential rental at least three (3) times within the last six (6) months prior to the effective date of this Ordinance, and one that the

owner or operator intends to continue using for short term residential rental. The report to the Planning Department shall contain the following information:

(a) The name, signature, address and telephone number of the owner and operator of the short term residential rental.

(b) If different from the persons identified in (a), the name, address and telephone number of any property manager or property management firm that is associated with the operation and/or management of the short-term residential rental.

(c) The name, address, and telephone number (including a telephone number that provides for communication twenty-four hours a day) of a local contact person for the short-term residential rental.

(d) The address of the short-term residential rental.

(e) An affidavit attesting that there are no delinquent lodging tax liabilities (or related liens) or municipal business license tax liabilities regarding the short-term residential rental or the related property, or if there are, documentation demonstrating that the operator of the short term residential rental is in the process of bringing the short term residential rental into compliance with the same.

**Section 4. Overdue Business License Taxes and Lodging Taxes for Short Term Residential Rentals.** Any and all owners and operators of locations used for existing short term residential rentals within the city that report their information to the City's Planning Department as provided for in Section 3, and that come into compliance with such business licensing tax and lodging tax liabilities during the thirty (30) day reporting period (set forth in Section 3), or initiate such compliance efforts as determined by the Mayor, shall not pay any penalties or late fees to the City with respect to the same.

**Section 5. Amendment of Business License Code.** Section 18-324(34) of the Code of Ordinances of the City of Athens, Alabama (relating to business license fee schedules) is hereby amended to read as follows:

(34) RENTING AND/OR LEASING—Each person engaged in the business of renting or leasing real or personal property to others, including, but not limited to apartments, office space, buildings, houses, office furniture and equipment, shall pay a license tax based on gross receipts as follows: .....

Less than \$25,000.00 .....50.00

All over \$25,000.00 .....50.00 + .0015 over [>\$]25,000.00

Excluded in this schedule is one residential rental property **(Note that short term residential rentals do not fall under this schedule. The NAICS code to be used for licensing of short-term residential rental is NAICS # 721199 - All Other Traveler Accommodation and the fee schedule for licensing is Schedule 20.)**

**Section 6. Amendment of Business License Code.** Section 18-324(20) of the Code of Ordinances of the City of Athens, Alabama (relating to business license fee schedules) is hereby amended to read as follows:

(20) HOTEL AND MOTEL—Any person engaged in the hotel, motel, or similar business (**including short term residential rental**) shall pay an annual license tax as follows: .....

Less than \$25,000.00 .....75.00

Over \$25,000.00 .....75.00 plus \$1.00 per thousand in excess of \$25,000.00

**Section 7.** This Ordinance shall go into effect immediately upon its adoption and publication, except for Sections 5 and 6, which shall go into effect on January 1, 2025.

**Section 8.** If any provision of this ordinance, or the application thereof to any person, thing or circumstances, is held invalid by a court of competent jurisdiction, such invalidity shall not affect the provisions or application of this ordinance that can be given effect without the

invalid provisions or application, and to this end, the provisions of this ordinance are declared to be severable.

**Section 9.** The provisions of this Ordinance shall be included and incorporated in the Code of Ordinances of the City of Athens as an addition or amendment thereto, and shall be appropriately renumbered as necessary to conform to the uniform numbering system of the Code.

**ADOPTED** this the 28<sup>th</sup> day of October, 2024.

  
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DANA HENRY, CITY COUNCIL PRESIDENT

  
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WILLIAM R. MARKS, MAYOR

**ATTEST:**

  
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ANNETTE BARNES-THREET, CITY CLERK

**CERTIFICATION OF CITY CLERK**

STATE OF ALABAMA            )  
LIMESTONE COUNTY         )

I, Annette Barnes-Threet, City Clerk of the City of Athens, Alabama, do hereby certify that the above and foregoing is a true and correct copy of the Ordinance duly adopted by the City Council of the City of Athens, on the 28<sup>th</sup> day of October, 2024.

Witness my hand and seal of office this the 28<sup>th</sup> day of October, 2024.

  
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Annette Barnes-Threet, City Clerk