

**ORDINANCE NO. 2022-268**

**AMEND BUSINESS LICENSE ORDINANCE – CHAPTER 18**

**WHEREAS**, after due consideration, Chapter 18, Business is hereby amended to provide for Short-term rentals.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Commissioners of the City of Dothan, Alabama, as follows;

**Section 1.** That Article XVII, Short-Term Rentals, is hereby added as follows:

ARTICLE XVII. *Short-Term Rentals:*

Sec. 18-500. Intent

The intent of this ordinance is to regulate short-term rentals where the owner of a single-family home may lease a portion of the structure to an individual or individuals desiring to rent a room for the purpose of short-term habitation through a web-based service.

Sec. 18-501. Definitions

*Short-term Commercial Rental (STCR).* A non-owner-occupied, residential rental where one room or the entire dwelling is rented for no more than 30 consecutive days for visitors.

*Short-term Residential Rental (STRR).* An owner-occupied, residential rental where one or more rooms of a single-family home, the main use of which is residential living, is rented for no more than 30 consecutive days for visitors.

*Let for rent.* To permit, provide or offer possession or occupancy of a dwelling, dwelling unit, rooming unit, or premise pursuant to a written or unwritten lease, agreement or pursuant to a recorded or unrecorded agreement of contract.

*Owner.* Any person having a legal or equitable interest in the property as recorded in the official property records in the county in which the property is located as holding title to the property; or otherwise having control of the property; including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court.

Sec. 18-502. Business License Required for Short-Term Residential Real Estate Rentals

A business license is required for every address approved for short-term rental prior to advertising, booking, or renting property. A business license is required whether the listing is a full or part-time listing.

Sec. 18-503. License tax

The license tax shall be \$100.00 plus one-half (½) of one (1) percent of the gross receipts of the preceding license year thereafter.

Sec. 18-504. Short-term residential rentals eligibility and compliance process.

- a) STCRs are permitted in the zoning districts specified in Chapter 114, Article VIII of the Dothan City Code of Ordinances and must be approved by the Board of Zoning Adjustment. All applicable City of Dothan Municipal Code requirements shall be satisfied before a license is issued.
- b) STRRs are permitted in the zoning districts specified in Chapter 114, Article VIII as approved by the Administrative Official responsible for administering Chapter 114 of the Dothan City Code of Ordinances. All applicable City of Dothan Municipal Code requirements shall be satisfied before a license is issued.
- c) Only owner(s) of said property may file an application to obtain a business license.

- d) The property must be recorded as a homestead with the county in which the property is located, and only the person(s) shown on the property record may apply for a business license.
- e) A host or contact person must be available in case of emergency in the owner's absence, and the guest must be given their contact information at the time of check-in.

Sec. 18-505. To renew an STRR or STCR license the owner must provide

- a) Proof of current property insurance, which may include declarations, information or summary pages from the policy that show the amount of the insurance policy and the coverages.
- b) Proof of payment of City of Dothan lodging taxes for the preceding year. If no tax paid, a copy of your zero reports filed.
- c) Payment of business license tax.

Sec. 18-506. Lodging Tax

Short-term rentals must remit lodging tax as set forth in Section 94-146 through 94-150 of the Dothan Code of Municipal Ordinances. This tax is in addition to business license tax and all other taxes that apply or may be imposed in the future. Lodging tax remittances are a license requirement and failure to file and remit lodging tax timely is a condition for license revocation.

The lodging tax will be collected, recorded, and remitted in the same manner as lodging taxes for hotels, motels and other businesses that engage in transient lodging.

Sec. 18-507. Violations

Violations of this Article shall be subject to revocation as outlined in Section 18-19 of the Dothan City Code of Ordinances.

Sec. 18-508. Penalty for operating a short-term rental without first obtaining a business license.

Penalty for violating this ordinance shall be as provided for in Section 1-4 of the Dothan City Code of Ordinances.

Sec. 18-509. Additional License Classifications Required

The property owner shall take out a license for each location and each business activity carried on for which a license is required.

Sec. 18-510. Short-term rentals may not result in physical changes to the home.

Short-term rentals may not result in physical changes to the home so that it no longer looks like a home, such as constructing a separate building entrance for the sole use of the renters.

Sec. 18-511. Management companies and agents to be licensed separately.

Real estate companies, property management companies, agents and similar entities are to be licensed separately, and shall not encumber the city regarding licensing property owners who rent or lease real property.

**Section 2.** That the City Clerk of the City of Dothan is hereby ordered and directed to cause this ordinance to be published.

**Section 3.** That this ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect immediately from and after the date of its final passage and adoption.

**PASSED, ADOPTED AND APPROVED** on \_\_\_\_\_.

**ATTEST:**

\_\_\_\_\_  
City Clerk

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Mayor

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Associate Commissioner District 1

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Associate Commissioner District 2

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Associate Commissioner District 3

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Associate Commissioner District 4

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Associate Commissioner District 5

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Associate Commissioner District 6  
*BOARD OF CITY COMMISSIONERS*