ORDINANCE NO. 26-4633A

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ALABAMA AS FOLLOWS:

Short Term Rental Ordinance

Section 1. That Section 25-4.2.4(e)(6) of the Code of Decatur, Alabama is amended by adding (ii) Homestay which reads as follows:

"(ii) Homestay

a. Homestays must comply with all regulations for short-term rentals listed under Tourist homes in Section 25-4.2.4(e)(6)(iii).
b. In addition to the requirements listed in the above referenced section for Tourist homes, the following shall apply to all Homestays:
    1. Only a single room may be rented in any single-family dwelling licensed as a short-term rental
    2. A bathroom, either full or three-quarter bath, shall be made available and be accessible at all times during the duration of a booking
    3. The renter of a homestay shall have access to at least one common area of the dwelling outside of the rented room during the duration of the booking."

Section 2. That Section 25-4.2.4(e)(6) of the Code of Decatur, Alabama is amended by adding (iii) Tourist Home to read as follows:

"(iii) Tourist home

a. The intent of this section of the zoning ordinance is to provide a set of use regulations that will allow short-term rental dwellings within the city limits and establish standards for their use while also minimizing the impact on surrounding residential areas. Short-term rental regulations shall apply to Tourist Homes and Homestays as defined in Section 25-8.3.
b. Short-term rental certificate application procedures:
    1. No person or entity shall rent, lease, or otherwise exchange for compensation all or part of a dwelling unit as a short-term rental unit without first obtaining a Short-term rental certificate from the Planning Department.
    2. Short-term dwelling units must obtain a valid business privilege license from and remit all taxes due to the City of Decatur Revenue Department.
    3. All applications for a short-term rental certificate are unique to each individual property being applied for and are issued to the current owner of the property and are not transferrable.
    4. Applications for a short-term rental certificate shall be reviewed to ensure they comply with the regulations listed below.
        A. Applicants for a short-term rental certificate shall submit, on an annual basis from the time of an approved application, an application for a short-term rental certificate to the Planning Department. The application shall be accompanied by a non-refundable application deposit fee in the amount of $250.00. Upon approval, the remaining application balance of $250.00 will be due before obtaining a STR certificate. Such application shall include:
            I. The address of the unit to be used as a short-term rental;
            II. Proof of ownership of the property being applied for by the applicant;
            III. The name, address, telephone number and email address of the short-term rental agent, which shall constitute his or her 24-hour contact information;
                (a) A rental owner's or rental agent's address must be within 50 miles of the Decatur City Limits to ensure that the owner or agent are nearby and available to respond to any violations of this ordinance. The address may be a commercial property, if the property is managed by a real estate or property management company.
            IV. The short-term rental agent's signed acknowledgement that he or she has reviewed this chapter and understands its requirements;
            V. The number and location of parking spaces allotted to the premises;

VI. The short-term rental agent's agreement to use his or her best efforts to assure that use of the premises by short-term rental occupants will not disrupt the neighborhood, and will not interfere with the rights of neighboring property owners to the quiet enjoyment of their properties;

VII. A deed, or mortgage, and proof of insurance coverage for the property that includes liability coverage appropriate for the use of the property as a short-term rental unit;

VIII. Initial application shall be accompanied by certification that the owner and/or rental agent has attended and completed an education/orientation course approved by the City of Decatur on the operation of short-term rentals;

IX. Any other information that this chapter requires the short term rental agent to provide to the city as part of an application for a short-term rental license. The Director or his or her designee shall have the authority to obtain additional information from the applicant as necessary to achieve the objectives of these regulations.

X. By signing this application, the applicant affirms and agrees that any short-term rental agreement executed between the applicant, as lessor, and a short-term rental lessee shall include a clause explicitly stating that the lessee assumes full responsibility for any and all activities occurring on the property, both inside and outside, during the rental period. This provision does not absolve the lessor of any legal obligations or liabilities under applicable Alabama law, including but not limited to those related to latent defects or concealed dangers known to the lessor at the time of leasing, as outlined in Alabama case law.

B. Approval of a Short-term Rental Certificate shall require an inspection of the property by a City of Decatur Building Inspector and Fire Marshal to ensure safety and compliance with all applicable building and fire codes. Including but not limited to: fire extinguisher, appropriately located smoke alarm, map placed in room for location of unobstructed ingress/egress, etc.)

I. Should any violations be identified during the inspections, proof that the violations have been addressed will be required prior to issuance of the Short-term Rental Certificate. The inspector that identified the violation must sign off that every violation identified has been corrected.

C. No short-term rental unit shall be permitted in a Residential Zoning District in a location where there are already 3 short-term rental units within a 1,000 foot radius of a point placed at the center of the dwelling being applied for.

I. Short-term rental units located in a Commercial Zoning District and within the 1,000 foot radius shall not count toward the total for the density requirement. Also, Short-term rental units with frontage on the Tennessee River shall not be subject to this requirement.

II. A short-term rental unit will be considered within the 1,000 foot radius if any part of the dwelling (not including accessory structures) falls within the 1,000 foot radius.

III. A maximum of 150 short-term rentals will be approved annually within residential zones not previously excluded from the density requirement.

D. No short-term rental unit shall be permitted in a Residential Zoning District if it would create a situation where there are more than 2 contiguous properties holding a Short-term Rental Certificate.

I. Short-term rental units located in a Commercial Zoning District and Short-term rental units with frontage on the Tennessee River shall not be subject to this requirement.

II. For the purposes of this section, properties shall be considered contiguous if they border each other on either side or if they are located directly across the street from one another.

III. If a property is located behind the property being considered, having frontage on a different street, it will not count as a contiguous property.

E. Notice of approval of a new short-term rental certificate shall be mailed to all adjacent property owners. This notice shall include the following information:

I. Property address of approved short-term rental dwelling;

II. Map identifying said property;
III. A copy of this section of the City Code;
IV. Maximum occupancy allowed;
V. Number of parking spaces provided;
VI. Contact information of applicable City Departments where violations of any part of this ordinance can be reported for investigation;
VII. And, any other information deemed appropriate by The Director.

F. Applications for renewal of short-term rental certificates shall be submitted to the Planning Department, and will be accepted within 30 days of the initial approval anniversary date. Applications will not be accepted prior to then. Once application is received, a yearly Fire Marshal inspection will be scheduled and conducted before issuance of renewal certificate for the next calendar year.
I. Applications for renewal received after the annual approval anniversary shall be subject to a $25 late fee penalty.
II. If application for renewal is not received by the Planning Department by the annual approval anniversary date the currently issued short-term rental certificate shall be subject to revocation and loss of ability to operate until a new renewal application is received and approved by the Planning Department.
III. Renewals are not subject to yearly Building Inspection unless a registered complaint of a violation of any items included in the initial building inspection is received within the previous calendar year.
IV. A yearly self-inspection including pictures of fire extinguishers, appropriately located smoke alarms, and a map placed in room for location of unobstructed ingress/egress shall be required to be submitted by the property owner upon application for renewal on forms provided by the Planning Department.

G. Before a Short-term Rental Certificate and Business License can be renewed, the owner shall submit to an audit to determine the number of nights which the owner has rented the premises in the previous calendar year. In the event that the owner has not rented the premises for a minimum of 5 nights, the business license shall not be renewed.
I. It is the responsibility of the property owner to maintain adequate records of the rental history of the property in order to comply with this requirement. If this requirement cannot be satisfied, the certificate will not be renewed.

H. The provisions of this Subsection shall be in addition to any criminal, civil, or legal remedy established by law that may be pursued to address violations of this ordinance.
I. A violation of any provision of this section relating to short-term rentals by the property owner, rental agent, a renter, or a renter's guest(s) shall result in a fine to the holder of the short-term rental certificate of up to $500.00 per occurrence.
II. Notification of a violation by a renter or a renter's guest(s) shall be provided by phone to the number of the 24-hour contact given at the time of application. The owner or rental agent shall respond to the notice of this violation within one hour and shall promptly notify the renter of the violation and take such action as is necessary to correct the action and prevent a recurrence.
III. Upon discovery of the operation of a short-term rental unit without first obtaining a Short-Term Rental Certificate, notice shall be given to the property owner to cease operations and remove any advertisement until such time application can be made to and approved by the Planning Department. Failure to cease operation after receiving notification shall result in the initial monetary fine of up to $500, and each day thereafter is a separate violation, until operations have ceased or a Short-Term Rental Certificate and Business License is issued, whichever happens first.

I. If 3 or more founded, registered complaints with any city department, where the complainant leaves both name and address, are received on a short-term rental property, or violations of this ordinance that result in citation, within one twelve (12) month period, the Short-term Rental Certificate shall immediately be revoked.

I. A complaint shall be considered a founded, registered complaint if it is not deemed to be a frivolous or inaccurate complaint upon further investigation by a staff member of the relevant City Department conducting the investigation.

II. If any criminal activity conducted by the holder of the short-term rental certificate on any individual property for which they hold a certificate results in formal charges, all Short-Term Rental Certificates issued to said holder shall immediately be revoked.

III. Notice of each complaint or violation shall be mailed to the certificate holder identifying the complaint or violation, any corrections needed relating to the complaint or violation, and a time period in which to make the corrections. Failure to make said corrections within the specified time period shall result in revocation of the Short-Term Rental Certificate.

IV. In the case of a certificate being revoked, or failure to issue a certificate due to density, the certificate holder may appeal to BOZA within 30 days of the revocation, or the next scheduled BOZA hearing for reinstatement.

V. Following a notice of revocation of the Short-Term Rental Certificate and/or a denial of an appeal for reinstatement by BOZA, operation of the short-term rental shall cease immediately and the property shall not be allowed to obtain another Short-term Rental Certificate for a period of no less than 3 years from the time it was revoked unless and until the property's ownership changes and the new property owner applies for a new certificate.

VI. Should a new owner of a property for which a certificate has been revoked in the previous 3 year period apply for a new Short-term Rental Certificate, proof that ownership has changed will be a requirement for approval of the certificate.

J. Applications for short-term rental certificates shall begin being accepted April 1, 2026.

I. Monetary fines for violations of any part of this ordinance shall be imposed 90 days after the effective date.

II. Any operator of a short-term rental found to have violated any provisions of this ordinance within the first 90 days of the effective date of this ordinance shall be given written notice identifying the violation and any corrective actions required to be taken.

III. Requirements for operation of a short-term rental property:

(a) A dwelling must be located on the site, able to be occupied.

(b) The property must be located in a zoning district where short-term rentals are permitted, or in a district where short-term rentals are a special exception use with a BOZA appeal to allow the use.

(c) Tents, recreational vehicles, or accessory structures are prohibited from being used for a short-term rental.

(d) Meals shall not be provided by the operator of the short-term rental property to a paying guest as an amenity of the rental.

(e) Short-term rental properties must abide by any covenants or HOA requirements agreed to upon the purchase of the property.

(f) No commercial events, such as concerts, weddings, or other large events are permitted.

(g) Short-term rentals shall not adversely affect the residential character of the surrounding neighborhood.

(h) Short-term rentals shall not be obnoxious, offensive, or detrimental to neighboring properties by reason of dust, smoke, vibration, noise, odor, effluence, or appearance.

(i) Occupancy is limited to 2 times the number of bedrooms available for rent. Children under the age of 6 do not count towards the maximum guest occupancy.

(j) Total occupancy at any time on the licensed property shall not exceed one and one-half times the above calculated occupancy based on the number of bedrooms available for rent.

(k) Total number of bedrooms available for rent in any short-term rental unit in any residential zoning district shall not exceed four, unless proof can be provided that the original construction of the dwelling unit exceeded four bedrooms.

~~(l)~~ The number of vehicles present on the property during an overnight stay shall not exceed the number of off-street parking spaces approved by the City Planning Department. In districts with limited off-street parking, any exception to the parking requirement may be permitted on appeal through BOZA.

(i.) Any trailered vehicle parked on the premises of a short-term rental unit must be parked off-street.

(m) The total occupancy allowed and number of parking spaces provided shall be published in the listing for the short-term rental.

(n) Any animals kept at a short-term rental unit must comply with all City laws and regulations on the keeping of animals (see Chapter 4 of the City Code).

(o) A short-term rental property shall not be occupied for a period of less than 24 hours, or less than an overnight stay.

(p) Short-term dwelling units shall not be rented to one person or group for a period of more than 29 consecutive days."

Section 3. This ordinance shall take effect April 1, 2026.

ADOPTED this the 2nd day of February, 2026.

APPROVED this the 3rd day of February, 2026.

BY: /s/J. Kent Lawrence
Mayor

ATTESTED this the 3rd day of February, 2026.

BY: /s/Stephanie Simon
City Clerk