

ORDINANCE NO. 2026-201

AN ORDINANCE ESTABLISHING REGULATIONS CONCERNING SHORT-TERM RENTALS IN THE CITY OF MADISON, ALABAMA

WHEREAS, pursuant to Section 11-52-1 et seq. of the *Code of Alabama* (1975), a municipality is authorized to enact zoning ordinances and provide for the administration and enforcement thereof; and

WHEREAS, within the City’s Zoning Ordinance (the “Zoning Ordinance”), the City of Madison, Alabama (the “City”), has approved certain zoning districts in which short-term rentals may be located; and

WHEREAS, pursuant to Section 11-45-1 et seq. of the *Code of Alabama* (1975), a municipality is authorized to enact ordinances not inconsistent with the laws of the state in order to improve the morals, order, comfort, and convenience of the inhabitants of the municipality; and

WHEREAS, to accompany the provisions regarding the permitted locations of short-term rentals in the Zoning Ordinance, the City desires to adopt regulations concerning permitting and operational standards for short-term rentals to be located in the Madison City Code; and

THEREFORE, BE IT HEREBY ORDAINED by the City Council of the City of Madison, Alabama (the “City Council”), as follows:

Section 1. Purpose.

The purpose of this Ordinance is to establish regulations for the use of short-term rentals in order to provide the framework for a permit system regulating these facilities; impose operational requirements to minimize the potential adverse secondary effects of such uses, including, but not limited to, traffic, noise and density; limit the proliferation of and prevent the over concentration of transient uses in residential neighborhoods and zoning districts; impose reasonable limitations to ensure the long-term availability of housing stock; ensure neighborhood compatibility and maintain harmony with surrounding uses; ensure the collection and payment of taxes; protect the health, safety and welfare of transient occupants and guests patronizing short-term rentals; and protect the health, safety and welfare of the City’s residents.

Section 2. Definitions.

“Accessory Building or Use” shall have the meaning provided in Chapter 12 of the Zoning Ordinance.

“Bedroom” shall mean an attached room that is intended, arranged, or designed to be occupied by one or more persons primarily for sleeping purposes and must meet the minimum requirements of the International Building Code adopted by the City.

“Business License” or “License” shall mean an annual license issued by the City for the privilege of doing any kind of business, trade, profession, or any other activity in the municipality, by whatever name called.

“Certificate of Occupancy” shall have the meaning provided in Chapter 12 of the Zoning Ordinance.

“City” shall mean the City of Madison, Alabama.

“City Clerk” shall mean the City Clerk-Treasurer of the City of Madison, Alabama.

“City Council” shall mean the City Council of the City of Madison, Alabama.

“Dwelling” shall have the meaning provided in Chapter 12 of the Zoning Ordinance.

“Dwelling Unit” shall have the meaning provided in Chapter 12 of the Zoning Ordinance.

“Fire Marshal” shall mean the Fire Marshal of the City of Madison, Alabama.

“Local Contact Person” shall mean a person, firm, agency, or Operator representing an owner or owners of a short-term rental who has access and authority to assume management of the short-term rental and take remedial measures.

“Lodging Taxes” shall mean taxes authorized and levied as lodging taxes pursuant to Chapter 10, Article VIII of the *Code of Ordinances, City of Madison, Alabama*, as well as any privilege license taxes that may be levied in lieu of, in substitution for, or in continuation of, said privilege license taxes.

“Madison City Code” shall mean the Code of Ordinances, City of Madison, Alabama.

“Operator” shall mean a Person who is an owner or proprietor of a property, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, managing agency, rental agent, or any other capacity, and who desires to rent the property on a short-term basis to a Transient. Where the Owner performs his or her functions through a managing agency of any type or character or through a rental agent, the managing agency or rental agent has the same duties as the Operator. In order to be eligible to be an Operator hereunder, a Person desiring to operate a short-term rental must be the owner or proprietor of the property on which the short-term rental will occur or be designed in writing by the Owner as the agent for the Owner of the property.

“Owner” shall mean a Person who has a legal right to possess real property, whether as owner, lessee, sublessee, mortgagee in possession, or licensee.

“Person” shall mean any individual or a group of individuals, corporation, estate, trust, partnership, limited liability company, association, joint venture, or any other legal or commercial entity.

“Rent” shall mean the consideration or remuneration charged (regardless of actual receipt) in money, goods, labor, or otherwise, including all receipts, cash, credits, property or services of any kind for the short-term occupancy or possession of space in a Dwelling Unit.

“Rental” shall mean an arrangement between a Transient and an Operator whereby Rent is received in exchange for the right to possess a Short-Term Rental.

“Revenue Officer” shall mean the Revenue Officer of the City of Madison, Alabama.

“Short-Term Rental” or “STR” shall have the meaning provided in Chapter 12 of the Zoning Ordinance.

“Short-Term Rental Operational Permit” or “STR Permit” shall mean a permit issued by the City of Madison for each unit used as a Short-Term Rental.

“Single Family Residence” shall mean any Dwelling, Dwelling Unit, or any structure located in any districts where single-family dwellings are located as defined in the Zoning Ordinance. For the purposes of this Ordinance, a single-family residence shall also include attached and detached single-family and multi-family Dwelling Units designed to be occupied by only one (1) family.

“Transient” shall have the meaning provided in Chapter 12 of the Zoning Ordinance.

“Transient Occupancy Tax” or “Transient Lodging Tax” shall mean the Lodging Tax levied on persons staying in a Short-Term Rental, hotel, inn, motel, tourist home, non-membership campground or other lodging facility.

“Zoning Ordinance” shall mean the Official Zoning Ordinance of the City of Madison, Alabama.

Section 3. Applicability.

It shall be unlawful for any Person or owner of any property within the City of Madison, Alabama (the “City”) to operate a Short-Term Rental (“STR”) or rent residential property on a short-term basis contrary to the procedures and regulations established in this Ordinance, other provisions of the Madison City Code, the Zoning Ordinance, or any applicable state law. The restrictions and obligations contained in this Ordinance shall apply at all times during which residential properties are marketed and used as Short-Term Rentals.

Nothing in this Ordinance affects the right of the City to impose or collect other applicable fees, charges, or penalties or take other appropriate action to remedy a violation of other ordinances or laws.

Section 4. Regulations.

A. Dwellings

The following allowable Dwelling Units may be utilized for Short-Term Rentals:

1. Single-family, detached.
2. Single-family, attached (i.e. condominiums or town homes). Units available for short-term rental shall be designated at the time of application and may not change within the permitting period.
3. Multi-family units. Units available for short-term rental shall be designated at the time of application and may not change within the permitting period.
4. Mobile homes in a designated mobile home park provided the unit is on a permanent foundation.
5. Accessory Buildings or Uses (e.g., carriage houses, converted detached garages).

B. Location of Short-Term Rentals Generally

Short-Term Rentals shall be permitted in certain zoning districts as permitted by the Zoning Ordinance.

C. Total Number of Short-Term Rentals Generally

The total number of Short-Term Rental Operational Permits (“STR Permits”) issued by the City shall not exceed three quarters of one percent (.75%) of the total housing supply, which is equivalent to one hundred ninety (190) STR Permits based on number of estimated housing units in the City of Madison as of the date of this Ordinance. Permits shall be granted on a first come, first served basis. The City Council may amend the cap on the number of STR Permits allowed in this Section 4(C) from year to year based on changes in housing supply or as the public interest otherwise requires.

Section 5. Short-Term Rental Operational Permit Procedures.

A. Generally

1. Every person who desires to engage in business as an Operator of a Short-Term Rental shall obtain a STR Permit and a license for the business prior to offering the Short-Term Rental for rent.
2. Persons engaged in such business on the effective date of this Ordinance must apply for a permit and business license no later than ninety (90) days after this Ordinance becomes effective.
3. The required permit and license shall set forth the name under which the property is owned.
4. A STR Permit is required for each individual Short-Term Rental unit.

5. A separate Certificate of Occupancy is required for each individual location of a Short-Term Rental.
6. All applications for a STR Permit or permit renewal shall be reviewed by City officials including, but not limited to, the Building Department, Planning Department, the Fire Marshal, and the Revenue Department.
7. No permit holder shall transfer the right to operate under any permit issued under this Ordinance to any other Person by lease, agreement, contract, or any other agreement.
8. No permit issued under this Section may be operated or shall have any legal effect at any location other than the location for which it is issued.

B. Application

Each person seeking to obtain a permit to operate a Short-Term Rental shall submit an application to the City of Madison Building Department for a Short-Term Rental Operational Permit on a form provided by the same as well as an application to the Revenue Department for a business license on a form provided by the same. All Short-Term Rental Operational Permit applications shall be accompanied by the payment of a nonrefundable fee of Three Hundred and Fifty Dollars (\$350.00) to help defray the City's cost of processing and reviewing the application. Said application shall include:

1. Permanent address, phone number, and e-mail address of each applicant;
2. The physical address of the STR;
3. A copy of a deed or lease showing the applicant to be the owner of the premises for which the permit is sought;
4. A copy of the applicant's driver's license or government-issued identification;
5. A survey of the property illustrating the number and location of parking spaces allotted to the premises;
6. A floorplan of the building illustrating the bedrooms that will be utilized for short-term rental occupants;
7. Certificate of Insurance proving current, valid liability insurance either showing:
 - i. A rider on a homeowner's policy that expressly covers STRs and provides a minimum of One-Million Dollar (\$1,000,000.00) liability and personal injury coverage; and/or
 - ii. A commercial insurance policy covering short-term rentals at the permitted address that provides a minimum of One-Million Dollar (\$1,000,000.00) liability and personal injury coverage. Said insurance shall indicate the policy shall not terminate or be cancelled prior to the completion of the then current permit period without a thirty (30) day written notice to the City, sent in writing to the attention of the Building Department.
8. The property used as a short-term rental must have no outstanding taxes or municipal code violations present thereon;
9. The name, address, telephone number, and e-mail address of the Local Contact Person;
10. A list of the name and address of all owners who own residential property adjacent to the STR. and

11. Any other information as may be required by the City.

C. Issuance

Upon submission of the required information and supporting documentation, and upon a determination that all standards set forth in this Ordinance have been satisfied, the Building Director, or his or her designee, shall review the application and, if approved, issue the STR Permit and Certificate of Occupancy for the calendar year in which such approval is granted. Review of an application shall be conducted in accordance with due process principles and shall be granted unless the applicant fails to meet the conditions and requirements of this Ordinance, federal, state, or municipal law related to the operation of a short-term rental, or otherwise fails to demonstrate the ability to comply with local, state, or federal law through the operation of the proposed short-term rental. The Building Department shall not issue a Short-Term Rental Operational Permit until the issuance of a Business License for the operation of Short-Term Rentals in the City.

D. Notice to Neighbors

An Owner or Operator must, upon issuance of a STR Permit or upon changes to an existing permit, provide written notice to all owners and occupants of residentially zoned property who own property adjoining the STR, which notice shall include the following information:

1. The address of the STR;
2. The names and contact information of the Owner/Operator and Local Contact Person;
3. A link to the City's adopted regulations for Short-Term Rentals and contact information by which members of the public may report violations; and
4. The maximum number of renters permitted to stay in the Dwelling Unit.

Section 6. Business License.

Any Owner, Operator, or other Person engaged in the business of operating a STR within the City shall pay for and take out such license in such manner and in such sums as provided in the Madison City Code. An Operator shall be required to obtain only one business license to operate short-term rentals within the City. All license renewals shall occur in accordance with the procedures provided in the Madison City Code.

Section 7. Permit Renewals.

All STR Permits issued pursuant to this Ordinance are annual permits effective from the date of issuance each year. Holders of existing permits and business licenses in good standing shall apply for renewal for the next calendar year by filing a STR Permit renewal application in the proper form and tendering the required fees a minimum of 30 days prior to the STR Permit's expiration. All STRs shall be subject to an annual building inspection, which shall be scheduled and conducted before the issuance of a STR Permit. Renewal applications along with any

complaints received from the previous calendar year shall be reviewed and taken into consideration by the City before the issuance of a STR Permit.

Section 8. Supplemental Regulations.

All Short-Term Rentals shall be subject to the following minimum requirements, regulations, and criteria as a condition for their initial approval and continued use:

- A. The Short-Term Rental must be located in a permitted zoning district and zoning approved by the City prior to issuance of a Certificate of Occupancy;
- B. The building must be a permanent structure located on the site and be able to be occupied as verified by a Certificate of Occupancy from the City;
- C. All applicable building and fire codes must be met;
- D. Short-Term Rentals may only be used for transient lodging (eating and sleeping). No events such as parties, concerts, weddings, or other large events are permitted;
- E. No exterior alterations may be made to a residence to indicate that it is being used as a Short-Term Rental. House numbers shall be visible from the public street at all times;
- F. No on-site signage shall be permitted promoting or identifying the Short-Term Rental;
- G. No recreational vehicles shall be used as a Short-Term Rental;
- H. Only a bedroom as defined herein shall be used as a guestroom, and the number of guests allowed per bedroom shall be determined by the Building Official and Fire Marshal utilizing adopted codes. In case of conflict, the more stringent regulation applies;
- I. The standards of the Madison City Code shall be adhered to;
- J. Short-term rentals must be equipped with the following safety equipment and features:
 - 1. Smoke detectors and carbon monoxide detectors;
 - 2. Operable egress windows in sleeping areas;
 - 3. Proper hand and guardrails;
 - 4. Ground fault circuit interrupter (“GFIC”) protection where required by adopted Building Codes;
 - 5. Fire extinguisher(s);
 - 6. A copy of emergency contact information and diagram/floor plan indicating fire exits and escape routes displayed in a prominent location within the STR unit;
- K. A copy of this Ordinance must be provided in the STR;
- L. A copy of the Local Contact Person’s contact information and the Rules and Regulations adopted by the City must be displayed in a prominent location within the STR unit;
- M. The Operator or Owner shall comply with all business license and revenue collection procedures and regulations; and
- N. The property used as a short-term rental must have no outstanding taxes or municipal code violations present thereon.

Section 9. Local Contact Person.

Each Owner shall designate a Local Contact Person who has access and authority to assume management of the Short-Term Rental and take remedial measures while the property

is being rented to a guest. An Owner of a Short-Term Rental may designate herself or himself as the Local Contact Person. The Local Contact Person must be at least twenty-one (21) years of age.

There shall only be one designated Local Contact Person for a Short-Term Rental at any given time. An Owner may retain a managing agent, managing agency, operator, or representative to serve as the Local Contact Person to comply with the requirements of this section, including, without limitation, the management of the Short-Term Rental and the compliance with the conditions of the permit.

The Local Contact Person shall be required to respond to the location of the Short-Term Rental twenty-four (24) hours a day, seven (7) days a week, and within thirty (30) minutes after being notified by the City of the existence of a violation of this article or any other provision of the Madison City Code, or any disturbance or complaint requiring immediate remedy or abatement regarding the condition, operation, or conduct of occupants of the Short-Term Rental.

The Owner is responsible for compliance with the provisions of this article and the failure of the Local Contact Person to comply with this section shall be deemed noncompliance by the Owner. The Owner must immediately notify the City in writing upon a change of Local Contact Person's name or contact information.

Owners or Operators shall not be permitted to serve food to guests for sale. No food preparation, except beverages, is permitted within individual rooms by heating elements including, but not limited to, hot plates, steam tables, toasters, toaster ovens, ovens, air fryers, and other electric or gas-powered food preparation methods or elements.

Section 10. Limited Occupancy; Parking Restrictions.

No Short-Term Rental shall exceed the maximum guest occupancy as determined by the Building Inspector or Fire Marshal. Subject to the limitations of parking availability within the subject property, one (1) parking space per bedroom is required at each Short-Term Rental for use by Transients. Transients must park all vehicles within designated parking areas of a Short-Term Rental property. Overnight street parking by Transients is strictly prohibited.

Section 11. Suspension and Revocation of Short-Term Rental Operational Permit.

Any permit and/or business license issued pursuant to this article may be revoked following all applicable notices and/or hearings for any of the following causes:

- A. Any fraud, misrepresentation, or false statement contained in the application;
- B. Any fraud, misrepresentation, or false statement made in connection with any transaction;
- C. Any violation of this article; or
- D. The operation of a business permitted under this article in an unlawful manner or in such a manner as to constitute a breach of the peace or to constitute a menace to the health, safety, or general welfare of the public.

Notice of a hearing for the revocation of a permit issued pursuant to this article shall be issued in writing, setting forth specifically the grounds of the complaint and the time and place of the hearing. The notice shall be served on the owner of record by certified or registered mail, postage prepaid, to the Owner's listed mailing address and the address of the Short-Term Rental at least thirty (30) days prior to the date set for the hearing. Notice shall also be given to the Operator (if different from the Owner) and the Local Contact Person as needed.

If three (3) valid complaints are substantiated by the City, including the Madison Police Department or the Building Department, within a twelve (12) month period concerning a Short-Term Rental, then the Operator's STR Permit shall be suspended by the City's Building Department for a period of no less than six (6) months.

If an Operator has his/her STR Permit suspended for a second time within two (2) consecutive years, then suspension of such STR Permit for the second consecutive year shall be for a period of no less than twelve (12) months. If an Operator has his/her Permit suspended for a third time within three (3) consecutive years, the STR Permit shall be revoked permanently.

An Operator may appeal the suspension or revocation of a Short-Term Rental Operational Permit to the City Council by serving written notice of appeal to the City Clerk within fifteen (15) days of receipt of the notice of the suspension or revocation. The appeal will be heard no later than sixty (60) days following such appeal at the next regularly scheduled City Council meeting.

Section 12. Violation; Penalties; Process.

Any Person that has violated or continues to violate this article shall be guilty of a violation. Each act of violation and/or each day upon which any violation shall occur and/or continue to exist shall constitute a separate offense punishable as described herein.

Upon the determination of a Code Enforcement Officer, Court Magistrate, or Police Officer that a violation of this Ordinance exists, a written notice of violation and/or citation, as appropriate, shall be issued to all Persons in violation of this article or any one of them. A notice shall be issued by first class mail or hand delivery. Service shall be deemed effectuated by first class mail on the third day following the date of mailing or upon hand delivery. The notice shall (a) identify the violation, (b) include a correction order specifying the action required to comply with the provisions of this article, and (c) include a specified time within which to comply. If a violation is not sufficiently corrected in the opinion of the Building Director within the specified period of time contained in the notice, then a citation and/or notice to appear may be issued by an enforcement officer directing all Persons or any one or more of them to appear in the municipal court at a time and date stated therein to answer to such violation(s). The defendant(s) shall have all rights secured to persons charged in the City with violations generally. If a defendant is found guilty by the municipal court, the court may impose a fine or imprisonment or both in accordance with the provisions of the Madison City Code.

Section 13. Civil Penalties.

A violation of any portion of this article constitutes a public nuisance per se. The City, as an additional or alternate remedy, may institute equitable or injunctive proceedings in a court of competent jurisdiction to abate uses prohibited by this article.

Section 14. Effective Date.

This Ordinance shall be effective upon its adoption and publication as provided by law.

Section 15. Severability.

If any clause, phrase, sentence, paragraph, or provision of this Ordinance shall be invalidated by a court of competent jurisdiction, it is the intent of the City Council that such invalidation shall not affect the validity of any other clause, phrase, sentence, paragraph, or provision thereof.

BE IT FURTHER ORDAINED that this Ordinance shall be incorporated into the Madison City Code in Chapter 8 entitled “*Buildings, Construction and Related Activities*” as a new Article VI.

READ, PASSED, AND ADOPTED at a regularly scheduled meeting of the City Council of the City of Madison, Alabama, on this ____ day of _____ 2026.

Maura Wroblewski, President,
Madison City Council

ATTEST:

Lisa D. Thomas, City Clerk-Treasurer

APPROVED this ____ day of _____ 2026.

Ranae Bartlett, Mayor
City of Madison, Alabama