

ORDINANCE NO. 2017-1276

**AN ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM
ON THE ISSUANCE OF SHORT-TERM RENTAL BUSINESS LICENSES**

FINDINGS:

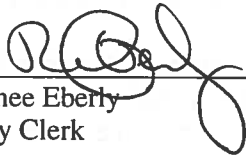
1. Orange Beach is a resort island community that attracts thousands of visitors each year. Tourism is an important part of the local economy, including vacation rentals at hotels, condominiums, and increasingly, in residential neighborhoods.
2. The City has heretofore adopted a license code requiring persons engaged in the rental of real estate to purchase a business license. Section 50-51 and section 50-79, Schedule X, Orange Beach City Code. Under the current license code, a distinction is made between long term rentals short-term rentals.
3. Long term rentals are defined as “rental supplied to any one entity for a period of 180 continuous days or more;” short term rentals are defined as “rental supplied for a period of less than 180 continuous days.” Section 50-79, Schedule X.
4. In recent years, the density and frequency of rentals of less than 30 days in residential neighborhoods has been increasing, due in large part to the web-based marketing tools such as Airbnb, Vacation Rental by Owner, and the like.
5. The increase in transient occupancy has had an adverse impact on residential neighborhoods because they often generate excess noise, traffic, and trash. The Orange Beach Police Department has reported that calls to vacation rentals in residential neighborhoods have increased. Similar detrimental effects have been documented in numerous studies in cities around Alabama and the United States.
6. The Department of Community Development is in the process of studying the issue in order to make recommendations to the Council on the best approach for Orange Beach. The Department has been directed to provide a solution that will protect neighborhoods from the unwanted change in character that is part and parcel of the vacation rental business while accommodating those owners who have traditionally rented their properties.
7. Based on the foregoing, the City Council finds that issuing additional short-term rental licenses prior to the completion of the City’s study and evaluation of the impacts of such residential rentals would pose a current and immediate threat to the public health, safety, and welfare.
8. A temporary moratorium is a reasonable and necessary measure designed to protect the public interest in quality of life and the preservation of public order for residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That starting with the effective date of this Ordinance, no new short-term rental license shall be approved or issued for a period of six months, except as provided below:
 - a. Annual renewals of existing short-term rental licenses shall be permitted as allowed by Chapter 50 of the City Code.
 - b. New short-term rental licenses shall be issued only to operators who submit to the Finance Department clear and convincing evidence that, as of the effective date of this ordinance: 1) the operator had made a substantial investment in the expectation of operating a short-term rental at the residential dwelling for which the license is sought; and 2) operations related to short-term rentals will not be in violation of any other laws governing the use of the property.
 - c. No new licenses shall be issued pursuant to the exceptions listed above unless the applicant: 1) pays any fines and/or taxes owed for any operation of any short-term rental license; and 2) certifies that the operation of a short-term rental in the residential dwelling will not be in violation of law or other valid restrictions governing the use of the property, and that any HOA to which the property belongs has been notified of the application for a short-term rental license, a copy of which notification shall be included with the application.
 - d. The Finance Director shall evaluate the evidence submitted by an applicant, and may ask for additional information deemed appropriate and shall refer a final decision as to the issuance of the license. Appeal may be made to the City Council.

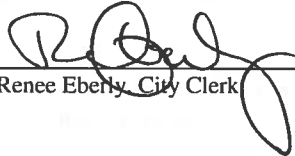
2. SEVERABILITY. A determination of invalidity or unconstitutionality by a court of competent jurisdiction of any clause, sentence, paragraph, section or part, of this ordinance shall not affect the validity of the remaining parts to this ordinance
3. EFFECTIVE DATE. That this Ordinance shall become effective immediately upon its adoption and publication as required by law.

ADOPTED THIS 15th DAY OF DECEMBER, 2017.



Renee Eberly
City Clerk

The City Clerk of the City of Orange Beach, Alabama hereby certifies that the foregoing ORDINANCE 2017-1276 was posted on 12/15/2017 in the following three (3) public places:
Orange Beach City Hall _____
Orange Beach Post Office _____
Orange Beach Public Library _____



Renee Eberly, City Clerk