



DOWNTOWN MOBILE DISTRICT MANAGEMENT CORPORATION

Policy on Residentially Owned and Occupied Short-Term Rental Properties
Effective Beginning with the FY 2025–26 Assessment Year

Purpose

This policy establishes guidelines for granting a partial reduction in the Business Improvement District (BID) assessment for properties that are both owner-occupied and used partially for short-term rental purposes. The goal is to recognize primary residential use while fairly accounting for limited commercial activity.

Eligibility Criteria

- Primary Residence: The property must be the owner's primary residence and be classified as a single-family residential dwelling.
- Homestead Exemption: The owner must have an active Homestead Exemption on file with the Mobile County Revenue Commissioner for the property.
- No portion of the parcel may be used for commercial use outside of short-term rental use compliant with the terms herein.

Short-Term Rental Use Restrictions:

- No more than 50% of the total square footage of the home may be used for short-term rental purposes.
and
- The property may not be rented out for more than 50% of the calendar year.

Assessment Reduction

If all criteria are met, the property will be eligible for a 50% reduction in the annual BID assessment for that fiscal year.

Application Requirements

- A completed Application for Reduction form.
- A copy of the current year Mobile County property tax bill showing Homestead Exemption.
- A notarized Affidavit of Use, affirming:
 - The property is owner-occupied and the applicant's primary residence.
 - No more than 50% of the home is rented short-term.
 - Rental activity does not exceed 50% of the calendar year.
 - Any change in property use will be reported to the District Management Corporation immediately.
- A 12-month rental revenue statement (for the tax year preceding the application) from Airbnb, VRBO, or other rental platform or booking software used to track occupancy and rental income. This is required to verify short-term rental use eligibility.



Limitations and Renewals

Reductions apply to one fiscal year only (July 1–June 30). A new application must be submitted each year.

The District Management Corporation reserves the right to request additional documentation (e.g., rental records, floor plans).

Failure to meet eligibility requirements or provide documentation by the deadline will result in full assessment billing.

Policy Oversight

All applications are subject to review by the District Management Corporation and its Board of Directors. Approval is not automatic and may be rescinded if the property's use changes or documentation is found to be inaccurate.