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Montgomery (city) vacation rental checklist

Montgomery County, Alabama | Rules checked November 5, 2026

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Since September 2026, the City of Montgomery requires a Short-Term Rental Business License for each property in the city and police jurisdiction: $250 a year, an inspection by an Alabama-licensed home inspector, $1 million liability insurance, a floor plan, site plan, and evacuation maps, and a contact within 30 miles who responds within an hour. Lodgings tax is 15% plus $2.25 a night.

> The council passed the ordinance 8–0 on September 1, 2026, with a one-hour response time. The copy the city posted still shows a one-per-block density limit and some struck-through text; news reports say the density limit was dropped. Ask License and Revenue for the signed ordinance and the application packet.

> The ordinance wasn't in the online code yet when we checked (November 2026).

Licensing steps

STATE OF ALABAMA

- [ ] **Register for the lodgings tax**
  Create an account at My Alabama Taxes (MAT) and register for state lodgings tax, plus any local lodgings taxes the state administers for your county and city. Cities that collect their own tax need a separate account with the city.
  My Alabama Taxes: https://myalabamataxes.alabama.gov/

- [ ] **File by the 20th**
  Returns are due by the 20th of the following month. Small filers can ask (before February 20) to file quarterly, twice a year, or yearly. Paying on time earns a small discount (5% of the first $100 of tax, 2% after).

- [ ] **Know what the platform collects**
  Under Act 2024-334, Airbnb, VRBO, and other booking platforms collect the state and local lodgings taxes on their bookings unless your contract says you remit. You still owe tax on direct bookings, and the law adds a yearly report of every unit rented more than 14 days.

- [ ] **Keep filing once you register**
  If every booking goes through a platform that collects all your state and local lodgings taxes, you may not need your own account. But if you take direct bookings, or the platform doesn't collect one of your local taxes (often the ones filed with a city, a county, or Avenu), register and file it yourself. Once registered, file every period, even a $0 return, and report platform-collected sales as a deduction. Some county offices ask owners to keep their own account and file monthly even when the platform pays, so ask yours.

- [ ] **Then your county and city**
  Local business licenses, rental permits, and zoning rules are where Alabama towns differ most. Pick your area.

MONTGOMERY COUNTY, ALABAMA

- [ ] **Register for the county room fee**
  File the $2.25 per-room-night county lodgings fee with Montgomery County (its Sales Tax and Audit department posts the lodging tax form). Airbnb's Alabama article doesn't list it.

- [ ] **Then your city**
  The City of Montgomery has its own license and rules. Pick your area.

CITY OF MONTGOMERY

- [ ] **Check zoning, deeds, and HOA rules**
  The ordinance doesn't override zoning, historic district rules, deed restrictions, or HOA rules; you must comply with all of them. Rental arbitrage (renting out a place you lease) isn't allowed.
- [ ] **Get the inspection**
  Hire an Alabama-licensed home inspector (an architect or engineer for multifamily buildings) approved by the Chief Building Official. Fix anything the Building Compliance Report finds before the license is issued.
- [ ] **Apply for the Short-Term Rental Business License**
  Apply with License and Revenue for each property ($250 a year). Include your insurance declarations page, the Building Compliance Report, an evacuation map, a to-scale floor plan with every bedroom, a site plan showing guest parking, a 24-hour local phone number, a contact within 30 miles, and every owner's name and phone. A manager who isn't the owner needs a notarized power of attorney.
  Montgomery License and Revenue: https://www.montgomeryal.gov/work/business-resources/license-and-revenue
- [ ] **Set up the house**
  Post a 103 × 83 evacuation map in each bedroom, mount a serviced fire extinguisher in the kitchen, any garage, and on each floor, put smoke and CO alarms in every bedroom and log monthly tests, and post an 83 × 113 placard with the 24-hour contact. Fence pools at least 4 feet with a locking gate.
- [ ] **Register for lodgings tax**
  Total lodgings tax here is 15% plus $2.25 a night (5.5% city in the police jurisdiction). The city's 11% is filed with the city (Airbnb lists it as collected) and the $2.25 county fee with Montgomery County. Airbnb collects the state 4% and any state-administered local tax on its bookings. Ask your platform whether it also collects the other local taxes, and file anything it doesn't (and all direct bookings) by the 20th of each month.
- [ ] **Renew every year**
  Renew with proof of insurance, the inspection report, a certification that nothing has changed, current contacts, and an annual report of bookings, revenue, and platforms. Report any change of owner or manager within 24 hours or the next business day.

Fees

$250 a year per property, plus the inspector's fee.

Short-Term Rental Business License	**$250 a year per property**
Inspection Owner pays; repeated after a sale or change to the property.	**Set by the inspector**
First violation	**$250**
Later violations Three or more in 12 months can go to the City Council for revocation.	**$500**

House rules for guests

Maximum guests: 2 per bedroom, plus 2

Parking: Designated on-site areas only
No commercial vehicles or buses.

Events: No weddings, parties, or receptions

Noise: Amplified sound indoors only

Who to contact

License and Revenue Division: 334-625-2036
ADOR Sales and Use Tax Division: 334-242-1490

Montgomery (city) asks for drawings with your application.
Make the site sketch, floor plans, and evacuation maps to scale from your measurements at FireEscapePlan.com.

Official sources

Alabama Department of Revenue: State lodgings tax. https://www.revenue.alabama.gov/tax-types/lodgings-tax/

Alabama Department of Revenue: Lodgings tax FAQs. https://www.revenue.alabama.gov/faqs/lodgings-tax/

Alabama Department of Revenue: Alabama Tourism Tax Protection Act (Act 2024-334)-
. https://www.revenue.alabama.gov/alabama-tourism-tax-protection/

Avalara MyLodgeTax: Alabama vacation rental tax guide-
. https://www.avalara.com/mylodgetax/en/resources/vacation-rental-tax-guides/alabama.html

Montgomery County Commission: Sales tax and audit forms (includes the lodging tax form)-
. https://www.mc-ala.org/departments/sales-tax-audit/forms

City of Montgomery: Short-term rental ordinance (2026)-
. https://www.montgomeryal.gov/home/showpublisheddocument/20090/639229218388070000

Alabama Department of Revenue: Local lodgings tax rates report (November 2026)-
. https://www.revenue.alabama.gov/wp-content/uploads/2022/07/LLreport.pdf

WAKA 8: Montgomery City Council approves short-term rental ordinance-
. https://www.waka.com/2026/09/01/montgomery-city-council-approves-short-term-rental-ordinance/

City of Montgomery: License and Revenue. https://www.montgomeryal.gov/work/business-resources/license-and-revenue