

DOWNTOWN MOBILE DISTRICT MANAGEMENT CORPORATION

Policy Statement on Treatment of Owner-Occupied Residential Properties and 501(c)(3) Organizations

Reason for Policy

The Management Plan for the Downtown Mobile Self-Help Business Improvement District (the “Management Plan”) provides for certain exemptions from, and reductions of, the special business improvement district assessment. Owner-occupied, single family residential properties are eligible for a one hundred percent (100%) exemption from the special assessment, and tax-exempt organizations qualifying under the provisions of Internal Revenue Code Section 501(c)(3) may reduce the amount of the assessment levied in accordance with the Assessment Policy on 501(c)(3) Organizations as provided in the Management Plan. Eligible property owners must file an application for exemption or reduction, as applicable, with the Downtown Mobile District Management Corporation (the “District Management Corporation”) between January 1 and April 30 of each year to receive an exemption or reduction for the fiscal year beginning on July 1. The Management Plan requires that the application for owner-occupied, single family residential properties include “such evidence as may be requested by the District Management Corporation in order to determine that the property qualifies to receive . . . the exemption.” Tax-exempt organizations under 501(c)(3) are required to submit “documentation of the tax-exempt status of the property owner” to qualify for the exemption.

The District Management Corporation’s Board of Directors has adopted this Policy Statement to set forth the documents that property owners must provide in support of an application for exemption for owner-occupied, single family residential properties and an application for reduction of the assessment for 501(c)(3) organizations.

If the use of a property changes during the year such that the property is no longer eligible for exemption or reduction, the property owner shall be responsible for payment of a prorated portion of the assessment based on the number of days remaining in the fiscal year after the change in use. In addition to the other documents described herein, property owners applying for the exemption for owner-occupied, single family residential property shall be required to provide an affidavit to the District Management Corporation stating that they will notify the District Management Corporation of any change in use of their property during the fiscal year.

Statement of Policy

The District Management Corporation shall post information describing the available exemption and reduction and the application for exemption and reduction forms on its website. Any property owner who believes they are eligible for an exemption or reduction shall submit an application for exemption or reduction between January 1 and April 30 of each year.

1. Owner-occupied, single family residential property owners must provide item (a) or (b) below, and the affidavit described in item (c):

- (a) a copy of the Mobile County Revenue Commissioner tax bill indicating that the property owner has claimed a homestead exemption for the subject property; or
 - (b) such other documentation acceptable to the Board of Directors evidencing that the subject property qualifies for the exemption; and
 - (c) an affidavit confirming that the property is owner-occupied, single family residential and stating that the property owner will notify the District Management Corporation of any change in the use of property occurring during the applicable District Management Corporation fiscal year.
2. 501(c)(3) organizations must provide an IRS determination letter recognizing the organization's exempt status and documentation from the Mobile County Revenue Commissioner's office indicating that the property is exempt from real property tax; provided, however, that if the organization has previously provided a copy of its IRS determination letter, the organization may provide an affidavit of exempt status acceptable to the Board of Directors evidencing that the IRS has not revoked the organization's tax-exempt status under 501(c)(3) in lieu of an IRS determination letter, together with the required documentation from the Mobile County Revenue Commissioner's office.

The application for exemption or reduction shall also provide that any property owner who fails to provide the required documents in support of a request for exemption or reduction between January 1 and April 30 of each year shall be invoiced for the full amount of the assessment and subject to the District Management Corporation's collection procedures.

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