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STUDENT HOUSING - ALABAMA

Campus Crest at Tuscaloosa LLC v. City of Tuscaloosa

Supreme Court of Alabama - October 3, 2025 - So.3d - 2025 WL 2810889

Taxpayers, who alleged that they were out-of-state owners, operators, or lessees of multifamily housing developments that city had designated as student-oriented housing developments (SOHDs), brought action against city, seeking declaratory judgment that city ordinance imposing enhanced business-license fees on SOHDs with more than 200 bedrooms was invalid and further seeking a refund of taxes collected under ordinance.

The Circuit Court entered judgment dismissing action for failure to state a claim. Taxpayers appealed.

The Supreme Court held that:

- Complaint contained sufficient factual averments that, if developed, could show that city had no rational basis for ordinance, and thus taxpayers stated a claim for a judgment declaring that ordinance violated equal protection;
- Taxpayers had standing to seek a judgment declaring that ordinance was void for vagueness on due-process grounds;
- Taxpayers stated claim that ordinance was void for vagueness on due-process grounds;
- Taxpayers stated claim that violated dormant Commerce Clause; but
- Ordinance was not effectively a zoning ordinance, and thus city was not required to adhere strictly to statutory notice and hearing requirements for zoning ordinances before adopting ordinance.

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