

AL (ALOJAMENTO LOCAL) – what's new?

The “AL” or “Alojamento local”, known as tourist rental license, was created in 2008 by the Decree –Law 39/2008, 7th March, to give a response to the market’s demand on short term rentals on properties, which were not licensed as tourist developments. Then, the legal regime was changed in 2014, by the Decree –Law 128/2014, 29th August. **New changes have been published, by the Law 62/2018, 22th August and will enter in force on 21st October 2018.** Let’s go through the changes.

Registration

The registration at the Town Hall and “Turismo de Portugal”, which was made automatically and would give a AL number immediately, it is now subject to a period of 10 working days (or 20, in case of hostels), for possible opposition of the Town Hall. The arguments for opposition by this local government body are: incorrect submission of the request, the course of time on cancelation of a previous registry, unappropriated property license or restricted areas to AL declared by the council.

The installation of hostels on buildings, divided in fractions, depends on authorization from the condominium meeting. The condominium meetings on such properties can oppose to the AL activity on a fraction or fractions, by simple majority of co-owners (51%), based on proven and repeated practice of acts that disturb the normal use of the building as well as acts that cause discomfort and affect the remaining condominium owners, reasons that have to be well argued on the condominium minutes. The condominium assembly should inform the Town Hall, so this entity can start a process of termination of the AL registry, which can be ordered during an entire year.

Inspection

The Town Hall maintains the power to inspect the property in 30 working days, after AL being submitted, to check if the property respects all the AL requirements, apart from being able to carry out any other inspection acts allowed by law.

Council restricted areas for AL (*áreas de contenção*)

Each town hall can create restricted areas for the AL activity, where the number of establishments is subject to a limit or percentage.

On these areas, the AL registry is personal and non-transferable. So, the AL registry title will expire in case of ownership change, even if done through company shares transmission. Consequently, a new registry has to be applied for.

On these areas, each property owner can operate just 7 (seven) AL establishments.

Information’s Book

Local accommodation establishments are obliged to have an information's book explaining the way of functioning of the establishment and its rules of internal use, including the collection and selection of municipal waste, household appliances, noise and care to avoid disturbances that cause discomfort and affect the tranquillity and rest of the neighbourhood, which should also contain the telephone contact of the person for the operation of the establishment.

This book should be presented in Portuguese and English and in two other languages. The book should also contain the Condominium Rules that are relevant for the accommodation and for the use of the common parts.

Condominium costs

Condominiums can demand an additional payment of property owners' fees of up to 30 percent as a result of the increased use of common areas by holidaymakers. This increase has to be approved by the co-owners in the condominium meeting.

Insurance

The holder of the AL must enter into and maintain a multi-risk insurance of civil liability to protect its assets and complaints within the scope of its tourist activity, determining responsibility of the holder of the establishment, and which covers fire hazards and non-property damage caused to guests and third parties, arising from the activity of providing accommodation services.

The lack of insurance is a valid reason for cancellation of AL.

Liability

The AL holder is jointly liable with the guests for the damages caused by them to the building where the unit is installed.

Identification plate – now compulsory

In the hostels it is compulsory to display an identification plate on the exterior of the building near the main entrance. In case of apartment, guest house and rooms it is compulsory to display, at the entrance of the establishment, an identification plate.

Complaints Book

Even not being predicted on the referred decree-law, but as we are talking about an essential element on the AL, it's important to know that since the 1st of July 2018 (with a transitory period of one year), it became obligatory to have the Complaints Book in digital format, in addition to the paper format, which was already one of the local lodging requirements. So, any complaint may be presented in paper or on line through livroreclamacoes.pt.

Transitory regime

The existing AL establishments have two years to be adapted to the new requirements.

Cessation of AL

The AL can be cancelled by the Town Hall, who can suspend the operation of the establishment, together with ASAE, being necessary anyway to pass by an administrative process, where the AL holder can present his defence.

AL suffered recently changes on the way it is taxed, seeing the tax rate increasing and now all these alterations, just four years after the revised regime come in force, in 2014, may discourage property owners to continue to rent their properties under AL scheme. Therefore, we have to hope that the Town Halls manage well these new powers, so the expectations of the property owners don't fade.

Please feel free to contact, in case you would like to know more.

Verónica Pisco

(Lawyer and post-graduated in Tax Law)

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