



Short-Term Rentals

Rick St. John, Deputy City Manager





Short-Term Rentals

We are seeking Council consensus on amending the code regulating short-term rentals



Short-Term Rentals

In May 2022, Council added short-term rental regulations to Chapter 29.1 (Residential Rental Properties)

- Requirement to provide owner information
- Requirement to provide emergency contact information
- Requirement to comply with all laws
- Prohibited uses (commercial business, selling liquor, housing sex offenders)



Short-Term Rentals

On September 24, 2022, State law was amended allowing cities and towns to;

- Require a STR owner obtain and maintain a permit or license to operate, and display the permit or license number on every advertisement used
- Impose a civil penalty of up to \$1,000 against a STR owner, if the STR owner fails to provide the required STR contact information
- Fine STR owners for violations of City/Town regulations. The fines can be up to \$3,500 for three violations within twelve months.
- Require STR owners have liability insurance of at least \$500,000.



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Proposed addition for “penalties”

- \$1,000 civil fine for every 30 days an STR owner fails to provide required contact information or obtain a permit or license
- Violations of code in a twelve-month period –
 - First offense - \$500 or one night’s rent, whichever is higher
 - Second offense - \$1,000 or two night’s rent, whichever is higher
 - Third or any additional offense - \$3,500 or three night’s rent, whichever is higher
- Multiple violations from the same single response equates to one violation for assessing penalties



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- If the City requires a permit or license, the City must adopt an ordinance outlining the process for an administrative suspension.
- Reasons for a suspension;
 - Owner or operator commits a felony on or near the property
 - Wrongful death or serious injury resulting from owner or operator's negligence
 - Knowingly housing a sex offender
 - Knowingly allowing the STR to be used for a special event that would otherwise require a separate permit or license



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City requirement and possible State action

- The City must notify the owner when a violation is cited on their property within seven business days, unless the property owner has not provided information
- Require at least \$500,000 liability insurance
- AZ Dept of Revenue can suspend the STR owner's transaction license if there are three violations of the City's regulations in a twelve-month period



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Rearranging the language of the existing code

- Compliance with laws moves to the first section
- Contact information required
- Prohibitions
- Insurance requirement
- Penalties



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