

Short-Term Rentals (STRs)

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Ginna Carico, Governmental Relations Manager

Jay Karlovich, Assistant City Attorney

What is a short-term rental?



DEFINED IN A.R.S. 9-500.39

- Property rented out by the owner for 29 days or less per period;
- Most are listed on an online lodging marketplace, like Airbnb and VRBO.



Legislative History



HOW DID WE GET HERE?

SB 1350 (2016) – preempted local authority to regulate or restrict short-term rentals

HB 2672 (2019) – gave cities and towns the ability to collect contact information from property owners and established civil penalty structure/reporting requirements

Legislative History



HOW DID WE GET HERE?

SB 1168 (Effective Sept. 24, 2022) – allows cities to regulate STRs with a license registration or permitting process

New Statute Provisions



NEW A.R.S. § 9-500.39 PROVISIONS EFFECTIVE 9/24/22

ALLOWS FOR:

- Permitting or License Regulation Process
- Emergency Contact Requirements and Penalties
- Neighborhood Notification
- Verified Violations and Penalties
- License/Permit Suspension up to 12 months if needed
- Sex Offender Background Checks
- Liability Insurance Requirements
- License Number Displayed on Advertisements

Permitting or License Regulation



RECOMMENDATION FOR NEW STR ORDINANCE

- The City currently issues a Business License to STRs and charges a \$75 fee
- Recommend a STR License Regulation Process (as opposed to a permit process) pursuant to new A.R.S. §9-500.39
- Recommend a STR License in lieu of a Business License
- The new A.R.S § 9-500.39 authorizes a STR license fee up to \$250



SHORT TERM RENTAL LICENSE APPLICATION

SUPPLEMENTAL APPLICATION TO APPLY FOR A SHORT-TERM RENTAL
LICENSE By Ordinance No. 2022-XXXX

City of Goodyear
1900 N. Civic Square
Goodyear, AZ 85395
STRpermits@goodyearaz.gov

DATE RECEIVED: _____

PERMIT/LICENSE # _____

rev 102919

Property Owner of Record is: ☐ Individual ☐ Joint/Partnership ☐ Limited Liability Company (LLC) ☐ Corporation (INC)

Name (Individual / Joint / Partnership) _____

Company Name or Corporate Name _____

Mailing Address _____

City, State, Zip Code _____

Phone Number _____

E-Mail _____

Property Information

Property Address _____

Unit # _____

Subdivision Name _____

City, State, Zip Code _____

HOA/POA Covenant Community?: ☐ Yes* ☐ No*

* The allowance of short-term rentals pursuant to the Short-term Rental Ordinance shall not prevent enforcement of additional restrictions that may be contained in restrictive covenants or other private contractual agreements or arrangements.

24-Hour Local Contact (Name): _____ Mobile Phone: _____

E-Mail: _____ Address (Street / City): _____ Miles from Rental Unit: _____

Dwelling is: ☐ Single-family Unit ☐ Duplex ☐ Multi-family Unit And contains _____ Bedrooms as defined below, with each bedroom
Measuring: Bedroom (1): _____ SF Bedroom (2): _____ SF Bedroom (3): _____ SF Bedroom (4): _____ SF ☐ Check if more than 4
What is the Maximum Number of Overnight Occupants? _____ What is the Maximum Number of Onsite Paved Parking Spaces for Overnight
Occupants? _____ The number of overnight occupants shall not exceed two (2) persons per bedroom plus two (2) additional persons per unit.

Emergency Contact Requirement



RECOMMENDATION FOR NEW STR ORDINANCE



- Designated emergency contact person shall respond within one hour
- Designated contact for complaints shall respond within 24 hours
- Civil penalty of a minimum of \$250 for non-response from designated contact persons

Neighborhood Notifications



RECOMMENDATION FOR NEW STR ORDINANCE

- Statute allows for City to require new STR Owners to notify properties (adjacent to, directly & diagonally across the street for single-family residential and those on the same floor of a multi-family residential building).
- Staff recommends that the City's STR regulations require neighborhood notification



Verified Violations & Penalties



RECOMMENDATION FOR NEW STR ORDINANCE



- A “Verified Violation” = a civil responsibility court decision or a criminal conviction related to the STR
- \$500 civil penalty for the first verified violation
- \$1,000 civil penalty for the second verified violation
- \$3,500 civil penalty for the third and any subsequent verified violation

License Suspension Allowed



RECOMMENDATION FOR NEW STR ORDINANCE

- Allows the City to adopt an “Administrative Process” to suspend a STR License for up to 12-months for:
 - Three (3) “Verified Violations” within a rolling 12-month period; or
 - One (1) “Verified Violation” resulting in:
 - ✓ A felony offense
 - ✓ A serious physical injury or wrongful death
 - ✓ Sexual offender or Adult Oriented Business use
 - ✓ STR Owner knowingly or intentionally allows a non-residential use
- Does not allow for a STR License Revocation

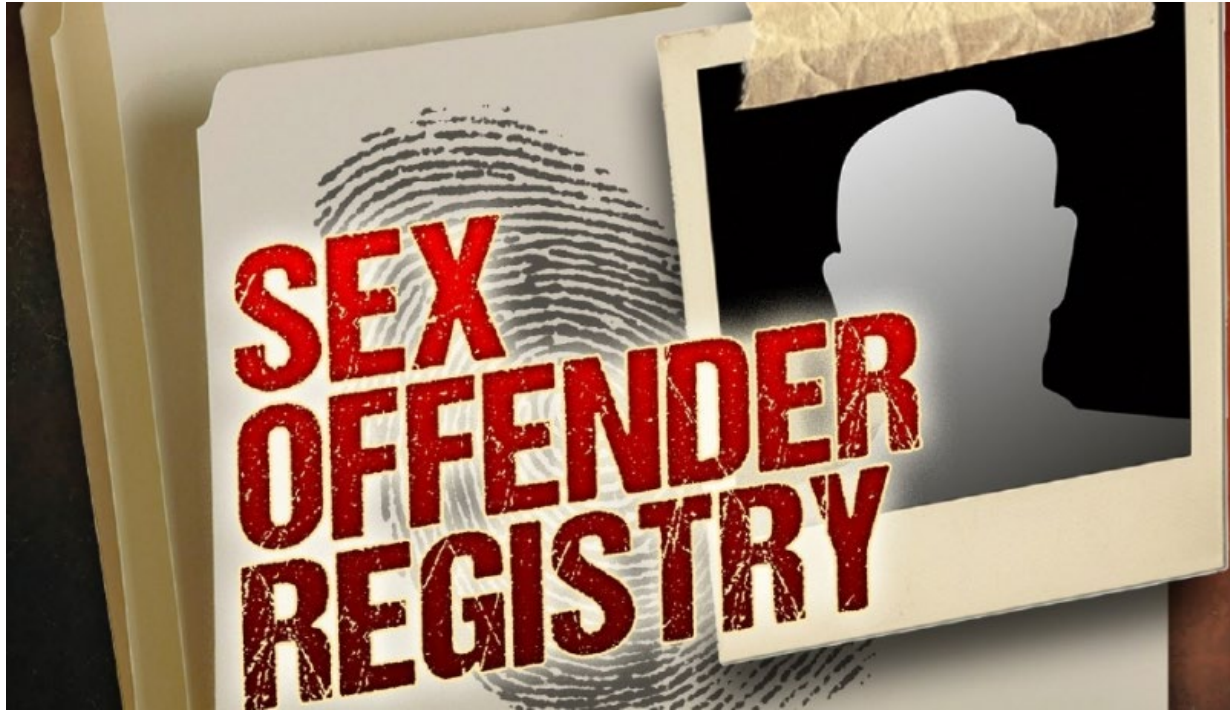
A close-up photograph of a form. The form has a header "CITY" on the left and "6. EFF MO." on the right. Below the header, there is a section titled "ACTION TAKEN". Under this section, there are two rows of checkboxes. The first row has a checkbox labeled "Suspended" (which is highlighted in yellow) and a checkbox labeled "Revoked". The second row also has a checkbox labeled "Suspended" and a checkbox labeled "Revoked".

ACTION TAKEN	
☐ Suspended	☐ Revoked
☐ Suspended	☐ Revoked

Background Checks



RECOMMENDATION FOR NEW STR ORDINANCE



- Require sex offender background check if not already completed by STR Owner through the online lodging marketplace such as (VRBO or Airbnb)

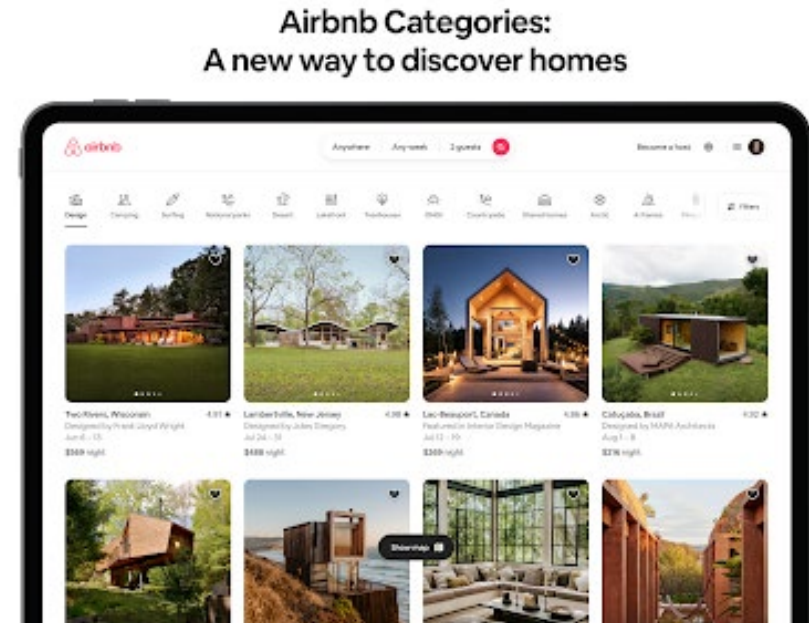
Insurance & Advertisements



RECOMMENDATION FOR NEW STR ORDINANCE



- Require liability insurance of \$500k or offer STR through the online lodging marketplace that provides equal or greater coverage



- Require STR Owner to display license number on all advertisements

New STR Recommendations



RECOMMENDATION FOR COUNCIL APPROVAL

What will remain from the previous draft STR Ordinance presented at the February 28, 2022 Council Work Session?

- Requirement for 1-hour Emergency Contact Response
- Requirement for 24-hour Complaint Contact Response
- STR must comply with all public health, safety, sanitation, property tax registration, and property maintenance law
- No STR may be used for a non-residential use
- No STR may be used to house sex offenders, operate or maintain a sober living home, sell illegal drugs, liquor or allow adult-oriented business activities

New STR Recommendations



RECOMMENDATION FOR COUNCIL APPROVAL

New City Code will include all the new regulations allowed by the new state law:

- ✓ License Registration
- ✓ Emergency Contact Requirements and Penalties
- ✓ Neighborhood Notification
- ✓ Verified Violations and Penalties
- ✓ License/Permit Suspension up to 12 months if needed
- ✓ Sex Offender Background Checks
- ✓ Liability Insurance Requirements
- ✓ License Number Displayed on Advertisements

Next Steps



PROPOSED TIMELINE:

- June 24, 2022 SB1168 passed in both State House & Senate
- July 6, 2022 Amended A.R.S. §9-500.39 law signed by Governor
- Sept. 12, 2022 City of Goodyear considers its STR License Regulation Ordinance with a Jan. 1, 2023 effective date
- Sept. 24, 2022 New statute becomes an effective state law
- Nov/Dec 2022 City notification to STR Owners on City's STR regulations becoming effective on Jan. 1, 2023
- Jan. 1, 2023 City's STR License Regulations Ordinance becomes effective and enforceable

An aerial photograph of a suburban neighborhood. In the foreground, a large, two-story house with a light-colored exterior and a red-tiled roof is prominent. It has several windows and a small porch. To the left of this house, there is a swimming pool surrounded by a concrete deck and some landscaping. The pool is partially covered by a blue tarp. In the background, other houses with similar architectural styles are visible, along with trees and a hillside. The word "QUESTIONS?" is overlaid in large, white, sans-serif capital letters across the center of the image.

QUESTIONS?