

REFERENCE TITLE: vacation rentals; short-term rentals; regulations

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HB 2625

Introduced by
Representative Biasiucci

AN ACT

AMENDING SECTIONS 9-500.39 AND 11-269.17, ARIZONA REVISED STATUTES;
RELATING TO VACATION RENTALS AND SHORT-TERM RENTALS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-500.39, Arizona Revised Statutes, is amended
3 to read:

4 9-500.39. Limits on regulation of vacation rentals and
5 short-term rentals; state preemption; definitions

6 A. A city or town may not prohibit vacation rentals or short-term
7 rentals.

8 B. A city or town may not restrict the use of or regulate vacation
9 rentals or short-term rentals based on their classification, use or
10 occupancy except as provided in this section. A city or town may regulate
11 vacation rentals or short-term rentals ~~for the following purposes~~ AS
12 FOLLOWS:

13 1. ~~Protecting~~ TO PROTECT the public's health and safety, including
14 rules and regulations related to fire and building codes, health and
15 sanitation, transportation or traffic control, solid or hazardous waste
16 and pollution control, and designation of an emergency point of contact,
17 if the city or town demonstrates that the rule or regulation is for the
18 primary purpose of protecting the public's health and safety.

19 2. ~~Adopting~~ TO ADOPT and ~~enforcing~~ ENFORCE residential use and
20 zoning ordinances, including ordinances related to noise, protection of
21 welfare, property maintenance and other nuisance issues, if the ordinance
22 is applied in the same manner as other property classified under sections
23 42-12003 and 42-12004.

24 3. ~~Limiting~~ TO LIMIT or ~~prohibiting~~ PROHIBIT the use of a vacation
25 rental or short-term rental for the purposes of housing sex offenders,
26 operating or maintaining a sober living home, selling illegal drugs,
27 liquor control or pornography, obscenity, nude or topless dancing and
28 other adult-oriented businesses.

29 4. ~~Requiring~~ TO REQUIRE the owner of a vacation rental or
30 short-term rental to provide the city or town with contact information for
31 the owner or the owner's designee who is responsible for responding to
32 complaints in a timely manner in person, ~~OR~~ over the phone ~~or by email~~ at
33 any time of day before offering for rent or renting the vacation rental or
34 short-term rental.

35 5. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
36 TO PROVIDE THE NAME AND TELEPHONE NUMBER OF THE OWNER OR OWNER'S DESIGNEE
37 TO ALL PROPERTY OWNERS WITHIN THREE HUNDRED FEET OF THE VACATION RENTAL OR
38 SHORT-TERM RENTAL PROPERTY.

39 6. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
40 TO DISPLAY A SIGN ATTACHED TO THE PROPERTY IN CLOSE PROXIMITY TO THE FRONT
41 DOOR THAT CONTAINS A LOCAL TWENTY-FOUR-HOUR EMERGENCY CONTACT NUMBER. THE
42 SIGN MAY NOT BE LARGER THAN TWO SQUARE FEET IN SIZE.

43 7. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
44 TO OBTAIN AND MAINTAIN A LOCAL REGULATORY PERMIT OR LICENSE ISSUED BY THE
45 CITY OR TOWN BEFORE OFFERING A VACATION RENTAL OR SHORT-TERM RENTAL FOR

1 RENT. A CITY OR TOWN MAY REQUIRE THE OWNER OF A VACATION RENTAL OR
2 SHORT-TERM RENTAL TO PROVIDE THE CITY OR TOWN PROOF OF A VALID TRANSACTION
3 PRIVILEGE TAX LICENSE ISSUED PURSUANT TO SECTION 42-5005.

4 C. Within thirty days after a verified violation, a city or town
5 shall notify the department of revenue and the owner of the vacation
6 rental or short-term rental of the verified violation of the city's or
7 town's applicable laws, regulations or ordinances and, if the owner of the
8 vacation rental or short-term rental received the verified violation,
9 whether the city or town imposed a civil penalty on the owner of the
10 vacation rental or short-term rental and the amount of the civil penalty,
11 if assessed. If multiple verified violations arise out of the same
12 response to an incident at a vacation rental or short-term rental, those
13 verified violations are considered one verified violation for the purpose
14 of assessing civil penalties pursuant to section 42-1125.02, subsection B.

15 D. If the owner of a vacation rental or short-term rental has
16 provided contact information to a city or town pursuant to subsection B,
17 paragraph 4 of this section and if the city or town issues a citation for
18 a violation of the city's or town's applicable laws, regulations or
19 ordinances or a state law that occurred on the owner's vacation rental or
20 short-term rental property, the city or town shall make a reasonable
21 attempt to notify the owner or the owner's designee of the citation within
22 seven business days after the citation is issued using the contact
23 information provided pursuant to subsection B, paragraph 4 of this
24 section. If the owner of a vacation rental or short-term rental has not
25 provided contact information pursuant to subsection B, paragraph 4 of this
26 section, the city or town is not required to provide such notice.

27 E. This section does not exempt an owner of a residential rental
28 property, as defined in section 33-1901, from maintaining with the
29 assessor of the county in which the property is located information
30 required under title 33, chapter 17, article 1.

31 F. A vacation rental or short-term rental may not be used for
32 nonresidential uses, including for a special event that would otherwise
33 require a permit or license pursuant to a city or town ordinance or a
34 state law or rule or for a retail, restaurant, banquet space or other
35 similar use.

36 G. For the purposes of this section:

37 1. "Transient" has the same meaning prescribed in section 42-5070.

38 2. "Vacation rental" or "short-term rental":

39 (a) Means any individually or collectively owned single-family or
40 one-to-four-family house or dwelling unit or any unit or group of units in
41 a condominium, cooperative or timeshare, that is also a transient public
42 lodging establishment or owner-occupied residential home offered for
43 transient use if the accommodations are not classified for property
44 taxation under section 42-12001. ~~Vacation rental and short-term rental do~~

1 (b) DOES not include a unit that is used for any nonresidential
2 use, including retail, restaurant, banquet space, event center or another
3 similar use.

4 3. "Verified violation" means a finding of guilt or civil
5 responsibility for violating any state law or local ordinance relating to
6 a purpose prescribed in subsection B or F of this section that has been
7 finally adjudicated.

8 Sec. 2. Section 11-269.17, Arizona Revised Statutes, is amended to
9 read:

10 11-269.17. Limits on regulation of vacation rentals and
11 short-term rentals; state preemption;
12 definitions

13 A. A county may not prohibit vacation rentals or short-term
14 rentals.

15 B. A county may not restrict the use of or regulate vacation
16 rentals or short-term rentals based on their classification, use or
17 occupancy except as provided in this section. A county may regulate
18 vacation rentals or short-term rentals ~~for the following purposes~~ AS
19 FOLLOWS:

20 1. ~~Protecting~~ TO PROTECT the public's health and safety, including
21 rules and regulations related to fire and building codes, health and
22 sanitation, transportation or traffic control, solid or hazardous waste
23 and pollution control, and designation of an emergency point of contact,
24 if the county demonstrates that the rule or regulation is for the primary
25 purpose of protecting the public's health and safety.

26 2. ~~Adopting~~ TO ADOPT and ~~enforcing~~ ENFORCE residential use and
27 zoning ordinances, including ordinances related to noise, protection of
28 welfare, property maintenance and other nuisance issues, if the ordinance
29 is applied in the same manner as other property classified under sections
30 42-12003 and 42-12004.

31 3. ~~Limiting~~ TO LIMIT or ~~prohibiting~~ PROHIBIT the use of a vacation
32 rental or short-term rental for the purposes of housing sex offenders,
33 operating or maintaining a sober living home, selling illegal drugs,
34 liquor control or pornography, obscenity, nude or topless dancing and
35 other adult-oriented businesses.

36 4. ~~Requiring~~ TO REQUIRE the owner of a vacation rental or
37 short-term rental to provide the county with contact information for the
38 owner or the owner's designee who is responsible for responding to
39 complaints in a timely manner in person, ~~OR~~ over the phone ~~or by email~~ at
40 any time of day before offering for rent or renting the vacation rental or
41 short-term rental.

42 5. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
43 TO PROVIDE THE NAME AND TELEPHONE NUMBER OF THE OWNER OR OWNER'S DESIGNEE
44 TO ALL PROPERTY OWNERS WITHIN THREE HUNDRED FEET OF THE VACATION RENTAL OR
45 SHORT-TERM RENTAL PROPERTY.

1 6. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
2 TO DISPLAY A SIGN ATTACHED TO THE PROPERTY IN CLOSE PROXIMITY TO THE FRONT
3 DOOR THAT CONTAINS A LOCAL TWENTY-FOUR-HOUR EMERGENCY CONTACT NUMBER. THE
4 SIGN MAY NOT BE LARGER THAN TWO SQUARE FEET IN SIZE.

5 7. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
6 TO OBTAIN AND MAINTAIN A LOCAL REGULATORY PERMIT OR LICENSE ISSUED BY THE
7 COUNTY BEFORE OFFERING A VACATION RENTAL OR SHORT-TERM RENTAL FOR RENT. A
8 COUNTY MAY REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO
9 PROVIDE THE COUNTY PROOF OF A VALID TRANSACTION PRIVILEGE TAX LICENSE
10 ISSUED PURSUANT TO SECTION 42-5005.

11 C. Within thirty days after a verified violation, a county shall
12 notify the department of revenue and the owner of the vacation rental or
13 short-term rental of the verified violation of the county's applicable
14 laws, regulations or ordinances and, if the property owner received the
15 verified violation, whether the county imposed a civil penalty on the
16 owner of the vacation rental or short-term rental and the amount of the
17 civil penalty, if assessed. If multiple verified violations arise out of
18 the same response to an incident at a vacation rental or short-term
19 rental, those verified violations are considered one verified violation
20 for the purpose of assessing civil penalties pursuant to section
21 42-1125.02, subsection B.

22 D. If the owner of a vacation rental or short-term rental has
23 provided contact information to a county pursuant to subsection B,
24 paragraph 4 of this section and if the county issues a citation for a
25 violation of the county's applicable laws, regulations or ordinances or a
26 state law that occurred on the owner's vacation rental or short-term
27 rental property, the county shall make a reasonable attempt to notify the
28 owner or the owner's designee of the citation within seven business days
29 after the citation is issued using the contact information provided
30 pursuant to subsection B, paragraph 4 of this section. If the owner of a
31 vacation rental or short-term rental has not provided contact information
32 pursuant to subsection B, paragraph 4 of this section, the county is not
33 required to provide such notice.

34 E. This section does not exempt an owner of a residential rental
35 property, as defined in section 33-1901, from maintaining with the
36 assessor of the county in which the property is located information
37 required under title 33, chapter 17, article 1.

38 F. A vacation rental or short-term rental may not be used for
39 nonresidential uses, including for a special event that would otherwise
40 require a permit or license pursuant to a county ordinance or a state law
41 or rule or for a retail, restaurant, banquet space or other similar use.

42 G. For the purposes of this section:

43 1. "Transient" has the same meaning prescribed in section 42-5070.

1 2. "Vacation rental" or "short-term rental":

2 (a) Means any individually or collectively owned single-family or
3 one-to-four-family house or dwelling unit or any unit or group of units in
4 a condominium, cooperative or timeshare, that is also a transient public
5 lodging establishment or owner-occupied residential home offered for
6 transient use if the accommodations are not classified for property
7 taxation under section 42-12001. ~~Vacation rental and short-term rental do~~

8 (b) **DOES** not include a unit that is used for any nonresidential
9 use, including retail, restaurant, banquet space, event center or another
10 similar use.

11 3. "Verified violation" means a finding of guilt or civil
12 responsibility for violating any state law or local ordinance relating to
13 a purpose prescribed in subsection B or F of this section that has been
14 finally adjudicated.