

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

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2556

Introduced by
Representatives Seaman: Contreras L, Contreras P, Ortiz, Quiñonez,
Schwiebert, Sun, Tsosie

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; civil
6 penalties; transaction privilege tax license
7 suspension; definitions

8 A. A city or town may not prohibit vacation rentals or short-term
9 rentals.

10 B. A city or town may not restrict the use of or regulate vacation
11 rentals or short-term rentals based on their classification, use or
12 occupancy except as provided in this section. A city or town may regulate
13 vacation rentals or short-term rentals as follows:

14 1. To protect the public's health and safety, including rules and
15 regulations related to fire and building codes, health and sanitation,
16 transportation or traffic control and solid or hazardous waste and
17 pollution control, if the city or town demonstrates that the rule or
18 regulation is for the primary purpose of protecting the public's health
19 and safety.

20 2. To adopt and enforce use and zoning ordinances, including
21 ordinances related to noise, protection of welfare, property maintenance
22 and other nuisance issues, if the ordinance is applied in the same manner
23 as other property classified under sections 42-12003 and 42-12004.

24 3. To limit or prohibit the use of a vacation rental or short-term
25 rental for the purposes of housing sex offenders, operating or maintaining
26 a sober living home, selling illegal drugs, liquor control or pornography,
27 obscenity, nude or topless dancing and other adult-oriented businesses **OR**
28 **OTHER NONRESIDENTIAL USE.**

29 4. To require the owner of a vacation rental or short-term rental
30 to provide the city or town ~~an~~ **WITH A COPY OF THE OWNER'S VALID**
31 **TRANSACTION PRIVILEGE TAX LICENSE AND WITH** emergency ~~point-of~~
32 information for the owner or the owner's designee who is responsible for
33 responding to complaints or emergencies in a timely manner in person if
34 required by public safety personnel, over the ~~phone~~ **TELEPHONE** or by email
35 at any time of day before offering for rent or renting the vacation rental
36 or short-term rental. In addition to any other penalty **IMPOSED** pursuant
37 to this section, the city or town may impose a civil penalty of up to
38 \$1,000 against the owner for every thirty days the owner fails to provide
39 **A COPY OF THE OWNER'S VALID TRANSACTION PRIVILEGE TAX LICENSE AND** contact
40 information as prescribed by this paragraph. The city or town shall
41 provide thirty days' notice to the owner before imposing the initial civil
42 penalty.

43 5. To require ~~an~~ **THE** owner of a vacation rental or short-term
44 rental to obtain and maintain a local regulatory permit or license
45 ~~pursuant to title 9, chapter 7, article 4.~~ As a condition of issuance of

1 a permit or license, the application for the permit or license may require
2 an applicant to provide only the following:

3 (a) THE name, address, ~~phone~~ TELEPHONE number and email address for
4 the owner ~~or~~ AND THE owner's agent OR DESIGNEE.

5 (b) THE address of the vacation rental or short-term rental.

6 (c) Proof of compliance with section 42-5005.

7 (d) THE contact information required pursuant to paragraph 4 of
8 this subsection.

9 (e) Acknowledgment of an agreement to comply with all applicable
10 laws, regulations and ordinances.

11 (f) A fee not to exceed the actual cost of issuing the permit or
12 license or ~~\$250~~ \$500, whichever is less.

13 6. To require, before offering a vacation rental or short-term
14 rental for rent for the first time, the owner or the owner's designee of a
15 vacation rental or short-term rental to notify all single-family
16 residential properties adjacent to, ~~and~~ AND directly and diagonally across
17 the street from the vacation rental or short-term rental. Notice shall be
18 deemed sufficient in a multifamily residential building if given to
19 residents on the same building floor. A city or town may require
20 additional notification pursuant to this paragraph if the contact
21 information previously provided changes. Notification provided in
22 compliance with this paragraph shall include the permit or license number
23 if required by the city or town, the address, ~~of the vacation rental or~~ OF THE VACATION RENTAL OR
24 SHORT-TERM RENTAL and the CONTACT information required pursuant to
25 paragraph 4 of this subsection. The owner or the owner's designee shall
26 demonstrate compliance with this paragraph by providing the city or town
27 with an attestation of notification compliance that consists of the
28 following information:

29 (a) The permit or license number of the vacation rental or
30 short-term rental, if required by the city or town.

31 (b) The address of each property notified.

32 (c) A description of the manner in which the owner or owner's
33 designee chose to provide notification to each property subject to
34 notification.

35 (d) The name and contact information of the person attesting to
36 compliance with this paragraph.

37 7. To require the owner or owner's designee of a vacation rental or
38 short-term rental to display the local regulatory permit number or license
39 number, if any, on each advertisement for a vacation rental or short-term
40 rental that the owner or owner's designee maintains. A city or town that
41 does not require a local regulatory permit or license ~~may~~ SHALL require
42 the owner or owner's designee of a vacation rental or short-term rental to
43 display the transaction privilege tax license NUMBER required by section
44 42-5042 on each advertisement for a vacation rental or short-term rental
45 that the owner or owner's designee maintains.

1 8. To require the vacation rental or short-term rental to maintain
2 liability insurance appropriate to cover the vacation rental or short-term
3 rental in the aggregate of at least \$500,000 or to advertise and offer
4 each vacation rental or short-term rental through an online lodging
5 marketplace that provides equal or greater coverage.

6 C. A city or town that requires a local regulatory permit or
7 license pursuant to this section shall issue or deny the permit or license
8 within ~~seven~~ THIRTY business days ~~of receipt of~~ AFTER RECEIVING the
9 information required by subsection B, paragraph 5 of this section and
10 otherwise in accordance with section 9-835, except that a city or town may
11 deny issuance of a permit or license only for any of the following:

12 1. Failure to provide the information required by subsection B,
13 paragraph 5, subdivisions (a) through (e) of this section.

14 2. Failure to pay the required permit or license fee.

15 3. At the time of application the owner has a suspended permit or
16 license OR OUTSTANDING CIVIL PENALTIES for the same vacation rental or
17 short-term rental.

18 4. A PREVIOUS OWNER OF THE PROPERTY HAD A SUSPENDED PERMIT OR
19 LICENSE OR HAS OUTSTANDING CIVIL PENALTIES FOR THE SAME VACATION RENTAL OR
20 SHORT-TERM RENTAL PROPERTY.

21 ~~4.~~ 5. The applicant provides false information.

22 ~~5.~~ 6. The owner or owner's designee of a vacation rental or
23 short-term rental is a registered sex offender or has been convicted of
24 any felony ~~act~~ OFFENSE that resulted in death or serious physical injury
25 or any felony use of a deadly weapon within the past five years.

26 D. A city or town that requires a local regulatory permit or
27 license pursuant to this section shall adopt an ordinance to allow the
28 city or town to initiate an administrative process to suspend a local
29 regulatory permit or license for a period of up to twelve months for the
30 following verified violations associated with a property:

31 1. Three verified violations within a twelve-month period, not
32 including any verified violation based on an aesthetic, solid waste
33 disposal or vehicle parking violation that is not also a serious threat to
34 public health and safety.

35 2. One verified violation that results in or constitutes any of the
36 following:

37 (a) A felony offense committed at or in the vicinity of a vacation
38 rental or short-term rental by the vacation rental or short-term rental
39 owner or owner's designee.

40 (b) A serious physical injury or wrongful death at or related to a
41 vacation rental or short-term rental resulting from the knowing,
42 intentional or reckless conduct of the vacation rental or short-term
43 rental owner or owner's designee.

1 (c) An owner or owner's designee knowingly or intentionally housing
2 a sex offender, allowing offenses related to adult-oriented businesses,
3 sexual offenses or prostitution, or operating or maintaining a sober
4 living home, in violation of a regulation or ordinance adopted pursuant to
5 subsection B, paragraph 3 of this section.

6 (d) An owner or owner's designee knowingly or intentionally
7 allowing the use of a vacation rental or short-term rental for a special
8 event that would otherwise require a permit or license pursuant to a city
9 or town ordinance or a state law or rule or for a retail, restaurant,
10 banquet space or other similar use.

11 (e) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY
12 ALLOWING THE USE OF A VACATION RENTAL OR SHORT-TERM RENTAL FOR
13 NONRESIDENTIAL USE.

14 (f) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY
15 AVOIDING PAYING TRANSACTION PRIVILEGE TAX FOR BOOKINGS MADE WITHOUT THE
16 USE OF AN ONLINE LODGING MARKETPLACE THAT IS REGISTERED WITH THE
17 DEPARTMENT OF REVENUE PURSUANT TO SECTION 42-5005.

18 3. Notwithstanding paragraphs 1 and 2 of this subsection, any
19 attempted or completed felony ~~act,~~ OFFENSE arising from the occupancy or
20 use of a vacation rental or short-term rental, ~~that results in a~~
21 ~~death,~~ or actual or attempted serious physical injury, ~~shall be grounds~~
22 ~~for judicial relief in the form of a suspension of the property's use as a~~
23 ~~vacation rental or short-term rental for a period of time that shall not~~
24 ~~exceed~~ NOT MORE THAN twelve months.

25 E. A city or town that requires sex offender background checks on a
26 vacation rental or short-term rental guest shall waive the requirement if
27 an online lodging marketplace performs a sex offender background check of
28 the booking guest AND MAINTAINS AN ELECTRONIC COPY OF THE SEX OFFENDER
29 BACKGROUND CHECK THAT CAN BE READILY ACCESSED BY LAW ENFORCEMENT AGENCIES.

30 F. Notwithstanding any other law, a city or town may impose a civil
31 penalty of the following amounts against an owner of a vacation rental or
32 short-term rental if the owner receives one or more verified violations
33 related to the same vacation rental or short-term rental property within
34 the same twelve-month period:

35 1. Up to \$500 or up to an amount equal to one night's rent for the
36 vacation rental or short-term rental as advertised, whichever is greater,
37 for the first verified violation.

38 2. Up to \$1,000 or up to an amount equal to two nights' rent for
39 the vacation rental or short-term rental as advertised, whichever is
40 greater, for the second verified violation.

41 3. Up to \$3,500 or up to an amount equal to three nights' rent for
42 the vacation rental or short-term rental as advertised, whichever is
43 greater, for a third and any subsequent verified violation.

1 G. A vacation rental or short-term rental that fails to apply for a
2 local regulatory permit or license in accordance with subsection B,
3 paragraph 5 of this section, within thirty days ~~of~~ AFTER the local
4 regulatory permit or license application process being made available by
5 the city or town issuing such permits or licenses, must cease operations.
6 In addition to any ~~fines~~ CIVIL PENALTIES imposed pursuant to subsection F
7 of this section, a city or town may impose a civil penalty of up to \$1,000
8 per month against the owner if the owner or owner's designee fails to
9 apply for a regulatory permit or license within thirty days after
10 receiving written notice of the failure to comply with subsection B,
11 paragraph 5 of this section.

12 H. If multiple verified violations arise out of the same response
13 to an incident at a vacation rental or short-term rental, those verified
14 violations ~~are~~ MAY BE considered one verified violation for the purpose of
15 assessing civil penalties or suspending the regulatory permit or license
16 of the owner ~~or owner's designee~~ pursuant to this section.

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

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

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

38 L. ANY PENALTIES OR SUSPENSIONS ASSESSED PURSUANT TO THIS SECTION
39 ARE ASSOCIATED WITH THE VACATION RENTAL OR SHORT-TERM RENTAL PROPERTY THAT
40 ARE SUBJECT TO TRANSFER TO A SUBSEQUENT VACATION RENTAL OR SHORT-TERM
41 RENTAL OWNER OF THAT PROPERTY.

42 M. ANY ACCOMMODATION THAT DOES NOT MEET THE DEFINITION OF VACATION
43 RENTAL OR SHORT-TERM RENTAL MAY BE REGULATED BY THE CITY OR TOWN AS A
44 HOTEL, MOTEL OR SIMILAR ACCOMMODATION.

1 ~~t.~~ N. For the purposes of this section:
2 1. "Online lodging marketplace" has the same meaning prescribed in
3 section 42-5076.
4 2. "Transient" has the same meaning prescribed in section 42-5070.
5 ~~3. "Vacation rental" or "short term rental":~~
6 ~~(a) Means any individually or collectively owned single-family or~~
7 ~~one-to-four-family house or dwelling unit or any unit or group of units in~~
8 ~~a condominium or cooperative that is also a transient public lodging~~
9 ~~establishment or owner-occupied residential home offered for transient use~~
10 ~~if the accommodations are not classified for property taxation under~~
11 ~~section 42-12001.~~
12 ~~(b) Does not include a unit that is used for any nonresidential~~
13 ~~use, including retail, restaurant, banquet space, event center or another~~
14 ~~similar use.~~
15 3. "VACATION RENTAL" OR "SHORT-TERM RENTAL":
16 (a) MEANS ANY INDIVIDUALLY OR COLLECTIVELY OWNED SINGLE-FAMILY OR
17 ONE-TO-FOUR FAMILY HOUSE OR DWELLING UNIT, ANY UNIT OR GROUP OF UNITS IN A
18 CONDOMINIUM, RENTAL COMPLEX, BUILDING OR COOPERATIVE OR AN OWNER'S
19 PRINCIPAL RESIDENCE OFFERED FOR TRANSIENT USE AS FOLLOWS:
20 (i) FOR LESS THAN SIXTY DAYS PER YEAR WITH NO OWNER OR OWNER'S
21 DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.
22 (ii) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR WITH THE OWNER
23 OR OWNER'S DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.
24 (iii) FOR LESS THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.
25 (iv) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS A ROOM
26 RENTAL WITH THE OWNER OR OWNER'S DESIGNEE RESIDING ON-SITE DURING
27 TRANSIENT USE.
28 (v) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS HOTEL
29 TRANSIENT LODGING ACCOMMODATIONS, IF THE ACCOMMODATIONS ARE NOT CLASSIFIED
30 FOR TAXATION UNDER SECTION 42-12001.
31 (b) DOES NOT INCLUDE ANY UNIT OFFERED FOR TRANSIENT LODGING
32 ACCOMMODATION USE AS ANY OF THE FOLLOWING:
33 (i) FOR MORE THAN ONE HUNDRED TWENTY DAYS PER YEAR.
34 (ii) FOR MORE THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.
35 (iii) FOR MORE THAN ONE HUNDRED DAYS PER YEAR AS HOTEL TRANSIENT
36 LODGING ACCOMMODATIONS.
37 (iv) THROUGH A RENTAL AGREEMENT, LEASE, SUB-LEASE OR OCCUPANCY
38 AGREEMENT FOR A PERIOD OF LESS THAN THIRTY DAYS.
39 (v) A UNIT THAT IS USED FOR ANY NONRESIDENTIAL USE, INCLUDING
40 RETAIL, RESTAURANT, BANQUET SPACE, EVENT CENTER OR OTHER SIMILAR USE.
41 4. "Verified violation" means a finding of guilt or civil
42 responsibility for violating any state law or local ordinance relating to
43 a purpose prescribed in subsection B, D, F or K of this section that has
44 been finally adjudicated.

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

3 11-269.17. Limits on regulation of vacation rentals and
4 short-term rentals; state preemption; civil
5 penalties; transaction privilege tax license
6 suspension; definitions

7 A. A county may not prohibit vacation rentals or short-term
8 rentals.

9 B. A county may not restrict the use of or regulate vacation
10 rentals or short-term rentals based on their classification, use or
11 occupancy except as provided in this section. A county may regulate
12 vacation rentals or short-term rentals within the unincorporated areas of
13 the county as follows:

14 1. To protect the public's health and safety, including rules and
15 regulations related to fire and building codes, health and sanitation,
16 transportation or traffic control and solid or hazardous waste and
17 pollution control, if the county demonstrates that the rule or regulation
18 is for the primary purpose of protecting the public's health and safety.

19 2. To adopt and enforce use and zoning ordinances, including
20 ordinances related to noise, protection of welfare, property maintenance
21 and other nuisance issues, if the ordinance is applied in the same manner
22 as other property classified under sections 42-12003 and 42-12004.

23 3. To limit or prohibit the use of a vacation rental or short-term
24 rental for the purposes of housing sex offenders, operating or maintaining
25 a sober living home, selling illegal drugs, liquor control or pornography,
26 obscenity, nude or topless dancing and other adult-oriented businesses **OR**
27 **OTHER NONRESIDENTIAL USE.**

28 4. To require the owner of a vacation rental or short-term rental
29 to provide the county **WITH A COPY OF THE OWNER'S VALID TRANSACTION**
30 **PRIVILEGE TAX LICENSE AND** with **EMERGENCY** contact information for the owner
31 or the owner's designee who is responsible for responding to complaints or
32 emergencies in a timely manner in person if required by public safety
33 personnel, over the ~~phone~~ **TELEPHONE** or by email at any time of day before
34 offering for rent or renting the vacation rental or short-term rental. In
35 addition to any other penalty **IMPOSED** pursuant to this section, the county
36 may impose a civil penalty of up to \$1,000 against the owner for every
37 thirty days the owner fails to provide **A COPY OF THE OWNER'S VALID**
38 **TRANSACTION PRIVILEGE TAX LICENSE AND** contact information as prescribed by
39 this paragraph. The county shall provide thirty days' notice to the owner
40 before imposing the initial civil penalty.

41 5. To require ~~an~~ **THE** owner of a vacation rental or short-term
42 rental to obtain and maintain a local regulatory permit or license. As a
43 condition of issuance of a permit or license, the application for the
44 permit or license may require an applicant to provide only the following:

- 1 (a) THE name, address, ~~phone~~ TELEPHONE number and email address for
2 the owner or owner's agent OR DESIGNEE.
- 3 (b) THE address of the vacation rental or short-term rental.
- 4 (c) Proof of compliance with section 42-5005.
- 5 (d) THE contact information required pursuant to paragraph 4 of
6 this subsection.
- 7 (e) Acknowledgment of an agreement to comply with all applicable
8 laws, regulations and ordinances.
- 9 (f) A fee not to exceed the actual cost of issuing the permit or
10 license or ~~\$250~~ \$500, whichever is less.
- 11 6. To require, before offering a vacation rental or short-term
12 rental for rent for the first time, the owner or the owner's designee of a
13 vacation rental or short-term rental to notify all single-family
14 residential properties adjacent to, ~~AND~~ AND directly and diagonally across
15 the street from the vacation rental or short-term rental. Notice shall be
16 deemed sufficient in a multifamily residential building if given to
17 residents on the same building floor. A county may require additional
18 notification pursuant to this paragraph if the contact information
19 previously provided changes. Notification provided in compliance with
20 this paragraph shall include the permit or license number if required by
21 the county, the address, ~~OF THE VACATION RENTAL OR SHORT-TERM RENTAL~~ and
22 the CONTACT information required pursuant to paragraph 4 of this
23 subsection. The owner or the owner's designee shall demonstrate
24 compliance with this paragraph by providing the county with an attestation
25 of notification compliance that consists of the following information:
- 26 (a) The permit or license number of the vacation rental or
27 short-term rental, if required by the county.
- 28 (b) The address of each property notified.
- 29 (c) A description of the manner in which the owner or owner's
30 designee chose to provide notification to each property subject to
31 notification.
- 32 (d) The name and contact information of the person attesting to
33 compliance with this paragraph.
- 34 7. To require the owner or owner's designee of a vacation rental or
35 short-term rental to display the local regulatory permit number or license
36 number, if any, on each advertisement for a vacation rental or short-term
37 rental that the owner or owner's designee maintains. A county that does
38 not require a local regulatory permit or license ~~may~~ SHALL require the
39 owner or owner's designee of a vacation rental or short-term rental to
40 display the transaction privilege tax license NUMBER required by section
41 42-5042 on each advertisement for a vacation rental or short-term rental
42 that the owner or owner's designee maintains.
- 43 8. To require the vacation rental or short-term rental to maintain
44 liability insurance appropriate to cover the vacation rental or short-term
45 rental in the aggregate of at least \$500,000 or to advertise and offer

1 each vacation rental or short-term rental through an online lodging
2 marketplace that provides equal or greater coverage.

3 C. A county that requires a local regulatory permit or license
4 pursuant to this section shall issue or deny the permit or license within
5 ~~seven~~ THIRTY business days ~~of receipt of~~ AFTER RECEIVING the information
6 required by subsection B, paragraph 5 of this section and otherwise in
7 accordance with section 11-1602, except that a county may deny issuance of
8 a permit or license only for any of the following:

9 1. Failure to provide the information required by subsection B,
10 paragraph 5, subdivisions (a) through (e) of this section.

11 2. Failure to pay the required permit or license fee.

12 3. At the time of application the owner has a suspended permit or
13 license OR UNPAID CIVIL PENALTIES for the same vacation rental or
14 short-term rental.

15 4. A PREVIOUS OWNER OF THE PROPERTY HAD A SUSPENDED PERMIT OR
16 LICENSE OR HAS OUTSTANDING CIVIL PENALTIES FOR THE SAME VACATION RENTAL OR
17 SHORT-TERM RENTAL PROPERTY.

18 ~~4.~~ 5. The applicant provides false information.

19 ~~5.~~ 6. The owner or owner's designee of a vacation rental or
20 short-term rental is a registered sex offender or has been convicted of
21 any felony ~~act~~ OFFENSE that results in death or serious physical injury or
22 any felony use of a deadly weapon within the past five years.

23 D. A county that requires a local regulatory permit or license
24 pursuant to this section shall adopt an ordinance to allow the county to
25 initiate an administrative process to suspend a local regulatory permit or
26 license for a period of up to twelve months for the following verified
27 violations associated with a property:

28 1. Three verified violations within a twelve-month period, not
29 including any verified violation based on an aesthetic, solid waste
30 disposal or vehicle parking violation that is not also a serious threat to
31 public health or safety.

32 2. One verified violation that results in or constitutes any of the
33 following:

34 (a) A felony offense committed at or in the vicinity of a vacation
35 rental or short-term rental by the vacation rental or short-term rental
36 owner or owner's designee.

37 (b) A serious physical injury or wrongful death at or related to a
38 vacation rental or short-term rental resulting from the knowing,
39 intentional or reckless conduct of the vacation rental or short-term
40 rental owner or owner's designee.

41 (c) An owner or owner's designee knowingly or intentionally housing
42 a sex offender, allowing offenses related to adult-oriented businesses,
43 sexual offenses or prostitution, or operating or maintaining a sober
44 living home, in violation of regulation or ordinance adopted pursuant to
45 subsection B, paragraph 3 of this section.

1 (d) An owner or owner's designee knowingly or intentionally
2 allowing the use of a vacation rental or short-term rental for a special
3 event that would otherwise require a permit or license pursuant to a
4 county ORDINANCE or a state law or rule or for a retail, restaurant,
5 banquet space or other similar use.

6 (e) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY
7 ALLOWING THE USE OF A VACATION RENTAL OR SHORT-TERM RENTAL FOR
8 NONRESIDENTIAL USE.

9 (f) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY
10 AVOIDING PAYING TRANSACTION PRIVILEGE TAX FOR BOOKINGS MADE WITHOUT THE
11 USE OF AN ONLINE LODGING MARKETPLACE THAT IS REGISTERED WITH THE
12 DEPARTMENT OF REVENUE PURSUANT TO SECTION 42-5005.

13 3. Notwithstanding paragraphs 1 and 2 of this subsection, any
14 attempted or completed felony ~~act,~~ OFFENSE arising from the occupancy or
15 use of a vacation rental or short-term rental, ~~that~~ results in a
16 death, ~~or~~ actual or attempted serious physical injury, ~~shall~~ be grounds
17 for judicial relief in the form of a suspension of the property's use as a
18 vacation rental or short-term rental for ~~a period of time that shall not~~
19 ~~exceed~~ NOT MORE THAN twelve months.

20 E. A county that requires sex offender background checks on a
21 vacation rental or short-term rental guest shall waive the requirement if
22 an online lodging marketplace performs a sex offender background check of
23 the booking guest AND MAINTAINS AN ELECTRONIC COPY OF THE SEX OFFENDER
24 BACKGROUND CHECK THAT CAN BE READILY ACCESSED BY LAW ENFORCEMENT AGENCIES.

25 F. Notwithstanding any other law, a county may impose a civil
26 penalty of the following amounts against an owner of a vacation rental or
27 short-term rental if the owner receives one or more verified violations
28 related to the same vacation rental or short-term rental property within
29 the same twelve-month period:

30 1. Up to \$500 or up to an amount equal to one night's rent for the
31 vacation rental or short-term rental as advertised, whichever is greater,
32 for the first verified violation.

33 2. Up to \$1,000 or up to an amount equal to two nights' rent for
34 the vacation rental or short-term rental as advertised, whichever is
35 greater, for the second verified violation.

36 3. Up to \$3,500 or up to an amount equal to three nights' rent for
37 the vacation rental or short-term rental as advertised, whichever is
38 greater, for a third and any subsequent verified violation.

39 G. A vacation rental or short-term rental that fails to apply for a
40 local regulatory permit or license in accordance with subsection B,
41 paragraph 5 of this section, within thirty days ~~of~~ AFTER the local
42 regulatory permit or license application process being made available by
43 the county issuing such permits or licenses, must cease operations. In
44 addition to any ~~finer~~ CIVIL PENALTIES imposed pursuant to subsection F of
45 this section, a county may impose a civil penalty of up to \$1,000 per

1 month against the owner if the owner or owner's designee fails to apply for a regulatory permit or license within thirty days after receiving written notice of the failure to comply with subsection B, paragraph 5 of this section.

H. If multiple verified violations arise out of the same response to an incident at a vacation rental or short-term rental, those verified violations ~~are~~ MAY BE considered one verified violation for the purpose of assessing civil penalties or suspending the regulatory permit or license of the owner ~~or owner's designee~~ pursuant to this section.

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

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

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

L. ANY PENALTIES OR SUSPENSIONS ASSESSED PURSUANT TO THIS SECTION ARE ASSOCIATED WITH THE VACATION RENTAL OR SHORT-TERM RENTAL PROPERTY THAT ARE SUBJECT TO TRANSFER TO A SUBSEQUENT VACATION RENTAL OR SHORT-TERM RENTAL OWNER OF THAT PROPERTY.

M. ANY ACCOMMODATION THAT DOES NOT MEET THE DEFINITION OF VACATION RENTAL OR SHORT-TERM RENTAL MAY BE REGULATED BY THE COUNTY AS A HOTEL, MOTEL OR SIMILAR ACCOMMODATION.

~~L.~~ N. For the purposes of this section:

1. "Online lodging marketplace" has the same meaning prescribed in section 42-5076.

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

~~3. "Vacation rental" or "short-term rental":~~

~~(a) Means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium or cooperative that is also a transient public lodging establishment or owner-occupied residential home offered for transient use~~

1 ~~if the accommodations are not classified for property taxation under~~
2 ~~section 42-12001.~~

3 ~~(b) Does not include a unit that is used for any nonresidential~~
4 ~~use, including retail, restaurant, banquet space, event center or another~~
5 ~~similar use.~~

6 3. "VACATION RENTAL" OR "SHORT-TERM RENTAL":

7 (a) MEANS ANY INDIVIDUALLY OR COLLECTIVELY OWNED SINGLE-FAMILY OR
8 ONE-TO-FOUR FAMILY HOUSE OR DWELLING UNIT, ANY UNIT OR GROUP OF UNITS IN A
9 CONDOMINIUM, RENTAL COMPLEX, BUILDING OR COOPERATIVE OR AN OWNER'S
10 PRINCIPAL RESIDENCE OFFERED FOR TRANSIENT USE AS FOLLOWS:

11 (i) FOR LESS THAN SIXTY DAYS PER YEAR WITH NO OWNER OR OWNER'S
12 DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.

13 (ii) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR WITH THE OWNER
14 OR OWNER'S DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.

15 (iii) FOR LESS THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.

16 (iv) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS A ROOM
17 RENTAL WITH THE OWNER OR OWNER'S DESIGNEE RESIDING ON-SITE DURING
18 TRANSIENT USE.

19 (v) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS HOTEL
20 TRANSIENT LODGING ACCOMMODATIONS OFFERED FOR LESS THAN THIRTY DAYS, IF THE
21 ACCOMMODATIONS ARE NOT CLASSIFIED FOR TAXATION UNDER SECTION 42-12001.

22 (b) DOES NOT INCLUDE ANY UNIT OFFERED FOR TRANSIENT LODGING
23 ACCOMMODATION USE AS ANY OF THE FOLLOWING:

24 (i) FOR MORE THAN ONE HUNDRED TWENTY DAYS PER YEAR.

25 (ii) FOR MORE THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.

26 (iii) FOR MORE THAN ONE HUNDRED DAYS PER YEAR AS HOTEL TRANSIENT
27 LODGING ACCOMMODATIONS OFFERED FOR LESS THAN THIRTY DAYS.

28 (iv) THROUGH A RENTAL AGREEMENT, LEASE, SUB-LEASE OR OCCUPANCY
29 AGREEMENT FOR A PERIOD OF LESS THAN THIRTY DAYS.

30 (v) FOR ANY NONRESIDENTIAL USE, INCLUDING RETAIL, RESTAURANT,
31 BANQUET SPACE, EVENT CENTER OR OTHER SIMILAR USE.

32 4. "Verified violation" means a finding of guilt or civil
33 responsibility for violating any state law or local ordinance relating to
34 a purpose prescribed in subsection B, D, F or K of this section that has
35 been finally adjudicated.