



# Short Term Rental (STR) Ordinance

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# What is a Short-Term Rental?

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- Short-term rental is defined by A.R.S. § 9-500.39.
- Any dwelling unit (single- or multiple- residence) or any group of units in a condo, cooperative, or timeshare that is a transient public lodging establishment or owner-occupied residential home offered for transient use and not classified for property taxation under A.R.S. § 42-12001.
- Transient use means rented for less than 30 consecutive days.
- Also commonly called a vacation rental.



# Short-Term Rental Legislation

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- Senate Bill 1168 was signed by the Governor on July 6, 2022 and went into effect September 24, 2022.
- The law (A.R.S. § 9-500.39) limits how cities can regulate short-term rentals:
  - Enforce existing codes (zoning, nuisance, property maintenance)
  - Prohibit use for certain harmful purposes
  - Require license; emergency point of contact; neighbor notification; insurance
  - Grounds for suspension
  - Civil penalties



# STR Ordinance Goals

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1. Licensing of short-term rentals;
2. Compliance with City Codes and applicable laws (zoning, noise, nuisance, health and safety, solid waste, tax, traffic control, property maintenance);
3. Emergency contact information of person responsible for responding to complaints and emergencies;
4. Notification to neighboring properties that a property will be used as a short-term rental;



# STR Ordinance Goals

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5. Minimum liability insurance requirements;
6. Prohibited uses per statute (housing sex offenders, sober living home, selling liquor or illegal drugs, obscenity, pornography, adult-oriented business, special events, retail);
7. Grounds and process for denial and suspension of license; and
8. Civil penalties against owner and others.



# STR License

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- Estimated 2,000 - 3,000 STR units in Mesa
- Application information required:
  - Name, address, phone, email of owner and emergency contact
  - Address of the STR
  - TPT number
  - Agreement to comply with laws
- Grounds for denial:
  - Failure to provide application information or fee
  - Owner has a suspended license for that property
  - False or misleading information provided
  - Owner or designee was convicted sex offender or convicted of felony involving death, serious injury, or a deadly weapon in prior 5 years



# Emergency Contact Disclosure

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- Owner must disclose the emergency point of contact and must keep the information updated
- Included as part of notification to neighbors
- Must be posted in the STR
- Emergency contact must respond to all complaints and emergencies associated with the STR:
  - For emergencies (public safety personnel dispatched): within one hour and in person if requested by public safety personnel
  - For all other complaints: within 24 hours and can be in person, by phone or email



# STR Suspension

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- Up to 12-month suspension of license
- One “serious” violation committed by owner:
  - Felony offense at or in the vicinity of the STR
  - Serious physical injury or wrongful death at or related to the STR
  - Knowingly renting the STR in violation of the prohibited uses
- Or, any three violations of the STR Ordinance in a 12-month period
- Licensing Administrator will implement administrative process (citation, opportunity for hearing)
- Limited scenario for suspension of use as STR (up to 12 months) through the Courts for felony act that results in death or serious physical injury



# Proposed Civil Penalties

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- Against owner who violates:
  - \$500 first violation within 12-month period
  - \$1000 second violation within 12-month period
  - \$2000 for third violation within 12-month period
- Additional penalty against owner for not being licensed and/or not providing emergency contact information:
  - \$250 for first month
  - \$500 for second month
  - \$750 for third month
  - \$900 for fourth month and each additional month



# Tasks

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- Fee Public Notice
- Assess Staffing Need
- Integration of Systems/Processes



## Key Dates

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- Introduction: October 3, 2022
- Consideration: October 17, 2022
- Consideration of Fees: December 5, 2022
- Proposed effective date: February 1, 2023





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