

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Chad Weaver, Community Development Director

DATE: December 11, 2025

DEPARTMENT: Community Development

AGENDA TITLE: Short Term Rental Update

Background:

On January 27, 2022, the Town Council passed Ordinance 2022-03 (the "Ordinance"), amending the Town Code to address nuisances, unruly gatherings, non-compliant Short-Term Rentals ("STRs"), and the peace, health, safety, and welfare of the general public.

The Ordinance was challenged pursuant to A.R.S. § 41-194.01, resulting in the approval of most of Ordinance 2022-03 and the adoption of Ordinance 2022-04 to address remaining concerns.

Subsequent to this, the State Legislature adopted SB1168, signed by the Governor. This legislation allowed local governments to require:

- The property owner to obtain and maintain a local regulatory permit or license;
- The property owner or designee to display the local regulatory permit number, license number, or transaction privilege tax license number on each advertisement for a vacation or short-term rental; and
- The vacation or short-term rental to maintain liability insurance or advertise through an online lodging marketplace that provides coverage.
- Impose a civil penalty of up to \$1,000 against the owner for every 30 days the owner fails to provide contact information for the owner or owner's designee who is responsible for responding to complaints or emergencies;
- Deny issuance of a permit under limited circumstances;

- Suspend a local STR permit for up to 12 months for verified violations associated with the property; and
- Impose civil penalties against the owner if the owner receives one or more verified violations related to the same vacation or short-term rental within a 12 month period.

The Town approved a revised ordinance pursuant to SB 1168 in October, 2022.

Update:

Kristi Hillebert has been handling the STR program over these past few years and aside from some remaining neighbor concerns the rentals have proven relatively compliant, and the numbers have stabilized at a lower level than initially expected.

Key elements:

- **Licensing:** STRs must register for a license, which costs \$250/year
- **Violations:** The Town can deny or suspend licenses for up to a year for code violations.
- **Penalties:** Fines can be levied against property owners for violations.
- **Platform Fines:** The ordinance no longer includes fines against online marketplaces.
- **Background Checks:** Both property owners and guests must undergo background checks.
- **Special Event Permits:** Only when owner applies and is present.

The number of STRs peaked at 146 but has since settled closer to 100 (99 as of November). Community Development receives weekend call logs from PD and the number of STR issues are few, but owners are contacted as needed. The PD also is able to contact owners immediately if necessary. Yearly outreach also occurred last month to remind all owners and managers of their responsibilities. Kristi has built good relationships with the owners and handles questions or concerns promptly.

ATTACHMENTS:

- A. Staff Report
- B. Current Ordinance
- C. Presentation