

Date:

Dear [Short Term Vacation Rental] [Property] Owner:

You are receiving this letter because records within the Town's possession indicate that the property at [property address] is listed on one or more short-term rental websites and/or agencies, and you are the registered owner. As you may be aware, effective August 6, 2016, the State of Arizona implemented SB1350, which regulates short-term rentals within the State of Arizona. Within those parameters there remains important information for you to consider.

As you know, Paradise Valley prides itself on our unique setting, pristine neighborhoods, top-rated resorts, and outstanding quality of life. The Town government seeks to protect the Town's unique and valued character while upholding the law, applying the law fairly and impartially, and limiting its interference with individual decision making and property rights. Enclosed with this letter you will find information regarding law and regulations governing short-term rentals. The information enclosed and the information shared below is provided for informational purposes only, and is not intended to be a comprehensive listing of the law, rules, or issues concerning short-term rentals. Along with the enclosed information, you may wish to consider the following:

- Pursuant to State law, the short term rental may only be used for residential purposes. Therefore, the property, when rented, is not permitted as a location for: adult oriented business activities; housing sex offenders; operating or maintaining a structured sober living home; liquor control; and commercial event rental activity such as, hosting weddings, bar or bat mitzvahs, auctions, art openings, musical events, fund raisers, business meetings and other functions of a commercial nature.
- State law requires you to obtain a sales tax license (a.k.a. a Transaction Privilege Tax (TPT) license) and pay appropriate sales tax. Information on these licenses is enclosed, and you may contact the State of Arizona about tax issues.
- Short-term rental properties are governed by the same noise, trash and nuisance ordinances as any other residence.
- Standard Homeowners' insurance – including liability (bodily injury, damage to property of a third party such as a renter, etc.) and property insurance – may exclude incidents or claims related to short-term rentals.
- It is the Town's legal position that overstays or refusals to leave by a short-term renter, and possibly allegations of property damage or misappropriation, as a general matter, are not criminal in nature; rather, they are governed by civil landlord-tenant law. Thus, if you call the Paradise Valley Police Department for such an issue, the officer and the Department will not remove the renter absent a court order or other criminal activity as home rentals are subject to the eviction process through the Arizona residential landlord/tenant act.
- A Short Term Rental is considered a home occupation. As such, you will need to complete and submit a Business License and Home Occupation questionnaire (enclosed). As a home occupation, Town Code requires all renters and their guests to park on the property. Street parking is not permitted in association with a rented residence pursuant to Town Code.

- If the property is on a septic tank, review the capacity and operational requirements that additional loading from higher occupancy rentals may place upon the functionality of the system.

In sum, the field of short term vacation rentals via online listings represents an evolving area with various impacts, costs and benefits – both known and unknown. We hope the information above and enclosed with this letter proves helpful. Again, please be aware that the foregoing items and enclosed information are not intended to be a comprehensive listing or set of the issues impacting short-term rentals. The Town follows a limited government model, and does not seek to identify all federal and state laws that may impact short-term rentals or to identify all of the possible legal consequences of owning or operating a short-term rental. Rather, the Town's role is largely reactive in this regard, in investigating and responding to any complaint received about a home in Paradise Valley – no matter the use or status of the home.

For questions about licensing, please call Duncan Miller, Town Clerk , at 480.348.3610. For questions regarding law enforcement, please call Kevin Albert, Community Resource Officer at 480.348.3597.

Sincerely,

Kevin Burke  
Town Manager