

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Mayor Bien-Willner and Town Council Members

FROM: Jill Keimach, Town Manager
Andrew J. McGuire, Town Attorney
Duncan Miller, Town Clerk

DATE: September 8, 2022

DEPARTMENT: Town Attorney
Andrew McGuire, 602-257-7664

AGENDA TITLE:

Discussion and possible action to authorize staff to conduct a fee study and post a Notice of Intent to assess a new fee related to short-term rental permits.

RECOMMENDATION:

Direct staff to conduct a fee study related to issuance of short-term rental permits; advertise the proposed fee on the Town's website for 60-days; and schedule a public hearing for Council consideration to implement the fee.

SUMMARY STATEMENT:

In June 2022, the Arizona legislature passed, and the governor signed, SB 1168 amending A.R.S. § 9-500.39 related to short-term rentals. The amended provisions authorize a city or town to require the owner of a vacation rental or short-term rental property to obtain and maintain a local regulatory permit. The statute further provides that a city or town may assess a fee not to exceed the actual cost of issuing the permit or \$250, whichever is less.

Pursuant to A.R.S. § 9-499.15, before imposing a new or increased tax or fee, a city or town must prepare a written report or data supporting the new fee and post notice of the proposed new fee on the home page of the municipality's website at least 60 days before the date the proposed new tax or fee is approved by the Council. Although the short-term rental fee could arguably be exempt from these procedures pursuant to A.R.S. 9-499.15(F)(6), we believe it is prudent and transparent to follow the normal process.

The Town Council will review proposed amendments to the Town's short-term rental ordinance on September 8th including a provision requiring owners to obtain a permit. Increased staffing and allocation of other administrative resources have already been authorized to monitor and enforce short-term rental activities in Town. It is appropriate

for the Council to direct staff to study and make a recommendation related to recovering a portion of the costs associated with enforcing the ordinance.

BUDGET IMPACT:

The proposed fees will offset a portion of the cost to the Town related to registration and permitting of short-term rentals.

ATTACHMENTS:

- A. Staff Report