



Paradise Valley Town Council

Proposed Code Changes

September 8, 2022

Revised § 9-500.39

Recent changes to § 9-500.39 allow the Town to:

- Require regulatory permits
- Deny, suspend, or revoke permits
- Require neighbor notifications
- Continue to require background checks
- Continue to assess penalties for failing to register or provide contact information

Permits

Under proposed Article 10-14, STR owners must:

- Register with the Town and pay a permit fee
- Obtain a transaction privilege tax license
- Show proof of lawful residence in the US (if individual)
- Maintain at least \$500k liability insurance
- Renew annually
- Notify neighbors before first rental and upon change of information
- Display the STR permit number on every advertisement

Permits - Denial

- Town must issue/deny permit within seven business days.
- Town may deny issuance/renewal for any of the following:
 - Failure to provide sufficient information
 - Failure to pay the permit fee
 - STR's current permit is already suspended
 - Applicant provides false information
 - Owner/Rep is a registered sex offender
 - Owner/Rep was convicted of a felony resulting in death or serious physical injury or felony use of a deadly weapon within the past five years

Permits - Suspension

Town may suspend a permit for one year:

- For any **one** of the following, **if the Owner/Rep:**
 - Commits a felony at/near the STR
 - Causes serious injury or wrongful death at or related to the STR
 - Knowingly or intentionally allows:
 - Housing of a sex offender
 - Offenses related to adult-oriented businesses, sexual offenses, or prostitution
 - Operating a sober living home
 - Hosting special events
- Or for any **three** violations **associated with the STR** within one year
 - Excluding aesthetic/trash/parking violations that don't also seriously threaten public health and safety

Permits - Suspension

- Judicial Relief
 - Town may seek judicial relief in the form of suspension
 - For attempted/completed felony resulting in death or actual/attempted serious physical injury

Permits - Revocation

- Town shall initiate revocation proceedings if any grounds for denial exist for an STR permit that already has been issued
- Appeals
 - Owner/Rep has the right to appeal non-judicial suspensions in accordance with Town Code Section 4-1-10 (also being revised)
 - Town shall give notice of such right
- Reapplication
 - One year waiting period to apply for another STR if the Owner's had an STR permit denied or revoked

Penalties

- STR's that fail to apply for a permit within 30 days of the Town making the application process available must cease operations
- Failure to register within 30 days = \$1,000/month
- Failure to provide contact info after 30 days' notice = \$1,000/30 days
- Additional penalties for violations within same 12-month period:
 - 1st – greater of up to \$500 or one night's rent at the advertised rate
 - 2nd – greater of up to \$1,000 or two night's rent at the advertised rate
 - 3rd – greater of up to \$3,500 or three night's rent at the advertised rate

Miscellaneous

- Town may use permitting info for any lawful reasons, like communicating regarding compliance with laws and regulations, Town updates, and reminders to update info with the Town.
- “Guest” means a person who makes transient use of an STR. For the purposes of this Article, any person who makes payment for the use of an STR, any person identified on the rental agreement for an STR, any person who sleeps or plans to sleep overnight in an STR, and any person present in an STR after 10:00 PM, are each presumed to be a Guest of that STR.

Questions?