Town of Paradise Valley

Short Term Rentals: History, Ordinance, Implementation



Summary of Recent History

- 2016: SB1350 took all authority away from local governments
- 2018: PV adopted Unruly Gathering Ordinance
- 2019: SB1554 amended STR local authority to require tax ID numbers on postings, contact info and prohibited non-residential uses
- Dec 2020: Partnered with 33 Mayors across AZ to ask platforms to help provide local control. Wall Street Journal
- March 2021: Market Analysis on secondary/indirect impacts of STR completed by Elliot Pollack
- Sept 2021 Presented other options from Denver and Palm Springs at AZ League Conference
- January, 2022 PV Adopted New Ordinance under limited State Law. Ordinance 2022-03. First of its kind in AZ



PV's January 2022 STR Ordinance

Paradise Valley's STR Ordinance 2022-03, adopted on January 27, 2022, specifically regulated 61 items.

State law allowed two categories of regulations for STRs

- Health and safety
 - cleaning protocols, pest control, air filters, fire extinguishers,
 - Iandlines for when renters call 911,
 - requirements for owners/managers response within 1 hr from police call,
 - public host contact information
- State Law prohibited sex offenders and non-residential uses.
 - PV required background checks
 - Prohibited non-residential uses like special events, banquet halls

For both Single Family homes and STRs

- Behavior regulations
 - noise (plainly audible prohibited between 10:00 pm and 6/7:00 am)
 - unruly gatherings (defined special event space)



Attorney General Investigation

- Senator Warren Petersen called for a 'SB1487 investigation' by the Attorney General.
- SB 1487 allows any legislator to request an investigation to determine whether a local government ordinance is in violation of State Law.
- Town had option to rescind ordinance or risk an investigation. Choose to be investigated
- Attorney General thoughtfully reviewed, investigated and then <u>validated</u> <u>92%</u> of our initial 61 items
- Of five deemed not consistent, Council amended and clarified language.
- PV's STR ordinance with minor amendments was then considered a legally defensible model for other city and towns throughout the State.

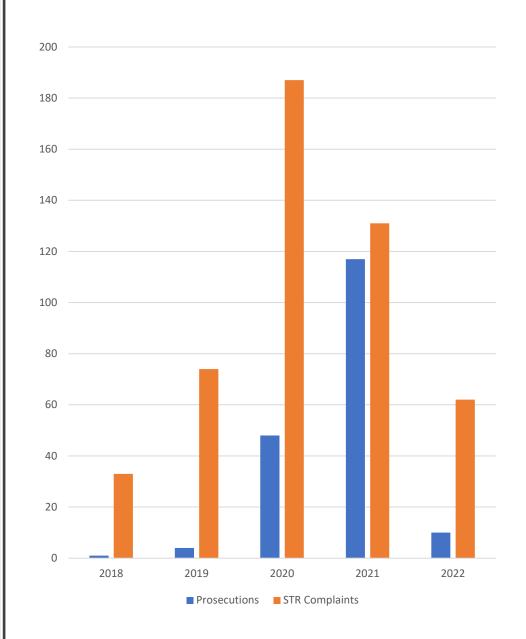


Training and Education (the *Carrot*)

- In March 2022, PVPD, Community Development/Code Enforcement hosted training with STR managers
- Discussion and collaboration with each other to work together to limit undesirable renters
- Through the Summer of 2022 PVPD continued with monthly meetings with repeat offenders
- Now, STR managers are proactively working to have renters meet our regulations. Several times managers have cleared parties prior to police receiving calls.
- Several managers have installed noise meters and monitors to count the number of devices in the STR to get advance notice a party is growing.
- Several property managers have hired security companies to regularly conduct unannounced visits on their properties.



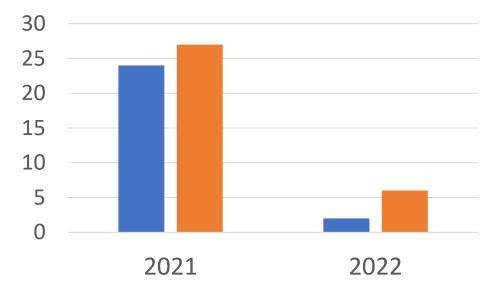
Enforce and Prosecute (the *Stick*)





Enforcement

Repeat Police response to Few Repeat Offenders Significant Change in Problem Properties. Calls to PD between 2021 and 2022



Round 2: **Recent Changes to State Law**

- Partnered with four Cities also highly impacted
- Continued to partner with Citizen Group
- SB1168 Adopted by State Legislature
- Effective September 24, 2022
- State Law added several important new authorities
 - Ability to issue, deny and suspend local STR permits
 - Enforce through financial penalties (nightly rent); 1-3 verified violations and immediate judicial relief for up to 12 months permit suspensionValidated PV response time; public contact
 - information
- First in AZ to adopt (again) on October 10, 2022.



Implementation

- Hired Code Enforcement Officer
 - Kristi Hillebert
- Training Hosts and Managers
- Letter and Good Neighbor Brochure to hosts/managers with QR code and link
- Permanent QR code in Manager's Weekly
- Town Reporter with QR code and link
- Working with AirBnB and VRBO
- Citizen Portal STR Permit information
 - Host, Manager, Renter, Neighbors, Visitors



Good Neighbor Brochure

The beautiful Town of Paradise Valley prides itself on being a premier location for residents and visitors alike.

Therefore, we have ordinances in place pertaining to all homes and/ or specifically to short-term rentals to ensure our homes and neighborhoods retain their safety, quality, and appeal. For more information, please visit www.paradisevalleyaz.gov/rental

FAQs www.paradisevalleyaz.gov/faq



Please enjoy your visit in our community. We hope you have a wonderful stay.

GOOD NEIGHBOR for Short-Term Renters & Hosts



www.paradiseval.wysz.gov/westol

Good Neighbor Brochure

Message to Hosts

Hosts are required to background check all guests staying at the property to help ensure that no sex offenders are being housed.

The National Sex Offender Public Website at www.nsopw.gov/ enables anyone to search a name or location in just about a minute.

(((-//-))) noise The Town places various restrictions on noise, including voices, amplified music etc., extending beyond the property line. Additional restrictions are in place after IO:OO pm, all day on Sundays and on holidays. For detailed information, please refer to the Town Code, Article 8-IO. We also require the host to help ensure renter health and safety by having liability insurance, working smoke and CO detectors, fire extinguisher, fire safety and emergency evacuation map, air filters, local phone service, pest control and cleaning between bookings following CDC guidelines.

If you find that any of these items are missing or not functional, please let us know by emailing **rental@paradisevalleyaz.gov** and provide us with the address and date of your stay.

Police are authorized to enforce nuisance noise provisions regardless of whether complaints are citizen-reported or reported by police or other designated Town employees.

Note: Most smart phones have free decibel meter apps available to help you monitor noise levels (Code requirement from property line is less than 56 decibels and 45 or below after IO p.m.).

this unruly gathering

parking

The Town restricts unruly gatherings in all homes that threaten public peace, health, safety, or general welfare. This can include excessive noise, impeding traffic, obstruction of public streets by crowds or vehicles, use or possession of illegal drugs, drinking in public areas, serving alcohol to minors or consumption of alcohol by minors, fighting, disturbing the peace, and/or littering (Town Code Article IO-13).

When parking a vehicle, it is a violation to block a bicycle lane or park within:

- 30 feet of any flashing beam, yield sign or traffic control signal
- 20 feet of an intersection or fire station driveway
- I5 feet of a fire hydrant

It is also a violation to park in front of, a public or private driveway or on any private property without the consent of the owner. Any vehicle that obstructs or impedes traffic in any manner or creates a hazard is also a violation. Failure to comply with State laws, Town ordinances or Codes expressed or unexpressed may result in a citation, fines or expulsion from the rental property for the renter or their guests.

Every Host Must Obtain a Permit From the Town of Paradise Valley Prior to Offering a Booking for a Short-Term Rental

A Short-Term Rental that fails to receive a permit from the Town will result in penalties and must immediately cease operations.

Paradise Valley will make publicly available all the following:

- Owner's name and contact information
- STR's physical address and phone number
- Local contact's and/or emergency contact's name/address/ contact information

Hosts are required to:

Provide each booking guest with this Good Neighbor Brochure that constitutes an agreement that by renting this property the booking guest agrees to comply with such rules and regulations.

Hosts should note the following prohibited uses:

- Adult-oriented businesses and similar activities
- Indecent Behavior
- Sleep in a place or area other than the residence
- Non-Residential Uses (e.g., retail, restaurant, banquet space, event center or similar use including but not limited to Weddings & Liquor Sales, etc

Owners or their designees must:

- Appear in person within I hour where complaints involve a police officer on site
- Ensure all guests are not on the national sexual offender registry at https://www.nsopw.gov
- Store trash and refuse out of public view
- Post certain notices in plain view at the STR and on the STR's online listing

Resources for owners $\boldsymbol{\delta}$ hosts to aid in compliance with health and safety regulations:

CDC Cleaning Guidelines https://www.cdc.gov/hygiene/

Our goal, collectively, is to have a healthy relationship in our community between owners, visitors and neighbors. Ensuring you are following the Town Code will significantly help build that trust and mutual respect.



Working with Platforms (VRBO)

[External] New Paradise Valley Short-Term Rental Ordinance Takes Effect Nov. 13



Vrbo Government Affairs <governmentaffairs@vrbo.com> To O Noah Stewart (ELCA)



If there are problems with how this message is displayed, click here to view it in a web browser.



Dear Property Owner or Manager,

The Town of Paradise Valley recently passed a new short-term <u>vacation rental</u> <u>ordinance</u>. The new ordinance will take effect on Sunday, November 13.

The ordinance requires you to obtain a permit for each short-term rental property you operate. To apply for a permit, click the button below.

Apply For A Permit

If you have questions about the implementation and enforcement of the new ordinance, please contact rental@paradisevalleyaz.gov.

Best, Vrbo Government Affairs

Communications pertaining to local regulations are sent by Vrbo in an effort to assist homeowners and property managers to better understand and participate in regulatory processes. If you have questions, please email **governmentaffairs@Vrbo.com**. For more resources on how regulations can impact the industry and for tips on how to get involved in your local short term rental community visit our resource page <u>VrboAdvocates.com</u>. Vrbo encourages all managers and owners to become knowledgeable and comply with the regulations governing short-term rentals in their individual municipalities and states. <u>Please</u> <u>click here to unsubscribe</u>.



Short-Term Rental Website



Short-Term Rental in Paradise Valley

The Town of Paradise Valley is a premier, low density, largely residential community with a national identity reflecting beautiful neighborhoods and luxurious homes. Residents value the beauty and exceptional service they receive while living in and visiting PV. The Town's desire is to protect beautiful, well-maintained, and quiet neighborhoods.

Recently, the short-term lodging market has experienced substantial growth largely due to the increased use of online hosting platforms. The Town has adopted new regulations to ensure the investments in our neighborhoods are protected and the interests and needs of the community are heard and balanced. The goals of the regulations are to:

- · Protect the quiet enjoyment of our neighborhoods
- · Reduce impacts on neighbors
- Make visitor stays pleasant for guests and neighbors alike
- Reduce or eliminate unruly behavior
- · Support the responsive hosts and property owners

We desire to work with all hosts, guests, and neighbors to maintain the Town's attractive lifestyle.





PVWebsite and Process to Apply for a STR Permit

Download Forms and Brochures



Things to keep in mind before you rent.

Owners are required to provide a copy of this brochure to every guest

List of minimum health, safety, and other standards required of all short-term rental properties

This form must be submitted as part of the permit application if the property is owned by an LLC or if the owner's representative is completing the application

State & County Registration Requirements

These are required Before You Apply for a Town Permit

APPLY FOR TAX LICENSE

- <u>ADOR Residential Rental Licensing Information and</u> <u>Resources</u>
- ADOR Bulletin Explaining Residential Rental Requirements

REGISTER WITH COUNTY

Assessor's Office FAQ on Residential Rental

ADOR Fact Sheet - Online Lodging Marketplace

The Town of Paradise Valley levies a privilege tax on the gross business receipts derived from the rental residential properties. Owners are required to apply for a Transaction Privilege (Sales) Tax (TPT) License from the **Arizona Department of Revenue (ADOR)** and post their license number on each online market place advertisement. Even though online market place websites will remit taxes to ADOR on your behalf, owners are still required to file a tax return showing the gross receipts received from the online market place with a deduction equal to the amount received from the online market place.

All rental units, including vacation and short term rentals, shall be registered with Maricopa County in accordance with <u>ARS 33-1902</u>

Town of Paradise Valley Permit Requirement



Before offering for rent or renting a Short-Term Rental (STR) within the Town, the owner of that STR, or that owner's representative must obtain a permit.



Website and Process to Apply for a STR Permit

Apply for a Permit

Short-Term Rental Requirements - Permit Required

Before offering for rent or renting a Short-Term Rental within the Town, the Owner of that Short-Term Rental, or that Owner's Representative, shall (i) register the Short-Term Rental with the Town, on a form specified by the Town, (ii) obtain a valid Permit, and (iii) obtain a valid transaction privilege tax license under A.R.S. Title 42. The Owner or Owner's Representative shall notify the Town, in writing, of any change in the information required by this section, within seven business days of the effective date of such change.

PV PERMIT APPLICATION

What information is needed to apply for a permit?

- 1. The name and contact information (address, telephone number and email address) of the Owner.
- 2. The Short-Term Rental's physical address.
- The name, address, and contact information (address, telephone number and email address) of the Owner, or of an Owner's Representative who is responsible for responding to complaints in person, by telephone, or by email in accordance with Section 10-14-5(A)(1).
- 4. The name, address, and contact information of a designated emergency contact.
- 5. The phone number of the Short-Term Rental's phone(s) required under Section 10- 14-5(B)(6) of this Code.

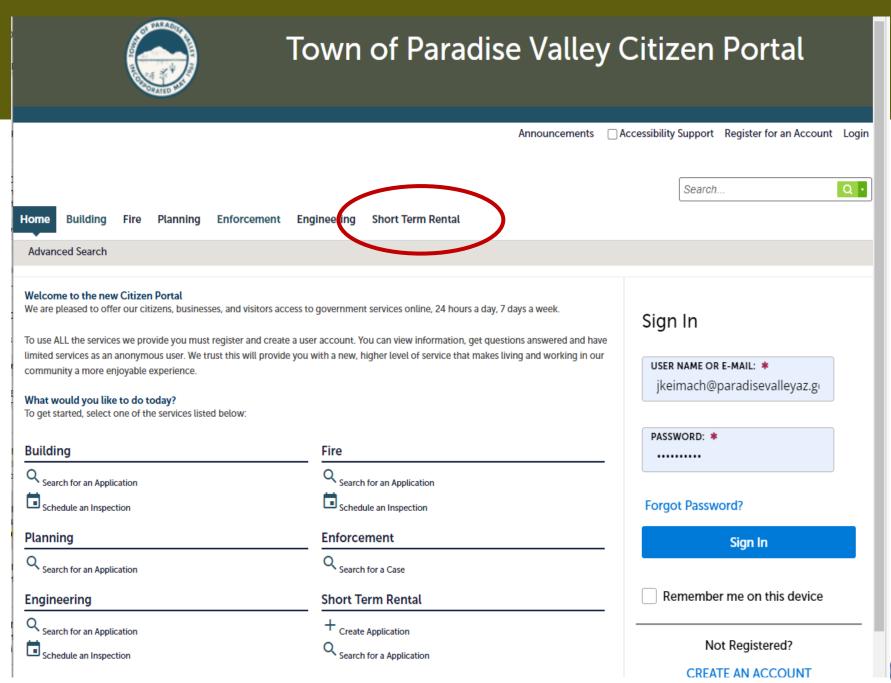
Consent and Certification Required

- 1. Proof that the Short-Term Rental has been registered with the Maricopa County Assessor's Office in accordance with A.R.S. § 33-1902, where applicable; and
- 2. A valid transaction privilege tax license issued by the State of Arizona; and
- 3. An agreement to comply with all applicable laws, regulations and ordinances.
- If an applicant is an individual, proof of lawful presence in the United States in accordance with A.R.S. §§ 1-502 and 41-1080, unless exempted by A.R.S. § 41- 1080(B).

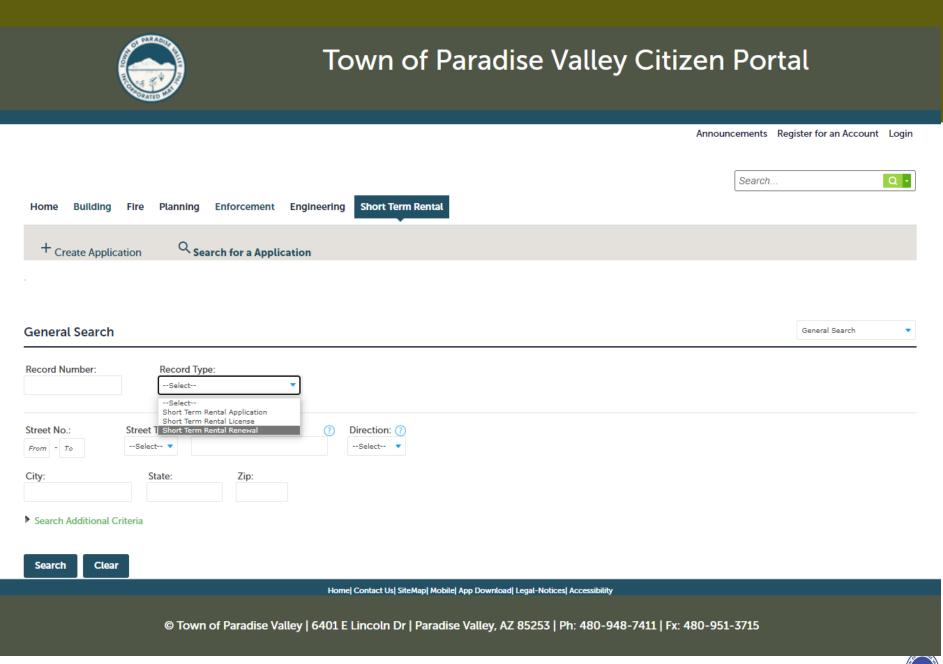
How Long Will it Take to get the Permit?

Application will be administratively reviewed by the Town of Paradise Valley and a permit issued within 7 days if all information is provided and is accurate.





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Permit Process

After appropriate documents submitted in online portal

STR Code Enforcement Officer:

- 1. Verifies property is in Paradise Valley
- 2. Runs Sex Offender Background Check
- 3. Verifies as much as possible TPT license
- 4. Reviews publicly available information on property ownership
- 5. Reviews Application for completion
- 6. Approves application within 7 business days
- 7. Issues email and formal permit with reminders of Town codes, owner responsibilities OR denial for incomplete or inaccurate information
- 8. Provides materials for renters
 - a. Notices for posting on property of Town rules,
 - b. Good Neighbor Brochure,
 - c. Health & Safety Form,
 - d. Requirements for Owners to conduct sex offender background for all guests.
- 9. Build and Maintain rapport with owners and managers to achieve long-term compliance



Sample Permit

TOWN OF PARADISE VALLEY *Short-Term Rental Permit*			
PERMIT NUMBER: 22TMP-000091	ISSUE DATE: EXPIRATION DATE: HOST NAME AND CONTACT INFO:		
DWELLING UNIT ADDRESS: 3512 E ROSE LN PARADISE VALLEY, AZ 85253	PHONE: EMAIL:		
This Short-Term Rental (STR) permit signifies that the person name who has the legal right to occupy the dwelling unit on this permit a Ordinance. The STR permit requires an owner/host to comply with	and to allow short-term rental occupancy in accordance with the STR		
For Your Records			
Town of Paradise Valley			
Short-Term Rental Occupancy Permit Information Hosts shall comply with all <u>STR Ordinance</u> including the following:			
(a) maintain and use the dwelling unit at all times for residential occupancy only;			
(b) not allow the short-term residential occupancy to create a public nuisa	ince;		
(c) Be knowledgeable of and compliant with all of Chapter 10, Article 10	0-14 of Town Code in its entirety;		
(d) provide proof of payment of the Rental Unit Business Tax to the Town	n upon request;		
neighbors; (2) the parking limitations and rules; (3) the rules for trash and Code Articles 10-7, and remedies available to the Town to address and en- citations to each guest and to the owner/host; (5) Any violation of an ordi	are permitted under A.R.S. § 9-500.39(B)(2), constitutes a Non-residential Use and car		
(f) designate a local contact who shall be responsible for actively discourse	aging and preventing any nuisance activity at the premises. The host or designated loca		

(f) designate a local contact who shall be responsible for actively discouraging and preventing any nuisance activity at the premises. The host or designated local contact shall respond to a complainant in person within one hour for all reported complaints when law enforcement is on scene and shall take action to resolve the matter and within 24 hours to all other complaints.

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Resources for Neighbors

The Arizona State Legislature enacted <u>A.R.S. §9-500.39</u> which preempts local authorities, including Paradise Valley, from regulating short-term rentals based solely on their classification or use. Consequently, these rentals are allowed by state law.

MAP OF STR PROPERTIES

Search for Short-Term Rental (STR) properties by address or location. Click on property to view owner/manager contact information.

If you are aware of a property that is being used as a Short-Term Rental (STR) and it is not shown on the STR map, you may repot the address to the Code Enforcement Department who will assist the owner with becoming compliant.

If there is reason to believe that a Short-Term Rental (STR) may not be in compliance with STR Ordinance or if you have other code compliance concerns regarding an STR property, please report it to the Code Enforcement Department.

Other Resources to Submit Complaints Against a Short-Term Rental Property

Airbnb complaint portal

Vrbo complaint portal

Links to Background Information Ordinance 2022-06 effective mid-November - Amending Article 10 Short Term Rental Regulations to conform with SB1168

Ordinance 2022-04 - Amending Ordinance 2022-03 to fully comply with Arizona Statute

Town Council direction to amend Ordinance 2022-03 to fully comply with Arizona Statute

Attorney General's Report regarding Ordinance 2022-03's compliance with Arizona Law

Ordinance 2022-03 - Amendments to unruly gathering and short-term rental codes

FAQs

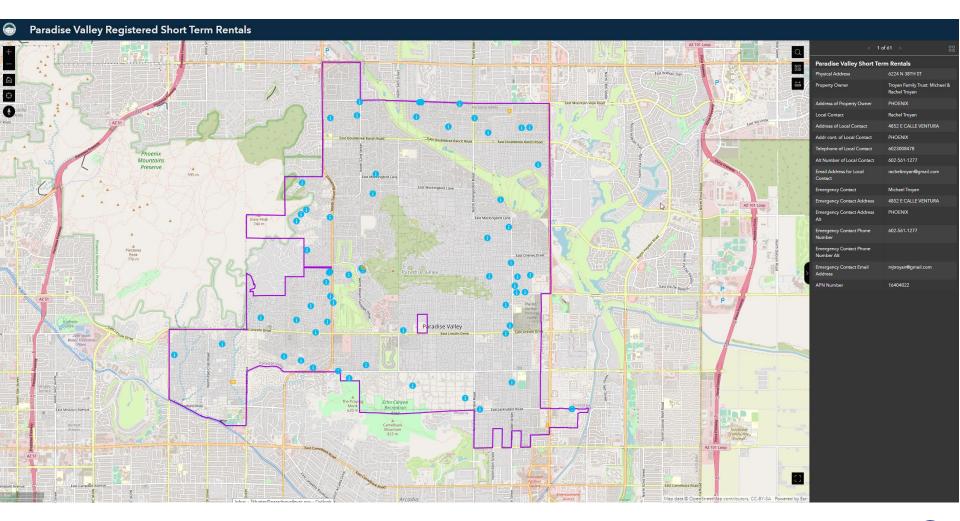
- What is short-term or vacation rental?
- <u>Are short-term or vacation rentals allowed in Paradise</u> Valley?
- Are short-term or vacation rentals allowed in every neighborhood?
- <u>May residential properties be rented for commercial</u> events?
- Do short-term or vacation rental properties pay taxes?
- <u>Where can I view Ordinance 2022-06 regarding short-</u> term rentals?

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Resources for Neighbors



STR Interactive Map



Difference in Noticing... Sample Template v. PV

Greetings Neighbor!

I hope this note finds you well. My name is [add name], and I am the host for the short-term rental at [123 Sample St]. Please be assured that we take your privacy and quality of life very seriously. We highly vet our guests and clearly explain Sedona's local regulations as well as our own stringent house rules.

If at any time you need to contact us regarding [123 Sample St], please call us at [add phone number] and we will be sure to address any issues as soon as possible.

TPT number is: # 12345678.

Available to 4-5 Adjacent Neighbors Sedona Registration number is: #910111213

Thank you, [add name]

Paradise Valley Short Term Rentals

Physical Address	5819 E MOUNTAIN VIEW RD
Property Owner	Pine Corners LLC/Truszkowski William & Jennifer; Stat. Agent Rebecca Valcik
Address of Property Owner	Phoenix, AZ 85027
Local Contact	Rebecca Valcik
Address of Local Contact	2010 W. Parkside Ln Ste 112
Addr cont. of Local Contact	Phoenix, AZ 85027
Telephone of Local Contact	217-493-2929
Alt Number of Local Contact	773-490-7316
Email Address for Local Contact	listmyrentalhome@gmail.com
Emergency Contact	Rebecca Valcilsing
Emergency Contact Address	2010 WAshkside Ln, Ste. 112
Emergency Contact Address Emergency Contact Address Alt Emergency Contact Phore Number	Ripenix, AZ 85027
Emergency Contact Phore	217-493-2929
Emergency Consect Phone Number Alto	773-490-7316
Emergency Contact Email Appress	listmyrentalhome@gmail.com
APN Number	16824022



Incentives to Obtain License

• We have expedited the ordinance adoption, implementation and permitting prior to Super Bowl LVII

• Want to incentivize over next 30 days obtaining a local STR permit by:

- Waiving \$250 fee
- Sending letters to encourage early applications
- Warning of enforcement penalties
- Enforcing (as much as possible) no rentals without a STR permit



Notified All Hosts





Town of Paradise Valley

The Short Term Rental on-line permit site is live starting November 13th, 2022. As an incentive for getting your rental permitted early, all Town permit fees are waived through December 14th. After December 14th, standard permitting fees will be in effect.

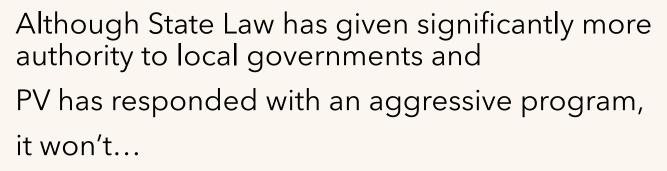
Scan QR code and/or visit the Town Website for more information on making sure you are compliant with all Town, County, and State requirements.

https://paradisevalleyaz.gov/rental

Short Term Rental Compliance Officer Kristi Hillebert 480-348-3636 khillebert@paradisevalleyaz.gov



What this DOESN'T do...



- Stop noise of kids playing, outdoor cell phone talking, yelling, music below noise standards. Noise must be 'fixed or stationary' except after 10:00 pm when plainly audible applies
- Lots of vehicles parking on a public road. Parking on the street is legal
- Trash cans out for pickup. Legal night before to end of collection day
- Special Events in owner homes. Only prohibited in STRs.



Council Questions on Direction

Input on Implementation Plan
Process Improvements Continual

- Approval of TruePoint Solutions Contract. Consent Item \$35,000
- Approval of STR Permit Fee of \$250 and incentive to apply before December 10, 2022



Teams and Partners

- Mayor, Vice Mayor, Council
 - Jerry Bien-Willner, Anna Thomasson, Mark Stanton, Paul Dembow, Scott Moore, Julie Pace, Ellen Andeen
- Neighbors Not Nightmares:
 - Tim Dickman, Sandy Scanlan, Bill Hunter
- Legal Team:
 - Andrew McGuire, John Gaylord, Mike Goodman
- STR Implementation Team:
 - Lisa Collins, James Bailey, Duncan Miller, Lindsey Duncan, Tina Brindley, Kristi Hillebert, Chief Wingert, Cmdr Carney, Jeanette Wiesenhofer, Ofc. Ingram, Rockne Anderson, Taylor Hunter, Annie Vaugier

- AZ League of Cities & Towns
- 33 Mayors in Arizona
- Highground,
 - Doug Cole, Nick Ponder
- Scottsdale
- Lake Havasu
- Sedona