

CITY OF SHOW LOW ORDINANCE NO. 2024-02

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING THE CODE OF THE CITY OF SHOW LOW, ARIZONA BY AMENDING CHAPTER 16.55 RELATING TO REGULATING SHORT-TERM RENTALS AND VACATION RENTALS; INCORPORATING THE RECITALS BY REFERENCE; ESTABLISHING A PURPOSE; SETTING FORTH DEFINITIONS; REQUIRING REGISTRATION TO OPERATE A SHORT-TERM RENTAL OR VACATION RENTAL WITHIN THE CITY BOUNDARIES; ESTABLISHING REGULATIONS; ADOPTING NOTIFICATION AND DISCLOSURE REQUIREMENTS; ADOPTING APPLICATION FEES; ESTABLISHING FINES AND PENALTIES FOR VIOLATIONS; PROVIDING FOR ENFORCEMENT; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, local governments may regulate short-term rentals and vacation rentals (“vacation rentals”) except as limited by Arizona Revised Statutes (“A.R.S.”) § 9-500.39;

WHEREAS, the City of Show Low deems it necessary to adopt certain regulations regarding the use of property as a vacation rental to protect the health, safety, and welfare of the City residents;

WHEREAS, a central and significant goal for the City is to protect the health, safety, and welfare of the City residents, preserve its housing stock, and maintain the quality and character of residential neighborhoods;

WHEREAS, the City will require all vacation rentals to obtain and maintain a valid City permit, pay permitting fees, provide an emergency point of contact to respond to compliance and emergencies in a timely manner, disclose certain information about the vacation rental in each advertisement;

WHEREAS, the City will require all short-term rentals to obtain and maintain a valid transaction privilege tax (“TPT”) license number, provide proof of the TPT license to the City, and require disclosure of the TPT number on each advertisement;

WHEREAS, the City retains the right to change its fees after review and approval from City Council;

WHEREAS, the City deems it necessary to establish penalties and fines that apply to vacation rentals; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Show Low, Navajo County, Arizona:

Section 1

The Code of the City of Show Low, Arizona, hereby amends Chapter 16.55, *Registration of Short-Term Residential Rentals*, to read as follows:

CHAPTER 16.55. SHORT-TERM RENTALS AND VACATION RENTALS

Section 2

Any person found in violation of this ordinance shall be guilty of a civil infraction and shall be fined a sum of \$500.00, \$1,000.00, or \$3,500.00 as set forth in the Chapter 16.55, Short-term Rentals and Vacation Rentals, which penalty clauses are set forth in the attached Exhibit A. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

Section 3

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section 4

The recitals above are fully incorporated in this Ordinance by reference.

Section 5

The effective date of this Ordinance shall be 30 days following adoption by the City Council.

Section 6

This Ordinance does not affect the rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this Ordinance.

Section 7


That certain document titled "*Chapter 16.55. Short-Term Rentals and Vacation Rentals*" of the Show Low City Code, three copies of which are on file in the office of the City Clerk of the City of Show Low, Arizona, which document was made a public record by Resolution No. R2024-12 of the City of Show Low, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 8

If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the City of Show Low, Arizona, this 19th day of March, 2024.

CITY OF SHOW LOW



John Leech, Jr., Mayor

ATTEST:



Rachael Hall, City Clerk

APPROVED AS TO FORM:



Anna M. Atencio, City Attorney

Attachment:

Exhibit A - Short-Term Rental Code - Penalty Clauses

EXHIBIT A

Short-Term Rental Code - Penalty Clauses

*** Text is omitted for purposes of brevity

Section 16.55.030 Permit Required; Penalties.

(H) Operating Without a Permit; Penalties. A vacation rental that fails to apply for a permit within thirty (30) days of the permit application being made available by the City shall immediately cease operations. In addition to any other penalty pursuant to the City Code, the City may impose a civil penalty of up to \$1,000 per month against the owner if the owner or owner's designee fails to apply for a permit within 30 days of receiving the written notice of violation from the City. Representations or advertisements including online listings that reference the property, house, or dwelling unit location within the City is prima facie evidence that a vacation rental is operating in the City.

Section 16.55.040 Emergency Point of Contact Requirements; Penalties.

(E) Penalties. In addition to any other penalty pursuant to the City Code, an owner shall be subject to civil penalties of up to \$1,000 for every thirty (30) days the owner fails to provide notice to the City as required under this subsection. Before imposing the initial civil penalty, the City shall provide thirty (30) days' notice to the owner by emailing or mailing a notice of violation to the owner's email address or mailing address that was provided to the City. The notice of the violation shall inform the applicant of the right to appeal the denial as provided for in Section 16.55.100. Notwithstanding the date of the notice of violation, the date for calculating the penalties shall be the first day the vacation rental is occupied following the owner's failure to provide the notice to the City regarding the change.

Section 16.55.090 Enhanced Penalties.

(A) The remedies in this Chapter are cumulative and the City may proceed under one or more such remedies.

(B) In addition to any other penalty pursuant to the City Code, and notwithstanding any other law, the City may impose a civil penalty of the following amounts against an owner if the owner causes, allows, facilitates, aides, or abets a verified violation of any provision of this Chapter or fails to perform any act or duty required by this Chapter, related to the same vacation rental property within the same twelve-month period:

(1) Up to \$500 or up to an amount equal to one night's rent for the vacation rental as advertised, whichever is greater, for the first violation.

(2) Up to \$1,000 or up to an amount equal to two nights' rent for the vacation rental as advertised, whichever is greater, for the second violation.

(3) Up to \$3,500 or up to an amount equal to three nights' rent for the vacation rental as advertised, whichever is greater, for a third and any subsequent violation. If multiple violations arise out of the same response to an incident at a vacation rental, those violations are considered one violation for the purpose of assessing civil penalties.

(C) In addition to any other penalty pursuant to the Code, any property that operates as a vacation rental and fails to apply for a short-term rental permit in accordance with this Chapter within thirty (30) days of the application process being made available by the City, must cease operations immediately. In addition to any fines imposed pursuant to this Section, the City may impose a civil penalty of up to one thousand dollars (\$1,000) per month against the owner if the owner or owner's designee fails to apply within thirty (30) days of receiving written notice of the failure to comply with this Chapter.