

House Engrossed

accessory dwelling units; requirements

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2928

AN ACT

AMENDING SECTIONS 9-461.18, 9-500.39 AND 11-269.17, ARIZONA REVISED STATUTES; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-810.01; RELATING TO COUNTY PLANNING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-461.18, Arizona Revised Statutes, is amended
3 to read:

4 9-461.18. Accessory dwelling units; regulation;
5 applicability; definitions

6 A. A municipality ~~with a population of more than seventy-five~~
7 ~~thousand persons~~ shall adopt regulations that allow on any lot or parcel
8 where a single-family dwelling is allowed all of the following:

9 1. At least one attached and one detached accessory dwelling unit
10 as a permitted use.

11 2. A minimum of one additional detached accessory dwelling unit as
12 a permitted use on a lot or parcel that is one acre or more in size if at
13 least one accessory dwelling unit on the lot or parcel is a
14 restricted-affordable dwelling unit.

15 3. An accessory dwelling unit that is seventy-five percent of the
16 gross floor area of the single-family dwelling on the same lot or parcel
17 or one thousand square feet, whichever is less.

18 B. A municipality may not do any of the following:

19 1. Prohibit the use or advertisement of either the single-family
20 dwelling or any accessory dwelling unit located on the same lot or parcel
21 as separately leased long-term rental housing.

22 2. Require a familial, marital, employment or other preexisting
23 relationship between the owner or occupant of a single-family dwelling and
24 the occupant of an accessory dwelling unit located on the same lot or
25 parcel.

26 3. Require that a lot or parcel have additional parking to
27 accommodate an accessory dwelling unit or require payment of fees instead
28 of additional parking.

29 4. Require that an accessory dwelling unit match the exterior
30 design, roof pitch or finishing materials of the single-family dwelling
31 that is located on the same lot as the accessory dwelling unit.

32 5. Set restrictions for accessory dwelling units that are more
33 restrictive than those for single-family dwellings within the same zoning
34 area with regard to height, setbacks, lot size or coverage or building
35 frontage.

36 6. Set rear or side setbacks for accessory dwelling units that are
37 more than five feet from the property line.

38 7. Require improvements to public streets as a condition of
39 allowing an accessory dwelling unit, except as necessary to reconstruct or
40 repair a public street that is disturbed as a result of the construction
41 of the accessory dwelling unit.

42 8. Require a restrictive covenant concerning an accessory dwelling
43 unit on a lot or parcel zoned for residential use by a single-family
44 dwelling.

1 C. This section does not prohibit restrictive covenants concerning
2 accessory dwelling units entered into between private parties. The
3 municipality may not condition a permit, license or use of an accessory
4 dwelling unit on adopting or implementing a restrictive covenant between
5 private parties.

6 D. This section does not supersede applicable building codes, fire
7 codes or public health and safety regulations, except that a municipality
8 may not require an accessory dwelling unit to comply with a commercial
9 building code or contain a fire sprinkler.

10 E. An accessory dwelling unit may not be built on top of a current
11 or planned public utility easement unless the property owner receives
12 written consent from any utility that is currently using the public
13 utility easement or that may use the public utility easement in the
14 future.

15 F. If a municipality fails to adopt development regulations as
16 required by this section on or before January 1, 2025, accessory dwelling
17 units shall be allowed on all lots or parcels zoned for residential use in
18 the municipality without limits.

19 G. This section does not apply to lots or parcels that are located
20 on tribal land, on land in the territory in the vicinity of a military
21 airport or ancillary military facility as defined in section 28-8461, on
22 land in the territory in the vicinity of a federal aviation administration
23 commercially licensed airport or a general aviation airport or on land in
24 the territory in the vicinity of a public airport as defined in section
25 28-8486 THAT HAS A NOISE LEVEL OF GREATER THAN SIXTY-FIVE DECIBELS.

26 H. THIS SECTION APPLIES TO A MUNICIPALITY WITH A POPULATION OF MORE
27 THAN SEVENTY-FIVE THOUSAND PERSONS.

28 ~~H.~~ I. For the purposes of this section:

29 1. "Accessory dwelling unit" means a self-contained living unit
30 that is on the same lot or parcel as a single-family dwelling of greater
31 square footage than the accessory dwelling unit, that includes its own
32 sleeping and sanitation facilities and that may include its own kitchen
33 facilities.

34 2. "Gross floor area" means the interior habitable area of a
35 single-family dwelling or an accessory dwelling unit.

36 3. "Long-term rental" means rental use in which the tenant holds a
37 lease of ninety days or longer or on a month-by-month basis.

38 4. "Municipality" means a city or town that exercises zoning powers
39 under this title.

40 5. "Permitted use" means the ability for a development to be
41 approved without requiring a public hearing, variance, conditional use
42 permit, special permit or special exception, other than a discretionary
43 zoning action to ~~determination~~ DETERMINE that a site plan conforms with
44 applicable zoning regulations.

1 6. "Restricted-affordable dwelling unit" means a dwelling unit
2 that, either through a deed restriction or a development agreement with
3 the municipality, ~~shall be~~ IS rented to households earning up to eighty
4 percent of area median income.

5 Sec. 2. Section 9-500.39, Arizona Revised Statutes, is amended to
6 read:

7 9-500.39. Limits on regulation of vacation rentals and
8 short-term rentals; state preemption; civil
9 penalties; transaction privilege tax license
10 suspension; definitions

11 A. A city or town may not prohibit vacation rentals or short-term
12 rentals.

13 B. A city or town may not restrict the use of or regulate vacation
14 rentals or short-term rentals based on their classification, use or
15 occupancy except as provided in this section. A city or town may regulate
16 vacation rentals or short-term rentals as follows:

17 1. To protect the public's health and safety, including rules and
18 regulations related to fire and building codes, health and sanitation,
19 transportation or traffic control and solid or hazardous waste and
20 pollution control, if the city or town demonstrates that the rule or
21 regulation is for the primary purpose of protecting the public's health
22 and safety.

23 2. To adopt and enforce use and zoning ordinances, including
24 ordinances related to noise, protection of welfare, property maintenance
25 and other nuisance issues, if the ordinance is applied in the same manner
26 as other property classified under sections 42-12003 and 42-12004.

27 3. To limit or prohibit the use of a vacation rental or short-term
28 rental for the purposes of housing sex offenders, operating or maintaining
29 a sober living home, selling illegal drugs, liquor control or pornography,
30 obscenity, nude or topless dancing and other adult-oriented businesses.

31 4. To require the owner of a vacation rental or short-term rental
32 to provide the city or town with emergency contact information for the
33 owner or the owner's designee who is responsible for responding to
34 complaints or emergencies in a timely manner in person if required by
35 public safety personnel, over the phone or by email at any time of day
36 before offering for rent or renting the vacation rental or short-term
37 rental. In addition to any other penalty imposed pursuant to this
38 section, the city or town may impose a civil penalty of up to \$1,000
39 against the owner for every thirty days the owner fails to provide contact
40 information as prescribed by this paragraph. The city or town shall
41 provide thirty days' notice to the owner before imposing the initial civil
42 penalty.

1 5. To require the owner of a vacation rental or short-term rental
2 to obtain and maintain a local regulatory permit or license. As a
3 condition of issuance of a permit or license, the application for the
4 permit or license may require an applicant to provide only the following:

5 (a) The name, address, telephone number and email address for the
6 owner or owner's agent.

7 (b) The address of the vacation rental or short-term rental.

8 (c) Proof of compliance with section 42-5005.

9 (d) Contact information required pursuant to paragraph 4 of this
10 subsection.

11 (e) Acknowledgment of an agreement to comply with all applicable
12 laws, regulations and ordinances.

13 (f) A fee not to exceed the actual cost of issuing the permit or
14 license or \$250, whichever is less.

15 6. To require, before offering a vacation rental or short-term
16 rental for rent for the first time, the owner or the owner's designee of a
17 vacation rental or short-term rental to notify all single-family
18 residential properties adjacent to and directly and diagonally across the
19 street from the vacation rental or short-term rental. Notice shall be
20 deemed sufficient in a multifamily residential building if given to
21 residents on the same building floor. A city or town may require
22 additional notification pursuant to this paragraph if the contact
23 information previously provided changes. Notification provided in
24 compliance with this paragraph shall include the permit or license number
25 if required by the city or town, the address of the vacation rental or
26 short-term rental and the information required pursuant to paragraph 4 of
27 this subsection. The owner or the owner's designee shall demonstrate
28 compliance with this paragraph by providing the city or town with an
29 attestation of notification compliance that consists of the following
30 information:

31 (a) The permit or license number of the vacation rental or
32 short-term rental, if required by the city or town.

33 (b) The address of each property notified.

34 (c) A description of the manner in which the owner or owner's
35 designee chose to provide notification to each property subject to
36 notification.

37 (d) The name and contact information of the person attesting to
38 compliance with this paragraph.

39 7. To require the owner or owner's designee of a vacation rental or
40 short-term rental to display the local regulatory permit number or license
41 number, if any, on each advertisement for a vacation rental or short-term
42 rental that the owner or owner's designee maintains. A city or town that
43 does not require a local regulatory permit or license may require the
44 owner or owner's designee of a vacation rental or short-term rental to
45 display the transaction privilege tax license number required by section

1 42-5042 on each advertisement for a vacation rental or short-term rental
2 that the owner or owner's designee maintains.

3 8. To require the vacation rental or short-term rental to maintain
4 liability insurance appropriate to cover the vacation rental or short-term
5 rental in the aggregate of at least \$500,000 or to advertise and offer
6 each vacation rental or short-term rental through an online lodging
7 marketplace that provides equal or greater coverage.

8 9. To require the owner of a vacation rental or short-term rental
9 to reside on the property if the property contains an accessory dwelling
10 unit ~~that was constructed on or after September 14, 2024 and that is being~~
11 ~~used as a vacation rental or short-term rental. Unless the time period~~
12 ~~specified in section 12-1134, subsection G has expired, this paragraph~~
13 ~~does not apply to a property owner who has the right to build an accessory~~
14 ~~dwelling unit on the property owner's property before September 14, 2024~~
15 ~~whether or not the accessory dwelling unit has been built AND IF A~~
16 ~~CERTIFICATE OF OCCUPANCY, CERTIFICATE OF COMPLETION OR SIMILAR FINAL~~
17 ~~APPROVAL FOR THE ACCESSORY DWELLING UNIT WAS ISSUED BY THE MUNICIPALITY ON~~
18 ~~OR AFTER SEPTEMBER 14, 2024. THIS PARAGRAPH DOES NOT APPLY TO AN OWNER OF~~
19 ~~A VACATION RENTAL OR SHORT-TERM RENTAL IF THE PROPERTY CONTAINS AN~~
20 ~~ACCESSORY DWELLING UNIT AND THE CERTIFICATE OF COMPLETION, THE CERTIFICATE~~
21 ~~OF OCCUPANCY OR A SIMILAR FINAL APPROVAL FOR THE ACCESSORY DWELLING UNIT~~
22 ~~WAS ISSUED ON OR BEFORE SEPTEMBER 13, 2024.~~

23 C. A city or town that requires a local regulatory permit or
24 license pursuant to this section shall issue or deny the permit or license
25 within seven business days of receipt of the information required by
26 subsection B, paragraph 5 of this section and otherwise in accordance with
27 section 9-835, except that a city or town may deny issuance of a permit or
28 license only for any of the following:

29 1. Failure to provide the information required by subsection B,
30 paragraph 5, subdivisions (a) through (e) of this section.

31 2. Failure to pay the required permit or license fee.

32 3. At the time of application the owner has a suspended permit or
33 license for the same vacation rental or short-term rental.

34 4. The applicant provides false information.

35 5. The owner or owner's designee of a vacation rental or short-term
36 rental is a registered sex offender or has been convicted of any felony
37 offense that resulted in death or serious physical injury or any felony
38 use of a deadly weapon within the past five years.

39 D. A city or town that requires a local regulatory permit or
40 license pursuant to this section shall adopt an ordinance to allow the
41 city or town to initiate an administrative process to suspend a local
42 regulatory permit or license for a period of up to twelve months for the
43 following verified violations associated with a property:

44 1. Three verified violations within a twelve-month period, not
45 including any verified violation based on an aesthetic, solid waste

1 disposal or vehicle parking violation that is not also a serious threat to
2 public health and safety.

3 2. One verified violation that results in or constitutes any of the
4 following:

5 (a) A felony offense committed at or in the vicinity of a vacation
6 rental or short-term rental by the vacation rental or short-term rental
7 owner or owner's designee.

8 (b) A serious physical injury or wrongful death at or related to a
9 vacation rental or short-term rental resulting from the knowing,
10 intentional or reckless conduct of the vacation rental or short-term
11 rental owner or owner's designee.

12 (c) An owner or owner's designee knowingly or intentionally housing
13 a sex offender, allowing offenses related to adult-oriented businesses,
14 sexual offenses or prostitution, or operating or maintaining a sober
15 living home, in violation of a regulation or ordinance adopted pursuant to
16 subsection B, paragraph 3 of this section.

17 (d) An owner or owner's designee knowingly or intentionally
18 allowing the use of a vacation rental or short-term rental for a special
19 event that would otherwise require a permit or license pursuant to a city
20 or town ordinance or a state law or rule or for a retail, restaurant,
21 banquet space or other similar use.

22 3. Notwithstanding paragraphs 1 and 2 of this subsection, any
23 attempted or completed felony offense, arising from the occupancy or use
24 of a vacation rental or short-term rental, that results in a death, or
25 actual or attempted serious physical injury, shall be grounds for judicial
26 relief in the form of a suspension of the property's use as a vacation
27 rental or short-term rental for a period of time that shall not exceed
28 twelve months.

29 E. A city or town that requires sex offender background checks on a
30 vacation rental or short-term rental guest shall waive the requirement if
31 an online lodging marketplace performs a sex offender background check of
32 the booking guest.

33 F. Notwithstanding any other law, a city or town may impose a civil
34 penalty of the following amounts against an owner of a vacation rental or
35 short-term rental if the owner receives one or more verified violations
36 related to the same vacation rental or short-term rental property within
37 the same twelve-month period:

38 1. Up to \$500 or up to an amount equal to one night's rent for the
39 vacation rental or short-term rental as advertised, whichever is greater,
40 for the first verified violation.

41 2. Up to \$1,000 or up to an amount equal to two nights' rent for
42 the vacation rental or short-term rental as advertised, whichever is
43 greater, for the second verified violation.

1 3. Up to \$3,500 or up to an amount equal to three nights' rent for
2 the vacation rental or short-term rental as advertised, whichever is
3 greater, for a third and any subsequent verified violation.

4 G. A vacation rental or short-term rental that fails to apply for a
5 local regulatory permit or license in accordance with subsection B,
6 paragraph 5 of this section, within thirty days of the local regulatory
7 permit or license application process being made available by the city or
8 town issuing such permits or licenses, must cease operations. In addition
9 to any civil penalties imposed pursuant to subsection F of this section, a
10 city or town may impose a civil penalty of up to \$1,000 per month against
11 the owner if the owner or owner's designee fails to apply for a regulatory
12 permit or license within thirty days after receiving written notice of the
13 failure to comply with subsection B, paragraph 5 of this section.

14 H. If multiple verified violations arise out of the same response
15 to an incident at a vacation rental or short-term rental, those verified
16 violations are considered one verified violation for the purpose of
17 assessing civil penalties or suspending the regulatory permit or license
18 of the owner pursuant to this section.

19 I. If the owner of a vacation rental or short-term rental has
20 provided contact information to a city or town pursuant to subsection B,
21 paragraph 4 of this section and if the city or town issues a citation for
22 a violation of the city's or town's applicable laws, regulations or
23 ordinances or a state law that occurred on the owner's vacation rental or
24 short-term rental property, the city or town shall make a reasonable
25 attempt to notify the owner or the owner's designee of the citation within
26 seven business days after the citation is issued using the contact
27 information provided pursuant to subsection B, paragraph 4 of this
28 section. If the owner of a vacation rental or short-term rental has not
29 provided contact information pursuant to subsection B, paragraph 4 of this
30 section, the city or town is not required to provide such notice.

31 J. This section does not exempt an owner of a residential rental
32 property, as defined in section 33-1901, from maintaining with the
33 assessor of the county in which the property is located information
34 required under title 33, chapter 17, article 1.

35 K. A vacation rental or short-term rental may not be used for
36 nonresidential uses, including for a special event that would otherwise
37 require a permit or license pursuant to a city or town ordinance or a
38 state law or rule or for a retail, restaurant, banquet space or other
39 similar use.

40 L. For the purposes of this section:

41 1. "Accessory dwelling unit" has the same meaning prescribed in
42 section 9-461.18.

43 2. "Online lodging marketplace" has the same meaning prescribed in
44 section 42-5076.

45 3. "Transient" has the same meaning prescribed in section 42-5070.

1 4. "Vacation rental" or "short-term rental":

2 (a) Means any individually or collectively owned single-family or
3 one-to-four-family house or dwelling unit or any unit or group of units in
4 a condominium or cooperative that is also a transient public lodging
5 establishment or owner-occupied residential home offered for transient use
6 if the accommodations are not classified for property taxation under
7 section 42-12001.

8 (b) Does not include a unit that is used for any nonresidential
9 use, including retail, restaurant, banquet space, event center or another
10 similar use.

11 5. "Verified violation" means a finding of guilt or civil
12 responsibility for violating any state law or local ordinance relating to
13 a purpose prescribed in subsection B, D, F or K of this section that has
14 been finally adjudicated.

15 Sec. 3. Section 11-269.17, Arizona Revised Statutes, is amended to
16 read:

17 11-269.17. Limits on regulation of vacation rentals and
18 short-term rentals; state preemption; civil
19 penalties; transaction privilege tax license
20 suspension; definitions

21 A. A county may not prohibit vacation rentals or short-term
22 rentals.

23 B. A county may not restrict the use of or regulate vacation
24 rentals or short-term rentals based on their classification, use or
25 occupancy except as provided in this section. A county may regulate
26 vacation rentals or short-term rentals within the unincorporated areas of
27 the county as follows:

28 1. To protect the public's health and safety, including rules and
29 regulations related to fire and building codes, health and sanitation,
30 transportation or traffic control and solid or hazardous waste and
31 pollution control, if the county demonstrates that the rule or regulation
32 is for the primary purpose of protecting the public's health and safety.

33 2. To adopt and enforce use and zoning ordinances, including
34 ordinances related to noise, protection of welfare, property maintenance
35 and other nuisance issues, if the ordinance is applied in the same manner
36 as other property classified under sections 42-12003 and 42-12004.

37 3. To limit or prohibit the use of a vacation rental or short-term
38 rental for the purposes of housing sex offenders, operating or maintaining
39 a sober living home, selling illegal drugs, liquor control or pornography,
40 obscenity, nude or topless dancing and other adult-oriented businesses.

41 4. To require the owner of a vacation rental or short-term rental
42 to provide the county with EMERGENCY contact information for the owner or
43 the owner's designee who is responsible for responding to complaints or
44 emergencies in a timely manner in person if required by public safety
45 personnel, over the phone or by email at any time of day before offering

1 for rent or renting the vacation rental or short-term rental. In addition
2 to any other penalty IMPOSED pursuant to this section, the county may
3 impose a civil penalty of up to \$1,000 against the owner for every thirty
4 days the owner fails to provide contact information as prescribed by this
5 paragraph. The county shall provide thirty days' notice to the owner
6 before imposing the initial civil penalty.

7 5. To require ~~an~~ THE owner of a vacation rental or short-term
8 rental to obtain and maintain a local regulatory permit or license. As a
9 condition of issuance of a permit or license, the application for the
10 permit or license may require an applicant to provide only the following:

11 (a) THE name, address, ~~phone~~ TELEPHONE number and email address for
12 the owner or owner's agent.

13 (b) THE address of the vacation rental or short-term rental.

14 (c) Proof of compliance with section 42-5005.

15 (d) Contact information required pursuant to paragraph 4 of this
16 subsection.

17 (e) Acknowledgment of an agreement to comply with all applicable
18 laws, regulations and ordinances.

19 (f) A fee not to exceed the actual cost of issuing the permit or
20 license or \$250, whichever is less.

21 6. To require, before offering a vacation rental or short-term
22 rental for rent for the first time, the owner or the owner's designee of a
23 vacation rental or short-term rental to notify all single-family
24 residential properties adjacent to, ~~AND~~ AND directly and diagonally across
25 the street from the vacation rental or short-term rental. Notice shall be
26 deemed sufficient in a multifamily residential building if given to
27 residents on the same building floor. A county may require additional
28 notification pursuant to this paragraph if the contact information
29 previously provided changes. Notification provided in compliance with
30 this paragraph shall include the permit or license number if required by
31 the county, the address, ~~OF THE VACATION RENTAL OR SHORT-TERM RENTAL~~ and
32 the information required pursuant to paragraph 4 of this subsection. The
33 owner or the owner's designee shall demonstrate compliance with this
34 paragraph by providing the county with an attestation of notification
35 compliance that consists of the following information:

36 (a) The permit or license number of the vacation rental or
37 short-term rental, if required by the county.

38 (b) The address of each property notified.

39 (c) A description of the manner in which the owner or owner's
40 designee chose to provide notification to each property subject to
41 notification.

42 (d) The name and contact information of the person attesting to
43 compliance with this paragraph.

1 7. To require the owner or owner's designee of a vacation rental or
2 short-term rental to display the local regulatory permit number or license
3 number, if any, on each advertisement for a vacation rental or short-term
4 rental that the owner or owner's designee maintains. A county that does
5 not require a local regulatory permit or license may require the owner or
6 owner's designee of a vacation rental or short-term rental to display the
7 transaction privilege tax license **NUMBER** required by section 42-5042 on
8 each advertisement for a vacation rental or short-term rental that the
9 owner or owner's designee maintains.

10 8. To require the vacation rental or short-term rental to maintain
11 liability insurance appropriate to cover the vacation rental or short-term
12 rental in the aggregate of at least \$500,000 or to advertise and offer
13 each vacation rental or short-term rental through an online lodging
14 marketplace that provides equal or greater coverage.

15 9. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
16 TO RESIDE ON THE PROPERTY IF THE PROPERTY CONTAINS AN ACCESSORY DWELLING
17 UNIT AND IF A CERTIFICATE OF OCCUPANCY, CERTIFICATE OF COMPLETION OR
18 SIMILAR FINAL APPROVAL FOR THE ACCESSORY DWELLING UNIT WAS ISSUED BY THE
19 COUNTY ON OR AFTER SEPTEMBER 14, 2024. THIS PARAGRAPH DOES NOT APPLY TO
20 AN OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL IF THE PROPERTY
21 CONTAINS AN ACCESSORY DWELLING UNIT AND THE CERTIFICATE OF COMPLETION, THE
22 CERTIFICATE OF OCCUPANCY OR A SIMILAR FINAL APPROVAL FOR THE ACCESSORY
23 DWELLING UNIT WAS ISSUED ON OR BEFORE SEPTEMBER 13, 2024.

24 C. A county that requires a local regulatory permit or license
25 pursuant to this section shall issue or deny the permit or license within
26 seven business days of receipt of the information required by subsection
27 B, paragraph 5 of this section and otherwise in accordance with section
28 11-1602, except that a county may deny issuance of a permit or license
29 only for any of the following:

30 1. Failure to provide the information required by subsection B,
31 paragraph 5, subdivisions (a) through (e) of this section.

32 2. Failure to pay the required permit or license fee.

33 3. At the time of application the owner has a suspended permit or
34 license for the same vacation rental or short-term rental.

35 4. The applicant provides false information.

36 5. The owner or owner's designee of a vacation rental or short-term
37 rental is a registered sex offender or has been convicted of any felony
38 ~~act~~ **OFFENSE** that results in death or serious physical injury or any felony
39 use of a deadly weapon within the past five years.

40 D. A county that requires a local regulatory permit or license
41 pursuant to this section shall adopt an ordinance to allow the county to
42 initiate an administrative process to suspend a local regulatory permit or
43 license for a period of up to twelve months for the following verified
44 violations associated with a property:

1 1. Three verified violations within a twelve-month period, not
2 including any verified violation based on an aesthetic, solid waste
3 disposal or vehicle parking violation that is not also a serious threat to
4 public health or safety.

5 2. One verified violation that results in or constitutes any of the
6 following:

7 (a) A felony offense committed at or in the vicinity of a vacation
8 rental or short-term rental by the vacation rental or short-term rental
9 owner or owner's designee.

10 (b) A serious physical injury or wrongful death at or related to a
11 vacation rental or short-term rental resulting from the knowing,
12 intentional or reckless conduct of the vacation rental or short-term
13 rental owner or owner's designee.

14 (c) An owner or owner's designee knowingly or intentionally housing
15 a sex offender, allowing offenses related to adult-oriented businesses,
16 sexual offenses or prostitution, or operating or maintaining a sober
17 living home, in violation of regulation or ordinance adopted pursuant to
18 subsection B, paragraph 3 of this section.

19 (d) An owner or owner's designee knowingly or intentionally
20 allowing the use of a vacation rental or short-term rental for a special
21 event that would otherwise require a permit or license pursuant to a
22 county **ORDINANCE** or a state law or rule or for a retail, restaurant,
23 banquet space or other similar use.

24 3. Notwithstanding paragraphs 1 and 2 of this subsection, any
25 attempted or completed felony ~~act~~ **OFFENSE**, arising from the occupancy or
26 use of a vacation rental or short-term rental, that results in a death, or
27 actual or attempted serious physical injury, shall be grounds for judicial
28 relief in the form of a suspension of the property's use as a vacation
29 rental or short-term rental for a period of time that shall not exceed
30 twelve months.

31 E. A county that requires sex offender background checks on a
32 vacation rental or short-term rental guest shall waive the requirement if
33 an online lodging marketplace performs a sex offender background check of
34 the booking guest.

35 F. Notwithstanding any other law, a county may impose a civil
36 penalty of the following amounts against an owner of a vacation rental or
37 short-term rental if the owner receives one or more verified violations
38 related to the same vacation rental or short-term rental property within
39 the same twelve-month period:

40 1. Up to \$500 or up to an amount equal to one night's rent for the
41 vacation rental or short-term rental as advertised, whichever is greater,
42 for the first verified violation.

43 2. Up to \$1,000 or up to an amount equal to two nights' rent for
44 the vacation rental or short-term rental as advertised, whichever is
45 greater, for the second verified violation.

1 3. Up to \$3,500 or up to an amount equal to three nights' rent for
2 the vacation rental or short-term rental as advertised, whichever is
3 greater, for a third and any subsequent verified violation.

4 G. A vacation rental or short-term rental that fails to apply for a
5 local regulatory permit or license in accordance with subsection B,
6 paragraph 5 of this section, within thirty days of the local regulatory
7 permit or license application process being made available by the county
8 issuing such permits or licenses, must cease operations. In addition to
9 any ~~finer~~ CIVIL PENALTIES imposed pursuant to subsection F of this
10 section, a county may impose a civil penalty of up to \$1,000 per month
11 against the owner if the owner or owner's designee fails to apply for a
12 regulatory permit or license within thirty days after receiving written
13 notice of the failure to comply with subsection B, paragraph 5 of this
14 section.

15 H. If multiple verified violations arise out of the same response
16 to an incident at a vacation rental or short-term rental, those verified
17 violations are considered one verified violation for the purpose of
18 assessing civil penalties or suspending the regulatory permit or license
19 of the owner ~~or owner's designee~~ pursuant to this section.

20 I. If the owner of a vacation rental or short-term rental has
21 provided contact information to a county pursuant to subsection B,
22 paragraph 4 of this section and if the county issues a citation for a
23 violation of the county's applicable laws, regulations or ordinances or a
24 state law that occurred on the owner's vacation rental or short-term
25 rental property, the county shall make a reasonable attempt to notify the
26 owner or the owner's designee of the citation within seven business days
27 after the citation is issued using the contact information provided
28 pursuant to subsection B, paragraph 4 of this section. If the owner of a
29 vacation rental or short-term rental has not provided contact information
30 pursuant to subsection B, paragraph 4 of this section, the county is not
31 required to provide such notice.

32 J. This section does not exempt an owner of a residential rental
33 property, as defined in section 33-1901, from maintaining with the
34 assessor of the county in which the property is located information
35 required under title 33, chapter 17, article 1.

36 K. A vacation rental or short-term rental may not be used for
37 nonresidential uses, including for a special event that would otherwise
38 require a permit or license pursuant to a county ordinance or a state law
39 or rule or for a retail, restaurant, banquet space or other similar use.

40 L. For the purposes of this section:

41 1. "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING PRESCRIBED IN
42 SECTION 11-810.01.

43 ~~1.~~ 2. "Online lodging marketplace" has the same meaning prescribed
44 in section 42-5076.

1 ~~2.~~ 3. "Transient" has the same meaning prescribed in section
2 42-5070.

3 ~~3.~~ 4. "Vacation rental" or "short-term rental":

4 (a) Means any individually or collectively owned single-family or
5 one-to-four-family house or dwelling unit or any unit or group of units in
6 a condominium or cooperative that is also a transient public lodging
7 establishment or owner-occupied residential home offered for transient use
8 if the accommodations are not classified for property taxation under
9 section 42-12001.

10 (b) Does not include a unit that is used for any nonresidential
11 use, including retail, restaurant, banquet space, event center or another
12 similar use.

13 ~~4.~~ 5. "Verified violation" means a finding of guilt or civil
14 responsibility for violating any state law or local ordinance relating to
15 a purpose prescribed in subsection B, D, F or K of this section that has
16 been finally adjudicated.

17 Sec. 4. Title 11, chapter 6, article 1, Arizona Revised Statutes,
18 is amended by adding section 11-810.01, to read:

19 11-810.01. Accessory dwelling units; regulation;
20 applicability; definitions

21 A. A COUNTY SHALL ADOPT REGULATIONS THAT ALLOW ON ANY LOT OR PARCEL
22 WHERE A SINGLE-FAMILY DWELLING IS ALLOWED ALL OF THE FOLLOWING:

23 1. AT LEAST ONE ATTACHED AND ONE DETACHED ACCESSORY DWELLING UNIT
24 AS A PERMITTED USE.

25 2. A MINIMUM OF ONE ADDITIONAL DETACHED ACCESSORY DWELLING UNIT AS
26 A PERMITTED USE ON A LOT OR PARCEL THAT IS ONE ACRE OR MORE IN SIZE. THE
27 COUNTY MAY REQUIRE AT LEAST ONE ACCESSORY DWELLING UNIT ON THE LOT OR
28 PARCEL TO BE A RESTRICTED-AFFORDABLE DWELLING UNIT.

29 3. AN ACCESSORY DWELLING UNIT THAT IS SEVENTY-FIVE PERCENT OF THE
30 GROSS FLOOR AREA OF THE SINGLE-FAMILY DWELLING ON THE SAME LOT OR PARCEL
31 OR ONE THOUSAND SQUARE FEET, WHICHEVER IS LESS. THIS PARAGRAPH DOES NOT
32 PROHIBIT A COUNTY FROM ALLOWING AN ACCESSORY DWELLING UNIT THAT IS LARGER
33 THAN THE SIZE OF AN ACCESSORY DWELLING UNIT THAT IS ALLOWED PURSUANT TO
34 THIS PARAGRAPH.

35 B. A COUNTY MAY NOT DO ANY OF THE FOLLOWING:

36 1. PROHIBIT THE USE OR ADVERTISEMENT OF EITHER THE SINGLE-FAMILY
37 DWELLING OR ANY ACCESSORY DWELLING UNIT LOCATED ON THE SAME LOT OR PARCEL
38 AS SEPARATELY LEASED LONG-TERM RENTAL HOUSING.

39 2. REQUIRE A FAMILIAL, MARITAL, EMPLOYMENT OR OTHER PREEXISTING
40 RELATIONSHIP BETWEEN THE OWNER OR OCCUPANT OF A SINGLE-FAMILY DWELLING AND
41 THE OCCUPANT OF AN ACCESSORY DWELLING UNIT LOCATED ON THE SAME LOT OR
42 PARCEL.

43 3. REQUIRE THAT A LOT OR PARCEL HAVE ADDITIONAL PARKING TO
44 ACCOMMODATE AN ACCESSORY DWELLING UNIT OR REQUIRE PAYMENT OF FEES INSTEAD
45 OF ADDITIONAL PARKING.

1 4. REQUIRE THAT AN ACCESSORY DWELLING UNIT MATCH THE EXTERIOR
2 DESIGN, ROOF PITCH OR FINISHING MATERIALS OF THE SINGLE-FAMILY DWELLING
3 THAT IS LOCATED ON THE SAME LOT AS THE ACCESSORY DWELLING UNIT.

4 5. SET RESTRICTIONS FOR ACCESSORY DWELLING UNITS THAT ARE MORE
5 RESTRICTIVE THAN THOSE FOR SINGLE-FAMILY DWELLINGS WITHIN THE SAME ZONING
6 AREA WITH REGARD TO HEIGHT, SETBACKS, LOT SIZE OR COVERAGE OR BUILDING
7 FRONTAGE.

8 6. SET REAR OR SIDE SETBACKS FOR ACCESSORY DWELLING UNITS THAT ARE
9 MORE THAN FIVE FEET FROM THE PROPERTY LINE.

10 7. REQUIRE IMPROVEMENTS TO PUBLIC STREETS AS A CONDITION OF
11 ALLOWING AN ACCESSORY DWELLING UNIT, EXCEPT AS NECESSARY TO RECONSTRUCT OR
12 REPAIR A PUBLIC STREET THAT IS DISTURBED AS A RESULT OF THE CONSTRUCTION
13 OF THE ACCESSORY DWELLING UNIT.

14 8. EXCEPT AS PROVIDED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION,
15 REQUIRE A RESTRICTIVE COVENANT CONCERNING AN ACCESSORY DWELLING UNIT ON A
16 LOT OR PARCEL ZONED FOR RESIDENTIAL USE BY A SINGLE-FAMILY DWELLING.

17 C. THIS SECTION DOES NOT PROHIBIT RESTRICTIVE COVENANTS OR SHARED
18 WELL AGREEMENTS AS PROVIDED BY STATE LAW CONCERNING ACCESSORY DWELLING
19 UNITS ENTERED INTO BETWEEN PRIVATE PARTIES. THE COUNTY MAY NOT CONDITION
20 A PERMIT OR LICENSE OR THE USE OF AN ACCESSORY DWELLING UNIT ON ADOPTING
21 OR IMPLEMENTING A RESTRICTIVE COVENANT BETWEEN PRIVATE PARTIES.

22 D. THIS SECTION DOES NOT SUPERSEDE APPLICABLE BUILDING CODES, FIRE
23 CODES, SENSITIVE ENVIRONMENTAL AREA REGULATIONS, WILDFIRE PREVENTION
24 REGULATIONS, EMERGENCY VEHICLE ACCESS REGULATIONS OR PUBLIC HEALTH AND
25 SAFETY REGULATIONS, EXCEPT THAT A COUNTY MAY NOT REQUIRE AN ACCESSORY
26 DWELLING UNIT TO COMPLY WITH A COMMERCIAL BUILDING CODE OR CONTAIN A FIRE
27 SPRINKLER.

28 E. AN ACCESSORY DWELLING UNIT MAY NOT BE BUILT ON TOP OF A CURRENT
29 OR PLANNED PUBLIC UTILITY EASEMENT UNLESS THE PROPERTY OWNER RECEIVES
30 WRITTEN CONSENT FROM ANY UTILITY THAT IS CURRENTLY USING THE PUBLIC
31 UTILITY EASEMENT OR THAT MAY USE THE PUBLIC UTILITY EASEMENT IN THE
32 FUTURE.

33 F. IF A COUNTY FAILS TO ADOPT DEVELOPMENT REGULATIONS AS REQUIRED
34 BY THIS SECTION ON OR BEFORE JANUARY 1, 2026, ACCESSORY DWELLING UNITS
35 SHALL BE ALLOWED ON ALL LOTS OR PARCELS ZONED FOR RESIDENTIAL USE IN THE
36 COUNTY WITHOUT LIMITS.

37 G. THIS SECTION DOES NOT APPLY TO LOTS OR PARCELS THAT ARE LOCATED
38 ON TRIBAL LAND, ON LAND IN THE TERRITORY IN THE VICINITY OF A MILITARY
39 AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461, ON
40 LAND IN THE TERRITORY IN THE VICINITY OF A FEDERAL AVIATION ADMINISTRATION
41 COMMERCIALY LICENSED AIRPORT OR A GENERAL AVIATION AIRPORT OR ON LAND IN
42 THE TERRITORY IN THE VICINITY OF A PUBLIC AIRPORT AS DEFINED IN SECTION
43 28-8486 THAT HAS A NOISE LEVEL OF GREATER THAN SIXTY-FIVE DECIBELS.

1 H. IF A NEW ACCESSORY DWELLING UNIT WILL NOT BE CONNECTED TO A
2 SEWER SYSTEM OR IF THE SEWER SYSTEM LACKS CAPACITY TO SERVE THE NEW
3 ACCESSORY DWELLING UNIT, A COUNTY MAY REQUIRE THAT ANY SEPTIC SYSTEM THAT
4 WILL BE USED TO SERVE THE ACCESSORY DWELLING UNIT BE ADEQUATELY SIZED
5 BEFORE THE CONSTRUCTION OF THE ACCESSORY DWELLING UNIT.

6 I. FOR THE PURPOSES OF THIS SECTION:

7 1. "ACCESSORY DWELLING UNIT" MEANS A SELF-CONTAINED LIVING UNIT
8 THAT IS ON THE SAME LOT OR PARCEL AS A SINGLE-FAMILY DWELLING OF GREATER
9 SQUARE FOOTAGE THAN THE ACCESSORY DWELLING UNIT, THAT INCLUDES ITS OWN
10 SLEEPING AND SANITATION FACILITIES AND THAT MAY INCLUDE ITS OWN KITCHEN
11 FACILITIES.

12 2. "GROSS FLOOR AREA" MEANS THE INTERIOR HABITABLE AREA OF A
13 SINGLE-FAMILY DWELLING OR AN ACCESSORY DWELLING UNIT.

14 3. "LONG-TERM RENTAL" MEANS RENTAL USE IN WHICH THE TENANT HOLDS A
15 LEASE OF NINETY DAYS OR LONGER OR ON A MONTH-BY-MONTH BASIS.

16 4. "PERMITTED USE" MEANS THE ABILITY FOR A DEVELOPMENT TO BE
17 APPROVED WITHOUT REQUIRING A PUBLIC HEARING, VARIANCE, CONDITIONAL USE
18 PERMIT, SPECIAL PERMIT OR SPECIAL EXCEPTION, OTHER THAN A DISCRETIONARY
19 ZONING ACTION TO DETERMINE THAT A SITE PLAN CONFORMS WITH APPLICABLE
20 ZONING REGULATIONS.

21 5. "RESTRICTED-AFFORDABLE DWELLING UNIT" MEANS A DWELLING UNIT
22 THAT, EITHER THROUGH A DEED RESTRICTION OR A DEVELOPMENT AGREEMENT WITH
23 THE COUNTY, IS RENTED TO HOUSEHOLDS EARNING UP TO EIGHTY PERCENT OF THE
24 AREA MEDIAN INCOME.