

REFERENCE TITLE: vacation rentals; short-term rentals; regulation

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **HB 2566**

Introduced by  
Representatives Contreras P: Aguilar, Crews, Garcia, Liguori, Simacek,  
Stahl Hamilton; Senator Ortiz

AN ACT

AMENDING SECTIONS 9-500.39 AND 11-269.17, ARIZONA REVISED STATUTES;  
RELATING TO VACATION RENTALS AND SHORT-TERM RENTALS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-500.39, Arizona Revised Statutes, is amended  
3 to read:

4 9-500.39. Limits on regulation of vacation rentals and  
5 short-term rentals; state preemption; civil  
6 penalties; transaction privilege tax license  
7 suspension; definitions

8 A. A city or town may not prohibit vacation rentals or short-term  
9 rentals.

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

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

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

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

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

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

- 1 (a) The name, address, telephone number and email address for the  
2 owner or owner's agent.
- 3 (b) The address of the vacation rental or short-term rental.
- 4 (c) Proof of compliance with section 42-5005.
- 5 (d) Contact information required pursuant to paragraph 4 of this  
6 subsection.
- 7 (e) Acknowledgment of an agreement to comply with all applicable  
8 laws, regulations and ordinances.
- 9 (f) A fee not to exceed the actual cost of issuing the permit or  
10 license or ~~\$250~~ \$500, whichever is less.
- 11 6. To require, before offering a vacation rental or short-term  
12 rental for rent for the first time, the owner or the owner's designee of a  
13 vacation rental or short-term rental to notify all single-family  
14 residential properties adjacent to and directly and diagonally across the  
15 street from the vacation rental or short-term rental. Notice shall be  
16 deemed sufficient in a multifamily residential building if given to  
17 residents on the same building floor. A city or town may require  
18 additional notification pursuant to this paragraph if the contact  
19 information previously provided changes. Notification provided in  
20 compliance with this paragraph shall include the permit or license number  
21 if required by the city or town, the address of the vacation rental or  
22 short-term rental and the information required pursuant to paragraph 4 of  
23 this subsection. The owner or the owner's designee shall demonstrate  
24 compliance with this paragraph by providing the city or town with an  
25 attestation of notification compliance that consists of the following  
26 information:
- 27 (a) The permit or license number of the vacation rental or  
28 short-term rental, if required by the city or town.
- 29 (b) The address of each property notified.
- 30 (c) A description of the manner in which the owner or owner's  
31 designee chose to provide notification to each property subject to  
32 notification.
- 33 (d) The name and contact information of the person attesting to  
34 compliance with this paragraph.
- 35 7. To require the owner or owner's designee of a vacation rental or  
36 short-term rental to display the local regulatory permit number or license  
37 number, if any, on each advertisement for a vacation rental or short-term  
38 rental that the owner or owner's designee maintains. A city or town that  
39 does not require a local regulatory permit or license ~~may~~ SHALL require  
40 the owner or owner's designee of a vacation rental or short-term rental to  
41 display the transaction privilege tax license number required by section  
42 42-5042 on each advertisement for a vacation rental or short-term rental  
43 that the owner or owner's designee maintains.
- 44 8. To require the vacation rental or short-term rental to maintain  
45 liability insurance appropriate to cover the vacation rental or short-term

1 rental in the aggregate of at least \$500,000 or to advertise and offer  
2 each vacation rental or short-term rental through an online lodging  
3 marketplace that provides equal or greater coverage.

4 9. To require the owner of a vacation rental or short-term rental  
5 to reside on the property if the property contains an accessory dwelling  
6 unit and if a certificate of occupancy, certificate of completion or  
7 similar final approval for the accessory dwelling unit was issued by the  
8 municipality on or after September 14, 2024. This paragraph does not  
9 apply to an owner of a vacation rental or short-term rental if the  
10 property contains an accessory dwelling unit and the certificate of  
11 completion, the certificate of occupancy or a similar final approval for  
12 the accessory dwelling unit was issued on or before September 13, 2024.

13 C. A city or town that requires a local regulatory permit or  
14 license pursuant to this section shall issue or deny the permit or license  
15 within ~~seven~~ THIRTY business days ~~of receipt of~~ AFTER RECEIVING the  
16 information required by subsection B, paragraph 5 of this section and  
17 otherwise in accordance with section 9-835, except that a city or town may  
18 deny issuance of a permit or license only for any of the following:

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

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

22 3. At the time of application the owner has a suspended permit or  
23 license OR HAS OUTSTANDING CIVIL PENALTIES for the same vacation rental or  
24 short-term rental.

25 4. A PREVIOUS OWNER OF THE PROPERTY HAD A SUSPENDED PERMIT OR  
26 LICENSE OR HAS OUTSTANDING CIVIL PENALTIES FOR THE SAME VACATION RENTAL OR  
27 SHORT-TERM RENTAL PROPERTY.

28 ~~4.~~ 5. The applicant provides false information.

29 ~~5.~~ 6. The owner or owner's designee of a vacation rental or  
30 short-term rental is a registered sex offender or has been convicted of  
31 any felony offense that resulted in death or serious physical injury or  
32 any felony use of a deadly weapon within the past five years.

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

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

42 2. One verified violation that results in or constitutes any of the  
43 following:

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

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

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

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

18 (e) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY  
19 ALLOWING THE USE OF A VACATION RENTAL OR SHORT-TERM RENTAL FOR  
20 NONRESIDENTIAL USE.

21 (f) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY  
22 AVOIDING PAYING TRANSACTION PRIVILEGE TAX FOR BOOKINGS MADE WITHOUT THE  
23 USE OF AN ONLINE LODGING MARKETPLACE THAT IS REGISTERED WITH THE  
24 DEPARTMENT OF REVENUE PURSUANT TO SECTION 42-5005.

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

32 E. A city or town that requires sex offender background checks on a  
33 vacation rental or short-term rental guest shall waive the requirement if  
34 an online lodging marketplace performs a sex offender background check of  
35 the booking guest AND MAINTAINS AN ELECTRONIC COPY OF THE SEX OFFENDER  
36 BACKGROUND CHECK THAT CAN BE READILY ACCESSED BY LAW ENFORCEMENT AGENCIES.

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

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

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

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

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

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

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

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

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

44           L. ANY PENALTIES OR SUSPENSIONS ASSESSED PURSUANT TO THIS SECTION  
45 ARE ASSOCIATED WITH THE VACATION RENTAL OR SHORT-TERM RENTAL PROPERTY, AND

1 ARE SUBJECT TO TRANSFER TO A SUBSEQUENT VACATION RENTAL OR SHORT-TERM  
2 RENTAL OWNER OF THAT PROPERTY.

3 M. ANY ACCOMMODATION THAT DOES NOT MEET THE DEFINITION OF VACATION  
4 RENTAL OR SHORT-TERM RENTAL MAY BE REGULATED BY THE CITY OR TOWN AS A  
5 HOTEL, MOTEL OR SIMILAR ACCOMMODATION.

6 ~~t.~~ N. For the purposes of this section:

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

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

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

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

13 ~~(a) Means any individually or collectively owned single-family or~~  
14 ~~one-to-four-family house or dwelling unit or any unit or group of units in~~  
15 ~~a condominium or cooperative that is also a transient public lodging~~  
16 ~~establishment or owner-occupied residential home offered for transient use~~  
17 ~~if the accommodations are not classified for property taxation under~~  
18 ~~section 42-12001.~~

19 ~~(b) Does not include a unit that is used for any nonresidential~~  
20 ~~use, including retail, restaurant, banquet space, event center or another~~  
21 ~~similar use.~~

22 4. "VACATION RENTAL" OR "SHORT-TERM RENTAL":

23 (a) MEANS ANY INDIVIDUALLY OR COLLECTIVELY OWNED SINGLE-FAMILY OR  
24 ONE-TO-FOUR FAMILY HOUSE OR DWELLING UNIT, ANY UNIT OR GROUP OF UNITS IN A  
25 CONDOMINIUM, RENTAL COMPLEX, BUILDING OR COOPERATIVE OR AN OWNER'S  
26 PRINCIPAL RESIDENCE OFFERED FOR TRANSIENT USE AS FOLLOWS:

27 (i) FOR LESS THAN SIXTY DAYS PER YEAR WITHOUT AN OWNER OR OWNER'S  
28 DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.

29 (ii) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR WITH THE OWNER  
30 OR OWNER'S DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.

31 (iii) FOR LESS THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.

32 (iv) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS A ROOM  
33 RENTAL WITH THE OWNER OR OWNER'S DESIGNEE RESIDING ON-SITE DURING  
34 TRANSIENT USE.

35 (v) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS HOTEL  
36 TRANSIENT LODGING ACCOMMODATIONS, IF THE ACCOMMODATIONS ARE NOT CLASSIFIED  
37 FOR TAXATION UNDER SECTION 42-12001.

38 (b) DOES NOT INCLUDE ANY UNIT OFFERED FOR TRANSIENT LODGING  
39 ACCOMMODATION USE AS FOLLOWS:

40 (i) FOR MORE THAN ONE HUNDRED TWENTY DAYS PER YEAR.

41 (ii) FOR MORE THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.

42 (iii) FOR MORE THAN ONE HUNDRED DAYS PER YEAR AS HOTEL TRANSIENT  
43 LODGING ACCOMMODATIONS.

44 (iv) THROUGH A RENTAL AGREEMENT, LEASE, SUBLEASE OR OCCUPANCY  
45 AGREEMENT FOR A PERIOD OF LESS THAN THIRTY DAYS.

1 (c) DOES NOT INCLUDE A UNIT THAT IS USED FOR ANY NONRESIDENTIAL  
2 USE, INCLUDING RETAIL, RESTAURANT, BANQUET SPACE, EVENT CENTER OR OTHER  
3 SIMILAR USE.

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

8 Sec. 2. Section 11-269.17, Arizona Revised Statutes, is amended to  
9 read:

10 11-269.17. Limits on regulation of vacation rentals and  
11 short-term rentals; state preemption; civil  
12 penalties; transaction privilege tax license  
13 suspension; definitions

14 A. A county may not prohibit vacation rentals or short-term  
15 rentals.

16 B. A county may not restrict the use of or regulate vacation  
17 rentals or short-term rentals based on their classification, use or  
18 occupancy except as provided in this section. A county may regulate  
19 vacation rentals or short-term rentals within the unincorporated areas of  
20 the county as follows:

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

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

30 3. To limit or prohibit the use of a vacation rental or short-term  
31 rental for the purposes of housing sex offenders, operating or maintaining  
32 a sober living home, selling illegal drugs, liquor control or pornography,  
33 obscenity, nude or topless dancing and other adult-oriented businesses OR  
34 OTHER NONRESIDENTIAL USE.

35 4. To require the owner of a vacation rental or short-term rental  
36 to provide the county WITH A COPY OF THE OWNER'S VALID TRANSACTION  
37 PRIVILEGE TAX LICENSE AND with emergency contact information for the owner  
38 or the owner's designee who is responsible for responding to complaints or  
39 emergencies in a timely manner in person if required by public safety  
40 personnel, over the ~~phone~~ TELEPHONE or by email at any time of day before  
41 offering for rent or renting the vacation rental or short-term rental. In  
42 addition to any other penalty imposed pursuant to this section, the county  
43 may impose a civil penalty of up to \$1,000 against the owner for every  
44 thirty days the owner fails to provide A COPY OF THE OWNER'S VALID  
45 TRANSACTION PRIVILEGE TAX LICENSE OR contact information as prescribed by

1 this paragraph. The county shall provide thirty days' notice to the owner  
2 before imposing the initial civil penalty.

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

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

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

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

11 (d) Contact information required pursuant to paragraph 4 of this  
12 subsection.

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

15 (f) A fee not to exceed the actual cost of issuing the permit or  
16 license or ~~\$250~~ \$500, whichever is less.

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

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

34 (b) The address of each property notified.

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

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

40 7. To require the owner or owner's designee of a vacation rental or  
41 short-term rental to display the local regulatory permit number or license  
42 number, if any, on each advertisement for a vacation rental or short-term  
43 rental that the owner or owner's designee maintains. A county that does  
44 not require a local regulatory permit or license ~~may~~ SHALL require the  
45 owner or owner's designee of a vacation rental or short-term rental to

1 display the transaction privilege tax license number required by section  
2 42-5042 on each advertisement for a vacation rental or short-term rental  
3 that the owner or owner's designee maintains.

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

9 9. To require the owner of a vacation rental or short-term rental  
10 to reside on the property if the property contains an accessory dwelling  
11 unit and if a certificate of occupancy, certificate of completion or  
12 similar final approval for the accessory dwelling unit was issued by the  
13 county on or after September 14, 2024. This paragraph does not apply to  
14 an owner of a vacation rental or short-term rental if the property  
15 contains an accessory dwelling unit and the certificate of completion, the  
16 certificate of occupancy or a similar final approval for the accessory  
17 dwelling unit was issued on or before September 13, 2024.

18 C. A county that requires a local regulatory permit or license  
19 pursuant to this section shall issue or deny the permit or license within  
20 ~~seven~~ THIRTY business days ~~of receipt of~~ AFTER RECEIVING the information  
21 required by subsection B, paragraph 5 of this section and otherwise in  
22 accordance with section 11-1602, except that a county may deny issuance of  
23 a permit or license only for any of the following:

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

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

27 3. At the time of application the owner has a suspended permit or  
28 license OR HAS UNPAID CIVIL PENALTIES for the same vacation rental or  
29 short-term rental.

30 4. A PREVIOUS OWNER OF THE PROPERTY HAD A SUSPENDED PERMIT OR  
31 LICENSE OR HAD OUTSTANDING CIVIL PENALTIES FOR THE SAME VACATION RENTAL OR  
32 SHORT-TERM RENTAL PROPERTY.

33 ~~4.~~ 5. The applicant provides false information.

34 ~~5.~~ 6. The owner or owner's designee of a vacation rental or  
35 short-term rental is a registered sex offender or has been convicted of  
36 any felony offense that results in death or serious physical injury or any  
37 felony use of a deadly weapon within the past five years.

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

43 1. Three verified violations within a twelve-month period, not  
44 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 or 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 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  
20 county ordinance or a state law or rule or for a retail, restaurant,  
21 banquet space or other similar use.

22 (e) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY  
23 ALLOWING THE USE OF A VACATION RENTAL OR SHORT-TERM RENTAL FOR  
24 NONRESIDENTIAL USE.

25 (f) AN OWNER OR OWNER'S DESIGNEE KNOWINGLY OR INTENTIONALLY  
26 AVOIDING PAYING TRANSACTION PRIVILEGE TAX FOR BOOKINGS MADE WITHOUT THE  
27 USE OF AN ONLINE LODGING MARKETPLACE THAT IS REGISTERED WITH THE  
28 DEPARTMENT OF REVENUE PURSUANT TO SECTION 42-5005.

29 3. Notwithstanding paragraphs 1 and 2 of this subsection, any  
30 attempted or completed felony offense, arising from the occupancy or use  
31 of a vacation rental or short-term rental, that results in a death, or  
32 actual or attempted serious physical injury, shall be grounds for  
33 judicial relief in the form of a suspension of the property's use as a  
34 vacation rental or short-term rental for ~~a period of time that shall not~~  
35 ~~exceed~~ NOT MORE THAN twelve months.

36 E. A county that requires sex offender background checks on a  
37 vacation rental or short-term rental guest shall waive the requirement if  
38 an online lodging marketplace performs a sex offender background check of  
39 the booking guest AND MAINTAINS AN ELECTRONIC COPY OF THE SEX OFFENDER  
40 BACKGROUND CHECK THAT CAN BE READILY ACCESSED BY LAW ENFORCEMENT AGENCIES.

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

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

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

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

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

20          H. If multiple verified violations arise out of the same response  
21 to an incident at a vacation rental or short-term rental, those verified  
22 violations ~~are~~ MAY BE considered one verified violation for the purpose of  
23 assessing civil penalties or suspending the regulatory permit or license  
24 of the owner pursuant to this section.

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

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

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

1 L. ANY PENALTIES OR SUSPENSIONS ASSESSED PURSUANT TO THIS SECTION  
2 ARE ASSOCIATED WITH THE VACATION RENTAL OR SHORT-TERM RENTAL PROPERTY, AND  
3 ARE SUBJECT TO TRANSFER TO A SUBSEQUENT VACATION RENTAL OR SHORT-TERM  
4 RENTAL OWNER OF THAT PROPERTY.

5 M. ANY ACCOMMODATION THAT DOES NOT MEET THE DEFINITION OF VACATION  
6 RENTAL OR SHORT-TERM RENTAL MAY BE REGULATED BY THE CITY OR TOWN AS A  
7 HOTEL, MOTEL OR SIMILAR ACCOMMODATION.

8 ~~N.~~ N. For the purposes of this section:

9 1. "Accessory dwelling unit" has the same meaning prescribed in  
10 section 11-810.01.

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

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

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

15 ~~(a) Means any individually or collectively owned single-family or~~  
16 ~~one-to-four-family house or dwelling unit or any unit or group of units in~~  
17 ~~a condominium or cooperative that is also a transient public lodging~~  
18 ~~establishment or owner-occupied residential home offered for transient use~~  
19 ~~if the accommodations are not classified for property taxation under~~  
20 ~~section 42-12001.~~

21 ~~(b) Does not include a unit that is used for any nonresidential~~  
22 ~~use, including retail, restaurant, banquet space, event center or another~~  
23 ~~similar use.~~

24 4. "VACATION RENTAL" OR "SHORT-TERM RENTAL":

25 (a) MEANS ANY INDIVIDUALLY OR COLLECTIVELY OWNED SINGLE-FAMILY OR  
26 ONE-TO-FOUR FAMILY HOUSE OR DWELLING UNIT, ANY UNIT OR GROUP OF UNITS IN A  
27 CONDOMINIUM, RENTAL COMPLEX, BUILDING OR COOPERATIVE OR AN OWNER'S  
28 PRINCIPAL RESIDENCE OFFERED FOR TRANSIENT USE AS FOLLOWS:

29 (i) FOR LESS THAN SIXTY DAYS PER YEAR WITHOUT AN OWNER OR OWNER'S  
30 DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.

31 (ii) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR WITH THE OWNER  
32 OR OWNER'S DESIGNEE RESIDING ON-SITE DURING TRANSIENT USE.

33 (iii) FOR LESS THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.

34 (iv) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS A ROOM  
35 RENTAL WITH THE OWNER OR OWNER'S DESIGNEE RESIDING ON-SITE DURING  
36 TRANSIENT USE.

37 (v) FOR LESS THAN ONE HUNDRED TWENTY DAYS PER YEAR AS HOTEL  
38 TRANSIENT LODGING ACCOMMODATIONS, IF THE ACCOMMODATIONS ARE NOT CLASSIFIED  
39 FOR TAXATION UNDER SECTION 42-12001.

40 (b) DOES NOT INCLUDE ANY UNIT OFFERED FOR TRANSIENT LODGING  
41 ACCOMMODATION USE AS FOLLOWS:

42 (i) FOR MORE THAN ONE HUNDRED TWENTY DAYS PER YEAR.

43 (ii) FOR MORE THAN SIXTY DAYS PER YEAR AS A WHOLE PROPERTY RENTAL.

44 (iii) FOR MORE THAN ONE HUNDRED DAYS PER YEAR AS HOTEL TRANSIENT  
45 LODGING ACCOMMODATIONS.

1 (iv) THROUGH A RENTAL AGREEMENT, LEASE, SUBLEASE OR OCCUPANCY  
2 AGREEMENT FOR A PERIOD OF LESS THAN THIRTY DAYS.

3 (c) DOES NOT INCLUDE A UNIT THAT IS USED FOR ANY NONRESIDENTIAL  
4 USE, INCLUDING RETAIL, RESTAURANT, BANQUET SPACE, EVENT CENTER OR OTHER  
5 SIMILAR USE.

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