

**ORDINANCE NO: 951**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AMENDING THE CODE OF PAYSON, ARIZONA BY ADOPTING TITLE XI, CHAPTER 116 RELATING TO REGULATING SHORT-TERM RENTALS AND VACATION RENTALS; INCORPORATING THE RECITALS BY REFERENCE; ESTABLISHING A PURPOSE; SETTING FORTH DEFINITIONS; REQUIRING A LICENSE TO OPERATE A SHORT-TERM RENTAL OR VACATION RENTAL WITHIN PAYSON' BOUNDARIES; ESTABLISHING REGULATIONS; ADOPTING NOTIFICATION AND DISCLOSURE REQUIREMENTS; ADOPTING INSURANCE REQUIREMENTS; ADOPTING APPLICATION FEES; ESTABLISHING FINES AND PENALTIES FOR VIOLATIONS; PROVIDING FOR ENFORCEMENT; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR PENALTIES AND ESTABLISHING AN EFFECTIVE DATE.**

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

WHEREAS, the Town of Payson ("Town") 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 Town residents;

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

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

WHEREAS, the Town will require all vacation rentals to obtain and maintain a valid transaction privilege tax ("TPT") license number, provide proof of the TPT license to the Town, and require disclosure of the TPT number on each advertisement;

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

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

**FIRST READING AND PUBLIC HEARING**

*March 22, 2023 F. 2. A*

**SECOND READING AND PUBLIC HEARING**

*APR 12 2023 F. 4. A*

**NOW, THEREFORE, THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA ORDAIN AS FOLLOWS:**

Section 1: Amending the code of Payson, Arizona by adopting title XI, Chapter 116 relating to regulating short-term rentals and vacation rentals set forth in Resolution 3322:

- a. are necessary for the protection of the public's health and safety,
- b. were declared to be a public record by such Resolution, and
- c. all the provisions are referred to and added to the Payson Town Code and adopted by this reference.

Section 2: At least three copies of the Standardized Codes and the amendments to Title XI Chapter 116 adopted by this Ordinance shall be filed in the Office of the Payson Town Clerk and shall be maintained and kept available for public use and inspection.

Section 3: Penalties

- a. A vacation rental that fails to apply for a license or license pursuant to Chapter 116 within thirty (30) days of the license application being made available by the Town shall immediately cease operations. In addition to any other penalty pursuant to the Town Code, the Town 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 license within thirty (30) days of receiving the written notice of violation from the Town. Representations or advertisements including online listings that reference the property, house or dwelling unit location within the Town is prima facie evidence that a vacation rental is operating in the Town.
- b. In addition to any other penalty pursuant to the Town Code, an owner/applicant shall be subject to civil penalties of up to \$1,000 for every thirty (30) days the owner fails to provide notice to the Town as required in Chapter 116. Before imposing the initial civil penalty, the Town shall provide thirty (30) days' notice to the owner by emailing a notice of violation to the owner's email address that the owner/applicant provided to the Town. The notice of the violation shall inform the applicant of the right to appeal the denial as provided for in § 116.13. 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/applicant's failure to provide the notice to the Town regarding the change.
- c. In addition to any other penalty pursuant to the Town Code, any person who causes, allows, facilitates, aides, or abets any violation of Chapter 116 shall be subject to a civil offense.
- d. The remedies in Chapter 116 are cumulative and the Town may proceed under one or more such remedies.
- e. In addition to any other penalty pursuant to the Town Code, and notwithstanding any

other law, the Town 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 (12) 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.
- f. 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.
- g. In addition to any other penalty pursuant to the Code, any property that operates as a vacation rental and fails to apply for vacation rental license in accordance with this chapter within thirty (30) days of the application process being made available by the Town, must cease operations immediately. In addition to any fines imposed pursuant to this section, the Town 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.

Section 4: All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are repealed to the extent of such conflict.

Section 5: The effective date of the REGULATING SHORT-TERM RENTALS AND VACATION RENTALS Code adopted by this Ordinance and the amendments to Title XI and Chapter 116 made by this Ordinance shall be July 1, 2023.

Section 6: If any section or portion of this Ordinance 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 of this Ordinance.

**PASSED AND ADOPTED BY THE MAYOR AND PAYSON TOWN COUNCIL**  
this 12 day of April, 2023, by the following vote:


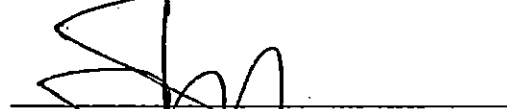
AYES 2 NOES 0 ABSTENTIONS 0 ABSENT 0



Chris Higgins, Mayor

ATTEST:

APPROVED AS TO FORM:

  
Tracie Bailey, Town Clerk  
Pierce Coleman, PLLC, Town Attorney