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# Verde Valley towns could get even more control over vacation rentals

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**COTTONWOOD** - Being small towns may help Verde Valley communities find solutions to problems caused by vacation rentals, if another bill on the issue becomes state law.

Last July, Gov. Doug Ducey signed Senate Bill 1168 and gave municipalities tools to reign in vacation-home owners who operate under a town's radar. Now Rep. Selina Bliss, R-Prescott, is sponsoring House Bill 2047 to give the smallest towns more control.

HB2047 proposes giving Arizona

towns with populations of less than 17,000 the ability to limit the number of vacation and short-term rentals. According to the bill, the number of short-term and vacation rentals would be based on a percentage of total residential-zoned buildings within the town.

Bliss is seeking to amend a portion of Arizona Revised Statutes relating to rentals. While a city or town cannot prohibit vacation and short-term rentals, they could regulate them based on population or in the same manner as transient lodging activities if the legislation becomes law.

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## VACATION RENTALS

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SB1168 already allows individual cities to implement their own ordinances in regard to short-term and vacation rentals, including requiring permits or licenses, an emergency contact and neighborhood notifications for the property's intended use. The statute also allows for a license to be suspended for up to a year for health, safety and noise. A felony offense, serious injury or wrongful death on the property, use of the property by a sex offender or adult-oriented business or non-residential use could also cause a suspension.

The City of Sedona has issued 200 short-term rental permits after a city portal went live a week ago to rein in those businesses blamed for some of the city's problems such as housing and traffic.

This is far short of the estimated 1,105 short-term rentals that are estimated to be within the Sedona City limits, explained Short Term Rental Specialist Teresah Arthur, and is 16.3% of Sedona's total residential housing inventory.

Short-term rentals currently operating in Sedona have until Feb. 15 to get a permit.

The Town of Jerome jumped on the opportunity provided by SB1168 by approving an ordinance requiring permits on Sept. 21.

To date, the town has issued 12 short-term rental permits and four permits are pending, according to Town Manager/Clerk Brett Klein. He said that's almost total compliance.

An unofficial scan of the site Airbnb showed 20 short-term rentals in Jerome, including entire homes, apartments, rooms and one hotel.

The City of Cottonwood may not be far behind with regulations.

Kirsten Lennon, Financial Services manager, has been working on an ordinance for Cottonwood, which Cottonwood Community Development Director Scott Ellis may be heard at a February council meeting.

It's unclear how many vacation-home rentals are in Cottonwood until they are required to have permits.

The Jerome and Sedona regulations require more than just permits.

Sedona's regulations require rental property owners to provide contact information for emergencies and responses in a timely manner, neighbor notification

prior to renting, responsibility for displaying a permit number, insurance and background checks.

The fee is \$200 annually and a transaction privilege tax (TPT) license from the Arizona Department of Revenue is required for all properties used for vacation rentals.

Matching the allowances of current state law, Sedona's regulation reads; "Short-term rental permits can be suspended for up to twelve months for the following reasons: Three verified violations including noise or threats to public health and safety, not including aesthetic violations such as trash disposal, parking or lighting."

Many tourism-driven areas of the state have worked on city ordinances that take advantage of the authority offered by SB1168. Most of them are much larger than the 17,000 limit that Bliss's bill targets, however. But all Verde Valley municipalities fall into that range.

So, if passed HB2047 could help Cottonwood, Sedona, Camp Verde, Jerome and Clarkdale prevent its residential areas from being overwhelmed by short-term rentals.

*Mackenzie Dexter of River City Newspapers contributed to this story.*