

ORDINANCE NO. O23-08

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE GLENDALE CITY CODE, CHAPTER 29.1 (RESIDENTIAL RENTAL PROPERTY), ARTICLE III (ADMINISTRATION AND ENFORCEMENT), BY ADDING SECTION 29.1-41 (SHORT-TERM RENTALS) AND SETTING FORTH AN EFFECTIVE DATE.

WHEREAS, Arizona Revised Statutes Section 9-500.39 provides that a city or town may regulate vacation rentals and short-term rentals;

WHEREAS, the City of Glendale City Council desires to amend Chapter 29.1, Section 29.1-41 of the Glendale City Code and adopt a new Article IV in Chapter 29.1 governing short-term rentals in the City of Glendale and amending Section 29.1-41 in Article IV.

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

WHEREAS the City of Glendale will require all short-term rentals to register, obtain and maintain a valid City of Glendale short-term rental license, pay registration fees, provide an emergency point of contact to respond to compliance and emergencies in a timely manner, and maintain insurance.

WHEREAS the City of Glendale 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 of Glendale, and require disclosure of the TPT number on each advertisement;

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

WHEREAS the City of Glendale deems it necessary to establish penalties and fines that apply to short-term rentals; and

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the Glendale City Code Chapter 29.1 (Residential Rental Property) is hereby amending adding Article VI (Short Term Rentals), and adding Section 29.1-41 (Short Term Rentals) that shall read as follows:

[Additions are indicated by underline; deletions by ~~strikeout~~.]

Sec. 29.1-41 – Short Term Rentals.

Sec. 29.1-41.1 Purpose

This Article is adopted to protect the health, safety, and welfare of the community of the City by enacting reasonable regulations for short-term rentals and vacation rentals. These regulations are in addition to other codes of the City.

Sec. 29.1-41.2 Definitions.

In this Article, unless the context or definitions in A.R.S. § 9-500.39 indicate otherwise, the following terms or phrases are defined as follows:

“Online Lodging Marketplace” has the same meaning prescribed in A.R.S. § 42-5076.

“Short-term rental” and “vacation rental” are interchangeable for purposes of this Article and mean any individually or collectively owned single-family or one-to-four-family house or dwelling unit, or any unit or group of units in a condominium or cooperative, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use. “Short-term rental” does not include:

(i) accommodations [or property] that is classified for property taxation under A.R.S. § 42-12001; or

(ii) any unit that is used for any nonresidential use, including a special event that would otherwise require a license, retail, restaurant, banquet space, or other similar use.

“Transaction privilege tax license” is the license issued by the State of Arizona pursuant to A.R.S., Title 42.

“Transient” has the same meaning prescribed in A.R.S. § 42-5070.

Sec. 29.1-41.3. Short-Term Rental license required; invalid license; penalties.

(A) License required. Prior to use of a property as a short-term rental, the owner of shall obtain an annual short-term rental license from the City. Renting, or offering for rent, a short-term rental without complying with the license requirement in this Section is prohibited.

(B) A separate license is required for each short-term rental. A license is valid for one (1) year from the date of issuance or renewal. A license is non-transferable and non-assignable.

(C) License applications. The owner of a proposed short-term rental shall submit to the City a license application on a form prescribed by the City. The license application shall contain the following minimum information, which shall be made publicly available:

- (1) The physical address of the residential property proposed to be used as a short-term rental.**
- (2) The name, address, and telephone number of the owner for which the short-term rental registration certificate is to be issued. If the property owner is an entity, the legal name of the entity and its statutory agent.**
- (3) The name, address, and telephone number of each designee of the owner, if any.**
- (4) The full name, address, and twenty-four (24) hour telephone number of the individual who will serve as the emergency point of contact.**
- (5) Proof of a valid transaction privilege tax license.**
- (6) Acknowledgment by the owner of an agreement to comply with all applicable laws, regulations, and ordinances, including the requirement that the owner and each designee shall not be a registered sex offender, been convicted of any felony act that resulted in death or serious physical injury, or been convicted of any felony use of a deadly weapon within the past five years.**

(D) License Fee. Every application, including any renewal application, for a short-term rental license under this Article shall be accompanied by a non-refundable One hundred-dollar (\$100.00) license fee and penalties incurred pursuant to this section.

(E) Issuance; reasons for denial. The City may deny issuance of a new or renewal license for any of the following reasons:

- (1) The applicant failed to provide the information required under subsection B;**
- (2) The applicant failed to pay the license fee required under subsection C;**
- (3) The applicant provided false information;**
- (4) The owner or designee of the owner: (i) is a registered sex offender; (ii) has been convicted of any felony act that resulted in death or serious physical injury; or (iii) has been convicted of any felony use of a deadly weapon within five (5) years of submitting the application; or**
- (5) At the time of application, the owner has a suspended license for the same short-term rental.**

(F) License Revocation. The City shall immediately revoke a license upon the discovery of grounds for denial that existed at the time that license was issued.

(G) Notice of denial; appeal. The City Manager or designee shall give notice of the denial of an application and shall inform the applicant of the right to appeal the denial as provided for in this Section.

(H) Maintaining Accurate Information; Violations. All applicants and persons holding licenses issued pursuant to this Article shall give written notice to the City Manager or designee of any change in information submitted in connection with an application for a license or renewal of a license. The notice shall be provided to the City Manager not less than ten (10) days prior to the effective date of the change. Any information required for an application under this Section 29.1-41.3 is deemed to be material for purposes of this. A violation of this subsection is a civil offense.

(I) Term of License; Renewal application. All licenses issued under this Article shall be valid for a period of one (1) year from the date of their issuance / until suspended or revoked. Except where the City has received a new application along with the requisite fees, it shall be unlawful for any person to operate a short-term rental after the expiration date recorded upon the face of the short-term rental license.

(J) Operating Without a License; Penalties. A short-term rental that fails to apply for a license or license within thirty (30) days of the license 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 license 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 short-term rental is operating in the City.

(K) *Non-transferable.* No license shall be transferable either as to location or as to person.

(L) *Implementation.* The City Manager or designee shall develop the necessary forms and/or database necessary to implement this Section 29.1-41.3.

Sec.29.1-41.4 Compliance with the Law; Prohibited Uses.

(A) Compliance with laws.

(1) A vacation rental or short-term rental must at all times comply with all federal, state, and local laws, rules and regulations related to public health, safety, sanitation, solid waste, hazardous waste, tax privilege licensing including advertising requirements, traffic control, pollution control, noise, property maintenance, and nuisance abatement.

(2) No person including an owner or operator shall operate a vacation rental or short-term rental in violation of this section.

~~—(b) Compliance with laws.~~

~~—(1) A vacation rental or short-term rental must at all times comply with all federal, state, and local laws, rules and regulations related to public health, safety, sanitation, solid waste, hazardous waste, tax privilege licensing including advertising requirements, traffic control, pollution control, noise, property maintenance, and nuisance abatement.~~

~~—(2) No person including an owner or operator shall operate a vacation rental or short-term rental in violation of this section.~~

(B) Non-residential usage by vacation rentals or short-term rentals prohibited.

(1) No vacation rental or short-term rental may be used for any non-residential use or purpose including but not limited to any of the following:

(a) Any commercial, industrial, manufacturing, or other non-residential purpose; or

(b) Operating a retail business, restaurant, event center, banquet center or similar use;

or

(c) Housing sex offenders; or

(d) Operating or maintaining a structured sober living home; or

(e) Selling liquor, controlled substances or pornography; or

(f) Operating any adult-oriented business including nude and topless dancing.

(2) No person including an owner or operator shall operate a vacation rental or short-term rental in violation of this section.

Sec. 29.1-41.5 Insurance Required

(A) Insurance. The owner of a vacation rental or short-term rental shall maintain liability insurance appropriate to cover the vacation rental or short-term rental in the aggregate of at least \$500,000 or to advertise and offer each vacation rental or short-term rental through an online lodging marketplace that provides equal or greater coverage.

Sec. 29.1-41.6 License Suspensions.

(A) License suspensions. The City may initiate an administrative process to suspend a short-term rental license for a period of up to twelve (12) months for any of the following:

(1) Three verified violations of this Article within a twelve (12) month period, not including any such violation based on an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.

(2) One verified violation that results in or constitutes any of the following:

(a) A felony offense committed at or in the vicinity of a vacation rental by the owner of the vacation rental or by the owner's designee;

(b) A serious physical injury or wrongful death at or related to a vacation rental resulting from the knowing, intentional or reckless conduct of the owner of the vacation rental or the owner's designee;

(c) The owner of the vacation rental or the owner's designee knowingly or intentionally housing a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses, or prostitution, or operating or maintaining a sober living home; or

(d) The owner of the short-term rental or the owner's designee knowingly or intentionally allowing the use of a short-term rental for a special event that would otherwise require a permit or license pursuant to the City code or a state law or rule or for a retail, restaurant, banquet space or other similar use.

(B) Appeals. A decision to suspend a license may be appealed by the owner as set forth in Sec. 29.1-41.8.

Sec. 29.1-41.7 Enhanced Penalties.

(A) The owner's failure to provide contact information shall result in a civil penalty up to \$1000 against the owner of the for every thirty days the owner fails to provide the required contact information. The City shall provide thirty days' notice to the owner before imposing an initial civil penalty.

(B) In addition to any other penalty pursuant to this section, A violation of this section related to the same vacation rental or short-term rental property within the same twelve-month period shall result in a civil penalty up to \$500 or up to an amount equal to one night's rent for the vacation rental or short-term rental as advertised, whichever is greater, for the first violation; up to \$1,000 or up to an amount equal to two nights' rent for the vacation rental or short-term rental as advertised, whichever is greater, for the second violation; up to \$3,500 or up to an amount equal to three nights' rent for the vacation rental or short-term rental as advertised, whichever is greater, for a third and any subsequent violation.

(C) Multiple violations arising out of the same response to an incident at a vacation rental or short-term rental shall be considered one verified violation for the purpose of assessing civil penalties.

(D) If the owner of a vacation rental or short-term rental has provided contact information to the city and if the city issues a citation for a violation of law that occurred on the owner's vacation rental or short-term rental property, the city shall make a reasonable attempt to notify the owner or the owner's designee of the citation within seven business days after the citation is issued using the contact information. If the owner of a vacation rental or short-term rental has not provided contact information, the city or town is not required to provide such notice.**Sec. 29.1-41.8 Appeals.**

(A) Any person aggrieved by any decision with respect to the denial of or a refusal to issue a short-term rental license, the suspension of a short-term rental license, or a penalty imposed pursuant to this Article may appeal the decision by filing a written notice of appeal with the City Manager no later than thirty (30) days from the date of the decision letter. The notice of appeal shall be on a form approved by the City.

(B) An appeal under this Section does not operate as a stay of the license suspension.

SECTION 2. That the provisions of this ordinance shall become effective thirty (30) days after passage of this ordinance by the Glendale City Council.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 14th day of March, 2023.

Mayor Jerry P. Weiers

ATTEST:

Julie K. Bower, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael D. Bailey, City Attorney

REVIEWED BY:

Kevin R. Phelps, City Manager