ORDINANCE NO. 2023-13

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 26 OF THE SURPRISE MUNICIPAL CODE BY ESTABLISHING ARTICLE X, SECTIONS 26-255 THROUGH 26-267, ESTABLISHING REGULATION FOR SHORT-TERM AND VACATION RENTALS; PROVIDING FOR PENALTIES; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

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

WHEREAS, the Surprise City Council deems it necessary to adopt certain regulations regarding the use of property as a short-term rental or vacation rental to protect the health, safety, and welfare of Surprise residents and visitors;

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

WHEREAS, the City will require all short-term rentals and vacation rentals to obtain and maintain a valid City 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 short-term rental or vacation rental in each advertisement;

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

WHEREAS, the City deems it necessary to establish penalties and fines that apply to short-term rentals.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. In General.

Chapter 26, Article X, Sections 26-255 through 26-267 of the Surprise Municipal Code is hereby established as described on the attached Exhibit A, and incorporated by reference.

Section 2. Penalties.

The failure of an owner or the owners authorized representative to apply for a short-term or vacation rental license is a civil offense, punishable by a fine of $1,000 per month if the owner or owner's authorized representative fails to apply for a license within 30 days after receiving written notice of the failure to comply. The $1,000 fine may be assessed for every 30-day period the owner or authorized representative fails to apply for or maintain a valid short-term rental license as measured from the date the written notice was received.

The failure of an owner or owners authorized representative to provide emergency point of contact information is civil offense, punishable by a fine of $1,000 against the owner for every thirty days the owner fails to provide contact information as prescribed by this Ordinance. The City will provide thirty days' notice to the owner before imposing the initial civil penalty.

In addition to any other penalty that may be imposed under the Surprise Municipal Code, and notwithstanding any other law, the following civil penalties may be imposed upon the owner of a short-term or vacation rental if the owner causes, allows, facilitates, aides, or abets a verified violation of any provision of this Ordinance, related to the same short-term or vacation rental property within a 12-month period:

A. Up to $500 or up to an amount equal to one night's rent for the short-term or vacation rental as advertised, whichever is greater, for the first violation.
B. Up to $1,000 or up to an amount equal to two nights' rent for the short-term or vacation rental as advertised, whichever is greater, for the second violation.
C. Up to $3,500 or up to an amount equal to three nights' rent for the short-term or vacation rental as advertised, whichever is greater, for a third and any subsequent violation.

Section 3. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section 4. Providing for Severability.

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance or any part of the Code adopted herein by reference, 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 thereof.

Section 5. **Effective Date**.

This Ordinance shall become effective as prescribed by applicable law.

ADOPTED AND APPROVED this___day of_____, 2023.

_____
Skip Hall, Mayor

ATTEST:

_____
Sherry Aguilar, City Clerk

APPROVED AS TO FORM:

_____
Robert Wingo, City Attorney