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TOWN OF JEROME, ARIZONA

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(928) 634-7943

ORDINANCE NO. 484

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, AMENDING ARTICLE 8-7, "SHORT-TERM RENTAL REGULATIONS," OF THE JEROME TOWN CODE

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Article 8-7 is hereby amended as follows:

8-7-1: Unchanged.

8-7-2: Unchanged.

8-7-3: Definitions.

Amended as follows:

"Emergency Point of Contact" definition is amended to read: means the owner or owner's designee of the vacation rental, short-term rental, or transient lodging establishment and who is available 24 hours per day, seven days per week, for the purpose of responding in person telephonically, or by electronic mail to complaints, emergencies, or other incidents at the property in a timely manner.

"Online Lodging Marketplace" definition is added, to read: means a person that provides a digital platform for compensation through which an unaffiliated third party offers to rent lodging accommodations in this town to an occupant, including transient as defined in this Article, and the accommodations are not classified for property tax purposes under A.R.S. 42-12001.

"Transient" definition is unchanged.

"Transient Lodging" definition is amended to read: means the business of operating for occupancy by transients a hotel or motel, including an inn, tourist home or house, dude ranch, resort, campground, studio or bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure, and also including a space, lot, or slab that is occupied or intended or designed for occupancy by transients in a mobile home or trailer furnished by them for such occupancy. Transient lodging does not include those exceptions identified in A.R.S. 42-5070(B) as may be amended from time to time.

"Vacation Rental or Short-term Rental" definition is amended to read: means 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 if the accommodations are not classified for property taxation under A.R.S. 42-12001. This does not include a unit that is used for any nonresidential use including retail, restaurant, banquet space, event center or other similar use.

“Verified Violation” definition is added, to read: means a finding of guilt or civil responsibility for violating any state law or local ordinance relating to a purpose prescribed in subsection B or K of A.R.S. 9-500.39 as may be amended from time to time.

8-7-4: Emergency Contact is amended as follows:

Title: **Emergency Point of Contact**

The following is added to this section while the remainder of this section remains unchanged as a result of this ordinance:

The contact information for the Emergency Point of Contact shall be posted in a prominent and visible location inside the short-term rental, vacation rental, or transient lodging establishment.

All persons holding a permit issued pursuant to this Article shall provide prior written notice to the Town Manager or designee of any change to the Emergency Point of Contact information not less than ten (10) days prior to the effective date of the change.

8-7-5: Use Regulations is amended by being replaced in its entirety with the following:

- A. The Jerome Zoning Ordinance district regulations shall be applied to a short-term rental, vacation rental, or transient lodging establishments in the same manner as other property classified under A.R.S. 42-12003 and 42-12004. The use of any short-term rental, vacation rental, or transient lodging establishment in any single-family residential district shall be limited to the uses identified in the Jerome Zoning Ordinance for that particular Zoning District. No vacation rental, short-term rental, or transient lodging establishment in any residential district shall be used for non-residential uses, including for any special event that would require a permit or license pursuant to Section 10-3 of the Jerome Town Code, or as a retail establishment, restaurant, banquet space or any other similar use.
- B. The owner of any vacation rental, short-term rental or transient lodging establishment shall be responsible to ensure that the property complies with all applicable fire, building, health and safety codes and all applicable state and local laws. No vacation rental, short-term rental, or transient lodging establishment shall be rented or offered

for rent without a current, valid Town of Jerome Short-term / Vacation Rental License.

- C. It is prohibited for the owner, or their designee, of any vacation rental, short-term rental, or transient lodging establishment to be rented for the purpose of housing sex offenders, operating or maintaining a sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

8-7-6: Is amended and replaced in its entirety with the following

8-7-6: Operational / Licensing Requirements

A. It is unlawful for the owner or their designee of any vacation rental, short-term rental, or transient lodging establishments to rent or offer for rent a vacation rental, short-term rental, or transient lodging establishment that does not meet the requirements of this Article.

B. It is unlawful for the owner or their designee of any vacation rental, short-term rental, or transient lodging establishments to rent or offer for rent a vacation rental, short-term rental, or transient lodging establishment without first obtaining a Town of Jerome Short-Term / Vacation Rental License.

C. All vacation rental, short-term rental, or transient lodging establishments must be licensed by the Town of Jerome to conduct business in accordance with Article 8-3 of the Jerome Town Code.

D. No vacation rental, short-term rental, or transient lodging establishment shall operate within the jurisdiction of the Town of Jerome unless it has first provided acceptable evidence of liability insurance of no less than \$500,000 or advertise and offer each vacation rental, short-term rental, or transient lodging through an online lodging marketplace without providing equal or greater coverage.

E. No vacation rental, short-term rental, or transient lodging establishment shall operate within the jurisdiction of the Town of Jerome without proof it is in compliance with Arizona Revised Statutes, 42-5005, holding a valid Transaction Privilege Tax license.

F. Before offering for rent any vacation rental, short-term rental, or transient lodging establishments, the owner or their designee must complete a Town of Jerome Short-Term / Vacation Rental License application, which includes but is not limited to the following:

1. Proof of notification to all single-family residential properties adjacent to, and directly and diagonally across the street from the establishment. Notice shall be deemed sufficient in a multi-family residential building if given to residents on the same building floor. The owner or their designee shall demonstrate compliance with this section by providing the Town with an attestation of notification of compliance that includes the following:
 - a) The license number of the vacation rental, short-term rental, or transient lodging establishment.
 - b) The address of each property notified
 - c) A description of the manner in which the owner or their designee chose to provide notification to each property subject to notification.
 - d) The name and contact information of the person attesting to compliance.
2. Emergency Point of Contact in accordance with Section 8-7-4 of this Article.
3. Complete address of the location for which the owner or their designee is applying for a license.
4. Identification of the visible location inside the rental unit where the Emergency Point of Contact information and Town-issued license are prominently displayed.
5. Proof of insurance in accordance with this section.
6. Agreement to comply with all applicable laws, regulations and ordinances

G. All owners or their designee of any vacation rental, short-term rental, or transient lodging establishment shall conduct a sex offender background check of every guest and retain the records of the full background check for a minimum of 12 months. The owner or designee must provide a copy of the background check upon request by a police officer. This provision shall be waived if an online lodging marketplace performs a background check of the booking guest.

H. The Town shall issue or deny the license application within seven (7) business days of receipt of the required information.

I. The Town may deny issuance of a Short-Term / Vacation Rental License for any of the following reasons:

1. Failure to provide the name, address, phone number and email address for the owner or the owner's designee.
2. Failure to provide the address of the vacation rental, short-term rental or transient lodging establishment.

3. Failure to provide Point of Contact information required by this Article.
4. Failure to provide acknowledgement of an agreement to comply with all applicable laws, regulations and ordinances.
5. Failure to pay the fee for the license that shall be determined by resolution of the Town Council that shall not exceed the actual cost of issuing the license or \$250, whichever is less.

8-7-7: Is hereby added to Article 8-7 as follows:

8-7-7: Penalties

- A. Failure to comply with this Article shall subject the owner of the short-term rental, vacation rental, or transient lodging establishment to the following civil penalties:
1. Up to \$500, or up to an amount equal to one nights rent for that vacation rental, short-term rental, or transient lodging establishment as advertised, whichever is greater, for the first verified violation.
 2. Up to \$1,000 or up to an amount equal to one nights rent for that vacation rental, short-term rental, or transient lodging establishment as advertised, whichever is greater for the second verified violation within a 12-month period of the first verified violation.
 3. Up to \$3,500 or up to an amount equal to one nights rent for that vacation rental, short-term rental, or transient lodging establishment as advertised, whichever is greater for the third verified violation within a 12-month period of the first verified violation and suspension of license for 12 consecutive months for the third violation within a 12-month period of the first violation, not including and verified violation based on an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.
- B. There shall be a 12-month suspension of a short-term / vacation license for one verified violation of any of the following:
1. A felony offense committed at or in the vicinity of a vacation rental, short-term rental or transient lodging establishment by the owner or the owner's designee.
 2. A serious physical injury or wrongful death at or related to a vacation rental, short-term rental or transient lodging establishment resulting from the knowing, intentional or reckless conduct of the owner or owner's designee.
 3. An owner or owner's designee that knowingly or intentionally houses a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses or prostitution, or operating or maintaining a sober living home in violation of this Article.

C. A vacation rental, short-term rental or transient lodging establishment that fails to apply for a local Town of Jerome License in accordance with Section 8-7-6, within 30-days of the license application process being made available by the Town, must cease operations immediately. In addition to any fines imposed pursuant to Section 8-7-7, 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 the license within 30 days after receiving written notice of the failure to comply with Section 8-7-6.

D. In addition to any other penalty pursuant to this Section, the Town of Jerome may impose a civil penalty of up to \$1,000 against the owner for every thirty days the owner fails to provide contact information as prescribed by Section 8-7-4 and Section 8-7-6. The Town shall provide thirty days' notice to the owner before imposing the initial civil penalty.

Section 8-7-8 is hereby added:

8-7-8: Appeals

- A. Any person aggrieved by any decision with respect to the denial of or a refusal to issue a vacation rental license, the suspension of a vacation rental license, or penalty imposed pursuant to this Article may appeal the decision by filing a written notice of appeal with the Town Manager no later than thirty (30) days from the date of the decision letter.
- B. An appeal under this section does not operate as a stay of the permit suspension.
- C. This section is not applicable to judicial actions brought pursuant to this Article or to penalties including fines imposed by a court.

Section 2. Following its adoption, this Ordinance shall be published by the Town Clerk in accordance with the requirements of A.R.S. § 39-203 *et seq.*

Section 3. All ordinances or parts of ordinances that are in conflict with the provisions of this Ordinance are hereby repealed to the extent of their inconsistency herewith.

Section 4. Should any section or provision of this Ordinance be declared invalid by a court of competent jurisdiction, such decision shall not affect the validity of this Ordinance, any provision incorporated by reference and any other provision of the Town Code as a whole or any part thereof other than the part so declared invalid.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF JEROME,
YAVAPAI COUNTY, ARIZONA, THIS 21st DAY OF SEPTEMBER, 2022.



Dr. Jack Dillenberg, Mayor

ATTEST:



Brett Klein, Town Manager/Clerk

APPROVED AS TO FORM:



William J. Sims, Esq.
Town Attorney

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Voting record at adoption:

	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN
BARBER		X	X			
DILLENBERG			X			
HARVEY	X		X			
MOORE			X			
SHEFFIELD			X			