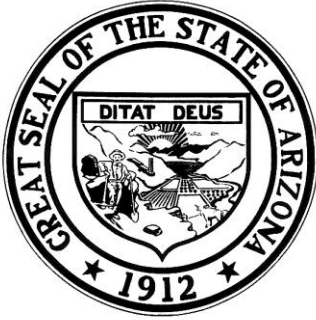


HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2928**

Carbone Floor Amendment

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- Adds that a city, town or county may regulate vacation rentals or short-term rentals by requiring the owner of these rentals to reside on property if it contains an accessory dwelling unit (ADU) and has a specified certificate relating to final approval of the ADU issued on or after September 14, 2024.
 - Allows a county to require at least one ADU unit on a lot or parcel, where a single-family dwelling is allowed, to be a restricted-affordable dwelling unit.
 - Specifies a county is not prohibited from allowing an ADU larger than 75% of the gross floor area of the single-family dwelling on the same lot or parcel as the ADU.
 - Specifies that prohibitions on county regulations for a single-family dwelling does not prohibit shared well agreements, as provided by state law.
 - Adds sensitive environmental area regulations, wildfire prevention regulations and emergency vehicle access regulations to the list of regulations that are not superseded by this section's prohibitions.
 - Allows a county to require a septic system to an ADU to be adequately sized prior to the construction of the ADU, if that ADU will not be adequately serviced by an existing sewer system.
 - Makes a conforming change.

Amendment explanation prepared by S. Robinson

Phone Number 6-3273

jh

3/5/2025

CARBONE FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2928
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 9-461.18, Arizona Revised Statutes, is amended
3 to read:

4 9-461.18. Accessory dwelling units; regulation;
5 applicability; definitions

6 A. A municipality ~~with a population of more than seventy-five~~
7 ~~thousand persons~~ shall adopt regulations that allow on any lot or parcel
8 where a single-family dwelling is allowed all of the following:

9 1. At least one attached and one detached accessory dwelling unit
10 as a permitted use.

11 2. A minimum of one additional detached accessory dwelling unit as
12 a permitted use on a lot or parcel that is one acre or more in size if at
13 least one accessory dwelling unit on the lot or parcel is a
14 restricted-affordable dwelling unit.

15 3. An accessory dwelling unit that is seventy-five percent of the
16 gross floor area of the single-family dwelling on the same lot or parcel
17 or one thousand square feet, whichever is less.

18 B. A municipality may not do any of the following:

19 1. Prohibit the use or advertisement of either the single-family
20 dwelling or any accessory dwelling unit located on the same lot or parcel
21 as separately leased long-term rental housing.

22 2. Require a familial, marital, employment or other preexisting
23 relationship between the owner or occupant of a single-family dwelling and
24 the occupant of an accessory dwelling unit located on the same lot or
25 parcel.

26 3. Require that a lot or parcel have additional parking to
27 accommodate an accessory dwelling unit or require payment of fees instead
28 of additional parking.

1 4. Require that an accessory dwelling unit match the exterior
2 design, roof pitch or finishing materials of the single-family dwelling
3 that is located on the same lot as the accessory dwelling unit.

4 5. Set restrictions for accessory dwelling units that are more
5 restrictive than those for single-family dwellings within the same zoning
6 area with regard to height, setbacks, lot size or coverage or building
7 frontage.

8 6. Set rear or side setbacks for accessory dwelling units that are
9 more than five feet from the property line.

10 7. Require improvements to public streets as a condition of
11 allowing an accessory dwelling unit, except as necessary to reconstruct or
12 repair a public street that is disturbed as a result of the construction
13 of the accessory dwelling unit.

14 8. Require a restrictive covenant concerning an accessory dwelling
15 unit on a lot or parcel zoned for residential use by a single-family
16 dwelling.

17 C. This section does not prohibit restrictive covenants concerning
18 accessory dwelling units entered into between private parties. The
19 municipality may not condition a permit, license or use of an accessory
20 dwelling unit on adopting or implementing a restrictive covenant between
21 private parties.

22 D. This section does not supersede applicable building codes, fire
23 codes or public health and safety regulations, except that a municipality
24 may not require an accessory dwelling unit to comply with a commercial
25 building code or contain a fire sprinkler.

26 E. An accessory dwelling unit may not be built on top of a current
27 or planned public utility easement unless the property owner receives
28 written consent from any utility that is currently using the public
29 utility easement or that may use the public utility easement in the
30 future.

31 F. If a municipality fails to adopt development regulations as
32 required by this section on or before January 1, 2025, accessory dwelling
33 units shall be allowed on all lots or parcels zoned for residential use in
34 the municipality without limits.

35 G. This section does not apply to lots or parcels that are located
36 on tribal land, on land in the territory in the vicinity of a military
37 airport or ancillary military facility as defined in section 28-8461, on
38 land in the territory in the vicinity of a federal aviation administration
39 commercially licensed airport or a general aviation airport or on land in
40 the territory in the vicinity of a public airport as defined in section
41 28-8486 THAT HAS A NOISE LEVEL OF GREATER THAN SIXTY-FIVE DECIBELS.

42 H. THIS SECTION APPLIES TO A MUNICIPALITY WITH A POPULATION OF MORE
43 THAN SEVENTY-FIVE THOUSAND PERSONS.

44 ~~H.~~ I. For the purposes of this section:

45 1. "Accessory dwelling unit" means a self-contained living unit
46 that is on the same lot or parcel as a single-family dwelling of greater
47 square footage than the accessory dwelling unit, that includes its own

1 sleeping and sanitation facilities and that may include its own kitchen
2 facilities.

3 2. "Gross floor area" means the interior habitable area of a
4 single-family dwelling or an accessory dwelling unit.

5 3. "Long-term rental" means rental use in which the tenant holds a
6 lease of ninety days or longer or on a month-by-month basis.

7 4. "Municipality" means a city or town that exercises zoning powers
8 under this title.

9 5. "Permitted use" means the ability for a development to be
10 approved without requiring a public hearing, variance, conditional use
11 permit, special permit or special exception, other than a discretionary
12 zoning action to ~~determination~~ DETERMINE that a site plan conforms with
13 applicable zoning regulations.

14 6. "Restricted-affordable dwelling unit" means a dwelling unit
15 that, either through a deed restriction or a development agreement with
16 the municipality, ~~shall be~~ IS rented to households earning up to eighty
17 percent of area median income.

18 <<Sec. 2. Section 9-500.39, Arizona Revised Statutes, is amended to
19 read:

20 9-500.39. Limits on regulation of vacation rentals and
21 short-term rentals; state preemption; civil
22 penalties; transaction privilege tax license
23 suspension; definitions

24 A. A city or town may not prohibit vacation rentals or short-term
25 rentals.

26 B. A city or town may not restrict the use of or regulate vacation
27 rentals or short-term rentals based on their classification, use or
28 occupancy except as provided in this section. A city or town may regulate
29 vacation rentals or short-term rentals as follows:

30 1. To protect the public's health and safety, including rules and
31 regulations related to fire and building codes, health and sanitation,
32 transportation or traffic control and solid or hazardous waste and
33 pollution control, if the city or town demonstrates that the rule or
34 regulation is for the primary purpose of protecting the public's health
35 and safety.

36 2. To adopt and enforce use and zoning ordinances, including
37 ordinances related to noise, protection of welfare, property maintenance
38 and other nuisance issues, if the ordinance is applied in the same manner
39 as other property classified under sections 42-12003 and 42-12004.

40 3. To limit or prohibit the use of a vacation rental or short-term
41 rental for the purposes of housing sex offenders, operating or maintaining
42 a sober living home, selling illegal drugs, liquor control or pornography,
43 obscenity, nude or topless dancing and other adult-oriented businesses.

44 4. To require the owner of a vacation rental or short-term rental
45 to provide the city or town with emergency contact information for the
46 owner or the owner's designee who is responsible for responding to
47 complaints or emergencies in a timely manner in person if required by

1 public safety personnel, over the phone or by email at any time of day
2 before offering for rent or renting the vacation rental or short-term
3 rental. In addition to any other penalty imposed pursuant to this
4 section, the city or town may impose a civil penalty of up to \$1,000
5 against the owner for every thirty days the owner fails to provide contact
6 information as prescribed by this paragraph. The city or town shall
7 provide thirty days' notice to the owner before imposing the initial civil
8 penalty.

9 5. To require the owner of a vacation rental or short-term rental
10 to obtain and maintain a local regulatory permit or license. As a
11 condition of issuance of a permit or license, the application for the
12 permit or license may require an applicant to provide only the following:

13 (a) The name, address, telephone number and email address for the
14 owner or owner's agent.

15 (b) The address of the vacation rental or short-term rental.

16 (c) Proof of compliance with section 42-5005.

17 (d) Contact information required pursuant to paragraph 4 of this
18 subsection.

19 (e) Acknowledgment of an agreement to comply with all applicable
20 laws, regulations and ordinances.

21 (f) A fee not to exceed the actual cost of issuing the permit or
22 license or \$250, whichever is less.

23 6. To require, before offering a vacation rental or short-term
24 rental for rent for the first time, the owner or the owner's designee of a
25 vacation rental or short-term rental to notify all single-family
26 residential properties adjacent to and directly and diagonally across the
27 street from the vacation rental or short-term rental. Notice shall be
28 deemed sufficient in a multifamily residential building if given to
29 residents on the same building floor. A city or town may require
30 additional notification pursuant to this paragraph if the contact
31 information previously provided changes. Notification provided in
32 compliance with this paragraph shall include the permit or license number
33 if required by the city or town, the address of the vacation rental or
34 short-term rental and the information required pursuant to paragraph 4 of
35 this subsection. The owner or the owner's designee shall demonstrate
36 compliance with this paragraph by providing the city or town with an
37 attestation of notification compliance that consists of the following
38 information:

39 (a) The permit or license number of the vacation rental or
40 short-term rental, if required by the city or town.

41 (b) The address of each property notified.

42 (c) A description of the manner in which the owner or owner's
43 designee chose to provide notification to each property subject to
44 notification.

45 (d) The name and contact information of the person attesting to
46 compliance with this paragraph.

1 7. To require the owner or owner's designee of a vacation rental or
2 short-term rental to display the local regulatory permit number or license
3 number, if any, on each advertisement for a vacation rental or short-term
4 rental that the owner or owner's designee maintains. A city or town that
5 does not require a local regulatory permit or license may require the
6 owner or owner's designee of a vacation rental or short-term rental to
7 display the transaction privilege tax license number required by section
8 42-5042 on each advertisement for a vacation rental or short-term rental
9 that the owner or owner's designee maintains.

10 8. To require the vacation rental or short-term rental to maintain
11 liability insurance appropriate to cover the vacation rental or short-term
12 rental in the aggregate of at least \$500,000 or to advertise and offer
13 each vacation rental or short-term rental through an online lodging
14 marketplace that provides equal or greater coverage.

15 9. To require the owner of a vacation rental or short-term rental
16 to reside on the property if the property contains an accessory dwelling
17 unit ~~[that was constructed on or after September 14, 2024 and that is~~
18 ~~being used as a vacation rental or short-term rental. Unless the time~~
19 ~~period specified in section 12-1134, subsection 6 has expired, this~~
20 ~~paragraph does not apply to a property owner who has the right to build an~~
21 ~~accessory dwelling unit on the property owner's property before September~~
22 ~~14, 2024 whether or not the accessory dwelling unit has been built] [AND~~
23 ~~IF A CERTIFICATE OF OCCUPANCY, CERTIFICATE OF COMPLETION OR SIMILAR FINAL~~
24 ~~APPROVAL FOR THE ACCESSORY DWELLING UNIT WAS ISSUED BY THE MUNICIPALITY ON~~
25 ~~OR AFTER SEPTEMBER 14, 2024. THIS PARAGRAPH DOES NOT APPLY TO AN OWNER OF~~
26 ~~A VACATION RENTAL OR SHORT-TERM RENTAL IF THE PROPERTY CONTAINS AN~~
27 ~~ACCESSORY DWELLING UNIT AND THE CERTIFICATE OF COMPLETION, THE CERTIFICATE~~
28 ~~OF OCCUPANCY OR A SIMILAR FINAL APPROVAL FOR THE ACCESSORY DWELLING UNIT~~
29 ~~WAS ISSUED ON OR BEFORE SEPTEMBER 13, 2024].~~

30 C. A city or town that requires a local regulatory permit or
31 license pursuant to this section shall issue or deny the permit or license
32 within seven business days of receipt of the information required by
33 subsection B, paragraph 5 of this section and otherwise in accordance with
34 section 9-835, except that a city or town may deny issuance of a permit or
35 license only for any of the following:

36 1. Failure to provide the information required by subsection B,
37 paragraph 5, subdivisions (a) through (e) of this section.

38 2. Failure to pay the required permit or license fee.

39 3. At the time of application the owner has a suspended permit or
40 license for the same vacation rental or short-term rental.

41 4. The applicant provides false information.

42 5. The owner or owner's designee of a vacation rental or short-term
43 rental is a registered sex offender or has been convicted of any felony
44 offense that resulted in death or serious physical injury or any felony
45 use of a deadly weapon within the past five years.

46 D. A city or town that requires a local regulatory permit or
47 license pursuant to this section shall adopt an ordinance to allow the

1 city or town to initiate an administrative process to suspend a local
2 regulatory permit or license for a period of up to twelve months for the
3 following verified violations associated with a property:

4 1. Three verified violations within a twelve-month period, not
5 including any verified violation based on an aesthetic, solid waste
6 disposal or vehicle parking violation that is not also a serious threat to
7 public health and safety.

8 2. One verified violation that results in or constitutes any of the
9 following:

10 (a) A felony offense committed at or in the vicinity of a vacation
11 rental or short-term rental by the vacation rental or short-term rental
12 owner or owner's designee.

13 (b) A serious physical injury or wrongful death at or related to a
14 vacation rental or short-term rental resulting from the knowing,
15 intentional or reckless conduct of the vacation rental or short-term
16 rental owner or owner's designee.

17 (c) An owner or owner's designee knowingly or intentionally housing
18 a sex offender, allowing offenses related to adult-oriented businesses,
19 sexual offenses or prostitution, or operating or maintaining a sober
20 living home, in violation of a regulation or ordinance adopted pursuant to
21 subsection B, paragraph 3 of this section.

22 (d) An owner or owner's designee knowingly or intentionally
23 allowing the use of a vacation rental or short-term rental for a special
24 event that would otherwise require a permit or license pursuant to a city
25 or town ordinance or a state law or rule or for a retail, restaurant,
26 banquet space or other similar use.

27 3. Notwithstanding paragraphs 1 and 2 of this subsection, any
28 attempted or completed felony offense, arising from the occupancy or use
29 of a vacation rental or short-term rental, that results in a death, or
30 actual or attempted serious physical injury, shall be grounds for judicial
31 relief in the form of a suspension of the property's use as a vacation
32 rental or short-term rental for a period of time that shall not exceed
33 twelve months.

34 E. A city or town that requires sex offender background checks on a
35 vacation rental or short-term rental guest shall waive the requirement if
36 an online lodging marketplace performs a sex offender background check of
37 the booking guest.

38 F. Notwithstanding any other law, a city or town may impose a civil
39 penalty of the following amounts against an owner of a vacation rental or
40 short-term rental if the owner receives one or more verified violations
41 related to the same vacation rental or short-term rental property within
42 the same twelve-month period:

43 1. Up to \$500 or up to an amount equal to one night's rent for the
44 vacation rental or short-term rental as advertised, whichever is greater,
45 for the first verified violation.

1 2. Up to \$1,000 or up to an amount equal to two nights' rent for
2 the vacation rental or short-term rental as advertised, whichever is
3 greater, for the second verified violation.

4 3. Up to \$3,500 or up to an amount equal to three nights' rent for
5 the vacation rental or short-term rental as advertised, whichever is
6 greater, for a third and any subsequent verified violation.

7 G. A vacation rental or short-term rental that fails to apply for a
8 local regulatory permit or license in accordance with subsection B,
9 paragraph 5 of this section, within thirty days of the local regulatory
10 permit or license application process being made available by the city or
11 town issuing such permits or licenses, must cease operations. In addition
12 to any civil penalties imposed pursuant to subsection F of this section, a
13 city or town may impose a civil penalty of up to \$1,000 per month against
14 the owner if the owner or owner's designee fails to apply for a regulatory
15 permit or license within thirty days after receiving written notice of the
16 failure to comply with subsection B, paragraph 5 of this section.

17 H. If multiple verified violations arise out of the same response
18 to an incident at a vacation rental or short-term rental, those verified
19 violations are considered one verified violation for the purpose of
20 assessing civil penalties or suspending the regulatory permit or license
21 of the owner pursuant to this section.

22 I. If the owner of a vacation rental or short-term rental has
23 provided contact information to a city or town pursuant to subsection B,
24 paragraph 4 of this section and if the city or town issues a citation for
25 a violation of the city's or town's applicable laws, regulations or
26 ordinances or a state law that occurred on the owner's vacation rental or
27 short-term rental property, the city or town shall make a reasonable
28 attempt to notify the owner or the owner's designee of the citation within
29 seven business days after the citation is issued using the contact
30 information provided pursuant to subsection B, paragraph 4 of this
31 section. If the owner of a vacation rental or short-term rental has not
32 provided contact information pursuant to subsection B, paragraph 4 of this
33 section, the city or town is not required to provide such notice.

34 J. This section does not exempt an owner of a residential rental
35 property, as defined in section 33-1901, from maintaining with the
36 assessor of the county in which the property is located information
37 required under title 33, chapter 17, article 1.

38 K. A vacation rental or short-term rental may not be used for
39 nonresidential uses, including for a special event that would otherwise
40 require a permit or license pursuant to a city or town ordinance or a
41 state law or rule or for a retail, restaurant, banquet space or other
42 similar use.

43 L. For the purposes of this section:

44 1. "Accessory dwelling unit" has the same meaning prescribed in
45 section 9-461.18.

46 2. "Online lodging marketplace" has the same meaning prescribed in
47 section 42-5076.

1 3. "Transient" has the same meaning prescribed in section 42-5070.

2 4. "Vacation rental" or "short-term rental":

3 (a) Means any individually or collectively owned single-family or
4 one-to-four-family house or dwelling unit or any unit or group of units in
5 a condominium or cooperative that is also a transient public lodging
6 establishment or owner-occupied residential home offered for transient use
7 if the accommodations are not classified for property taxation under
8 section 42-12001.

9 (b) Does not include a unit that is used for any nonresidential
10 use, including retail, restaurant, banquet space, event center or another
11 similar use.

12 5. "Verified violation" means a finding of guilt or civil
13 responsibility for violating any state law or local ordinance relating to
14 a purpose prescribed in subsection B, D, F or K of this section that has
15 been finally adjudicated.>>

16 Sec. 3. Section 11-269.17, Arizona Revised Statutes, is amended to
17 read:

18 11-269.17. Limits on regulation of vacation rentals and
19 short-term rentals; state preemption; civil
20 penalties; transaction privilege tax license
21 suspension; definitions

22 A. A county may not prohibit vacation rentals or short-term
23 rentals.

24 B. A county may not restrict the use of or regulate vacation
25 rentals or short-term rentals based on their classification, use or
26 occupancy except as provided in this section. A county may regulate
27 vacation rentals or short-term rentals within the unincorporated areas of
28 the county as follows:

29 1. To protect the public's health and safety, including rules and
30 regulations related to fire and building codes, health and sanitation,
31 transportation or traffic control and solid or hazardous waste and
32 pollution control, if the county demonstrates that the rule or regulation
33 is for the primary purpose of protecting the public's health and safety.

34 2. To adopt and enforce use and zoning ordinances, including
35 ordinances related to noise, protection of welfare, property maintenance
36 and other nuisance issues, if the ordinance is applied in the same manner
37 as other property classified under sections 42-12003 and 42-12004.

38 3. To limit or prohibit the use of a vacation rental or short-term
39 rental for the purposes of housing sex offenders, operating or maintaining
40 a sober living home, selling illegal drugs, liquor control or pornography,
41 obscenity, nude or topless dancing and other adult-oriented businesses.

42 4. To require the owner of a vacation rental or short-term rental
43 to provide the county with EMERGENCY contact information for the owner or
44 the owner's designee who is responsible for responding to complaints or
45 emergencies in a timely manner in person if required by public safety
46 personnel, over the phone or by email at any time of day before offering
47 for rent or renting the vacation rental or short-term rental. In addition

1 to any other penalty ~~IMPOSED~~ pursuant to this section, the county may
2 impose a civil penalty of up to \$1,000 against the owner for every thirty
3 days the owner fails to provide contact information as prescribed by this
4 paragraph. The county shall provide thirty days' notice to the owner
5 before imposing the initial civil penalty.

6 5. To require ~~an~~ ~~THE~~ owner of a vacation rental or short-term
7 rental to obtain and maintain a local regulatory permit or license. As a
8 condition of issuance of a permit or license, the application for the
9 permit or license may require an applicant to provide only the following:

10 (a) ~~THE~~ name, address, ~~phone~~ ~~TELEPHONE~~ number and email address for
11 the owner or owner's agent.

12 (b) ~~THE~~ address of the vacation rental or short-term rental.

13 (c) Proof of compliance with section 42-5005.

14 (d) Contact information required pursuant to paragraph 4 of this
15 subsection.

16 (e) Acknowledgment of an agreement to comply with all applicable
17 laws, regulations and ordinances.

18 (f) A fee not to exceed the actual cost of issuing the permit or
19 license or \$250, whichever is less.

20 6. To require, before offering a vacation rental or short-term
21 rental for rent for the first time, the owner or the owner's designee of a
22 vacation rental or short-term rental to notify all single-family
23 residential properties adjacent to, ~~AND~~ directly and diagonally across
24 the street from the vacation rental or short-term rental. Notice shall be
25 deemed sufficient in a multifamily residential building if given to
26 residents on the same building floor. A county may require additional
27 notification pursuant to this paragraph if the contact information
28 previously provided changes. Notification provided in compliance with
29 this paragraph shall include the permit or license number if required by
30 the county, the address, ~~OF THE VACATION RENTAL OR SHORT-TERM RENTAL~~ and
31 the information required pursuant to paragraph 4 of this subsection. The
32 owner or the owner's designee shall demonstrate compliance with this
33 paragraph by providing the county with an attestation of notification
34 compliance that consists of the following information:

35 (a) The permit or license number of the vacation rental or
36 short-term rental, if required by the county.

37 (b) The address of each property notified.

38 (c) A description of the manner in which the owner or owner's
39 designee chose to provide notification to each property subject to
40 notification.

41 (d) The name and contact information of the person attesting to
42 compliance with this paragraph.

43 7. To require the owner or owner's designee of a vacation rental or
44 short-term rental to display the local regulatory permit number or license
45 number, if any, on each advertisement for a vacation rental or short-term
46 rental that the owner or owner's designee maintains. A county that does
47 not require a local regulatory permit or license may require the owner or

1 owner's designee of a vacation rental or short-term rental to display the
2 transaction privilege tax license NUMBER required by section 42-5042 on
3 each advertisement for a vacation rental or short-term rental that the
4 owner or owner's designee maintains.

5 8. To require the vacation rental or short-term rental to maintain
6 liability insurance appropriate to cover the vacation rental or short-term
7 rental in the aggregate of at least \$500,000 or to advertise and offer
8 each vacation rental or short-term rental through an online lodging
9 marketplace that provides equal or greater coverage.

10 9. TO REQUIRE THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL
11 TO RESIDE ON THE PROPERTY IF THE PROPERTY CONTAINS AN ACCESSORY DWELLING
12 UNIT ~~[THAT WAS CONSTRUCTED ON OR AFTER THE EFFECTIVE DATE OF THIS~~
13 ~~AMENDMENT TO THIS SECTION AND THAT IS BEING USED AS A VACATION RENTAL OR~~
14 ~~SHORT-TERM RENTAL. UNLESS THE TIME PERIOD SPECIFIED IN SECTION 12-1134,~~
15 ~~SUBSECTION G HAS EXPIRED, THIS PARAGRAPH DOES NOT APPLY TO A PROPERTY~~
16 ~~OWNER WHO HAS THE RIGHT TO BUILD AN ACCESSORY DWELLING UNIT ON THE~~
17 ~~PROPERTY OWNER'S PROPERTY BEFORE THE EFFECTIVE DATE OF THIS AMENDMENT TO~~
18 ~~THIS SECTION WHETHER OR NOT THE ACCESSORY DWELLING UNIT HAS BEEN BUILT]~~
19 ~~[AND IF A CERTIFICATE OF OCCUPANCY, CERTIFICATE OF COMPLETION OR SIMILAR~~
20 ~~FINAL APPROVAL FOR THE ACCESSORY DWELLING UNIT WAS ISSUED BY THE COUNTY ON~~
21 ~~OR AFTER SEPTEMBER 14, 2024. THIS PARAGRAPH DOES NOT APPLY TO AN OWNER OF~~
22 ~~A VACATION RENTAL OR SHORT-TERM RENTAL IF THE PROPERTY CONTAINS AN~~
23 ~~ACCESSORY DWELLING UNIT AND THE CERTIFICATE OF COMPLETION, THE CERTIFICATE~~
24 ~~OF OCCUPANCY OR A SIMILAR FINAL APPROVAL FOR THE ACCESSORY DWELLING UNIT~~
25 ~~WAS ISSUED ON OR BEFORE SEPTEMBER 13, 2024].~~

26 C. A county that requires a local regulatory permit or license
27 pursuant to this section shall issue or deny the permit or license within
28 seven business days of receipt of the information required by subsection
29 B, paragraph 5 of this section and otherwise in accordance with section
30 11-1602, except that a county may deny issuance of a permit or license
31 only for any of the following:

32 1. Failure to provide the information required by subsection B,
33 paragraph 5, subdivisions (a) through (e) of this section.

34 2. Failure to pay the required permit or license fee.

35 3. At the time of application the owner has a suspended permit or
36 license for the same vacation rental or short-term rental.

37 4. The applicant provides false information.

38 5. The owner or owner's designee of a vacation rental or short-term
39 rental is a registered sex offender or has been convicted of any felony
40 ~~act~~ OFFENSE that results in death or serious physical injury or any felony
41 use of a deadly weapon within the past five years.

42 D. A county that requires a local regulatory permit or license
43 pursuant to this section shall adopt an ordinance to allow the county to
44 initiate an administrative process to suspend a local regulatory permit or
45 license for a period of up to twelve months for the following verified
46 violations associated with a property:

1 1. Three verified violations within a twelve-month period, not
2 including any verified violation based on an aesthetic, solid waste
3 disposal or vehicle parking violation that is not also a serious threat to
4 public health or safety.

5 2. One verified violation that results in or constitutes any of the
6 following:

7 (a) A felony offense committed at or in the vicinity of a vacation
8 rental or short-term rental by the vacation rental or short-term rental
9 owner or owner's designee.

10 (b) A serious physical injury or wrongful death at or related to a
11 vacation rental or short-term rental resulting from the knowing,
12 intentional or reckless conduct of the vacation rental or short-term
13 rental owner or owner's designee.

14 (c) An owner or owner's designee knowingly or intentionally housing
15 a sex offender, allowing offenses related to adult-oriented businesses,
16 sexual offenses or prostitution, or operating or maintaining a sober
17 living home, in violation of regulation or ordinance adopted pursuant to
18 subsection B, paragraph 3 of this section.

19 (d) An owner or owner's designee knowingly or intentionally
20 allowing the use of a vacation rental or short-term rental for a special
21 event that would otherwise require a permit or license pursuant to a
22 county **ORDINANCE** or a state law or rule or for a retail, restaurant,
23 banquet space or other similar use.

24 3. Notwithstanding paragraphs 1 and 2 of this subsection, any
25 attempted or completed felony ~~act~~ **OFFENSE**, arising from the occupancy or
26 use of a vacation rental or short-term rental, that results in a death, or
27 actual or attempted serious physical injury, shall be grounds for judicial
28 relief in the form of a suspension of the property's use as a vacation
29 rental or short-term rental for a period of time that shall not exceed
30 twelve months.

31 E. A county that requires sex offender background checks on a
32 vacation rental or short-term rental guest shall waive the requirement if
33 an online lodging marketplace performs a sex offender background check of
34 the booking guest.

35 F. Notwithstanding any other law, a county may impose a civil
36 penalty of the following amounts against an owner of a vacation rental or
37 short-term rental if the owner receives one or more verified violations
38 related to the same vacation rental or short-term rental property within
39 the same twelve-month period:

40 1. Up to \$500 or up to an amount equal to one night's rent for the
41 vacation rental or short-term rental as advertised, whichever is greater,
42 for the first verified violation.

43 2. Up to \$1,000 or up to an amount equal to two nights' rent for
44 the vacation rental or short-term rental as advertised, whichever is
45 greater, for the second verified violation.

1 3. Up to \$3,500 or up to an amount equal to three nights' rent for
2 the vacation rental or short-term rental as advertised, whichever is
3 greater, for a third and any subsequent verified violation.

4 G. A vacation rental or short-term rental that fails to apply for a
5 local regulatory permit or license in accordance with subsection B,
6 paragraph 5 of this section, within thirty days of the local regulatory
7 permit or license application process being made available by the county
8 issuing such permits or licenses, must cease operations. In addition to
9 any ~~finer~~ CIVIL PENALTIES imposed pursuant to subsection F of this
10 section, a county may impose a civil penalty of up to \$1,000 per month
11 against the owner if the owner or owner's designee fails to apply for a
12 regulatory permit or license within thirty days after receiving written
13 notice of the failure to comply with subsection B, paragraph 5 of this
14 section.

15 H. If multiple verified violations arise out of the same response
16 to an incident at a vacation rental or short-term rental, those verified
17 violations are considered one verified violation for the purpose of
18 assessing civil penalties or suspending the regulatory permit or license
19 of the owner ~~or owner's designee~~ pursuant to this section.

20 I. If the owner of a vacation rental or short-term rental has
21 provided contact information to a county pursuant to subsection B,
22 paragraph 4 of this section and if the county issues a citation for a
23 violation of the county's applicable laws, regulations or ordinances or a
24 state law that occurred on the owner's vacation rental or short-term
25 rental property, the county shall make a reasonable attempt to notify the
26 owner or the owner's designee of the citation within seven business days
27 after the citation is issued using the contact information provided
28 pursuant to subsection B, paragraph 4 of this section. If the owner of a
29 vacation rental or short-term rental has not provided contact information
30 pursuant to subsection B, paragraph 4 of this section, the county is not
31 required to provide such notice.

32 J. This section does not exempt an owner of a residential rental
33 property, as defined in section 33-1901, from maintaining with the
34 assessor of the county in which the property is located information
35 required under title 33, chapter 17, article 1.

36 K. A vacation rental or short-term rental may not be used for
37 nonresidential uses, including for a special event that would otherwise
38 require a permit or license pursuant to a county ordinance or a state law
39 or rule or for a retail, restaurant, banquet space or other similar use.

40 L. For the purposes of this section:

41 1. "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING PRESCRIBED IN
42 SECTION 11-810.01.

43 ~~1.~~ 2. "Online lodging marketplace" has the same meaning prescribed
44 in section 42-5076.

45 ~~2.~~ 3. "Transient" has the same meaning prescribed in section
46 42-5070.

47 ~~3.~~ 4. "Vacation rental" or "short-term rental":

1 (a) Means any individually or collectively owned single-family or
2 one-to-four-family house or dwelling unit or any unit or group of units in
3 a condominium or cooperative that is also a transient public lodging
4 establishment or owner-occupied residential home offered for transient use
5 if the accommodations are not classified for property taxation under
6 section 42-12001.

7 (b) Does not include a unit that is used for any nonresidential
8 use, including retail, restaurant, banquet space, event center or another
9 similar use.

10 ~~4.~~ 5. "Verified violation" means a finding of guilt or civil
11 responsibility for violating any state law or local ordinance relating to
12 a purpose prescribed in subsection B, D, F or K of this section that has
13 been finally adjudicated.

14 Sec. 4. Title 11, chapter 6, article 1, Arizona Revised Statutes,
15 is amended by adding section 11-810.01, to read:

16 11-810.01. Accessory dwelling units; regulation;
17 applicability; definitions

18 A. A COUNTY SHALL ADOPT REGULATIONS THAT ALLOW ON ANY LOT OR PARCEL
19 WHERE A SINGLE-FAMILY DWELLING IS ALLOWED ALL OF THE FOLLOWING:

20 1. AT LEAST ONE ATTACHED AND ONE DETACHED ACCESSORY DWELLING UNIT
21 AS A PERMITTED USE.

22 2. A MINIMUM OF ONE ADDITIONAL DETACHED ACCESSORY DWELLING UNIT AS
23 A PERMITTED USE ON A LOT OR PARCEL THAT IS ONE ACRE OR MORE IN SIZE ~~[±F]~~
24 [. THE COUNTY MAY REQUIRE] AT LEAST ONE ACCESSORY DWELLING UNIT ON THE
25 LOT OR PARCEL ~~[±S]~~ [TO BE] A RESTRICTED-AFFORDABLE DWELLING UNIT.

26 3. AN ACCESSORY DWELLING UNIT THAT IS SEVENTY-FIVE PERCENT OF THE
27 GROSS FLOOR AREA OF THE SINGLE-FAMILY DWELLING ON THE SAME LOT OR PARCEL
28 OR ONE THOUSAND SQUARE FEET, WHICHEVER IS LESS. [THIS PARAGRAPH DOES NOT
29 PROHIBIT A COUNTY FROM ALLOWING AN ACCESSORY DWELLING UNIT THAT IS LARGER
30 THAN THE SIZE OF AN ACCESSORY DWELLING UNIT THAT IS ALLOWED PURSUANT TO
31 THIS PARAGRAPH.]

32 B. A COUNTY MAY NOT DO ANY OF THE FOLLOWING:

33 1. PROHIBIT THE USE OR ADVERTISEMENT OF EITHER THE SINGLE-FAMILY
34 DWELLING OR ANY ACCESSORY DWELLING UNIT LOCATED ON THE SAME LOT OR PARCEL
35 AS SEPARATELY LEASED LONG-TERM RENTAL HOUSING.

36 2. REQUIRE A FAMILIAL, MARITAL, EMPLOYMENT OR OTHER PREEXISTING
37 RELATIONSHIP BETWEEN THE OWNER OR OCCUPANT OF A SINGLE-FAMILY DWELLING AND
38 THE OCCUPANT OF AN ACCESSORY DWELLING UNIT LOCATED ON THE SAME LOT OR
39 PARCEL.

40 3. REQUIRE THAT A LOT OR PARCEL HAVE ADDITIONAL PARKING TO
41 ACCOMMODATE AN ACCESSORY DWELLING UNIT OR REQUIRE PAYMENT OF FEES INSTEAD
42 OF ADDITIONAL PARKING.

43 4. REQUIRE THAT AN ACCESSORY DWELLING UNIT MATCH THE EXTERIOR
44 DESIGN, ROOF PITCH OR FINISHING MATERIALS OF THE SINGLE-FAMILY DWELLING
45 THAT IS LOCATED ON THE SAME LOT AS THE ACCESSORY DWELLING UNIT.

46 5. SET RESTRICTIONS FOR ACCESSORY DWELLING UNITS THAT ARE MORE
47 RESTRICTIVE THAN THOSE FOR SINGLE-FAMILY DWELLINGS WITHIN THE SAME ZONING

1 AREA WITH REGARD TO HEIGHT, SETBACKS, LOT SIZE OR COVERAGE OR BUILDING
2 FRONTAGE.

3 6. SET REAR OR SIDE SETBACKS FOR ACCESSORY DWELLING UNITS THAT ARE
4 MORE THAN FIVE FEET FROM THE PROPERTY LINE.

5 7. REQUIRE IMPROVEMENTS TO PUBLIC STREETS AS A CONDITION OF
6 ALLOWING AN ACCESSORY DWELLING UNIT, EXCEPT AS NECESSARY TO RECONSTRUCT OR
7 REPAIR A PUBLIC STREET THAT IS DISTURBED AS A RESULT OF THE CONSTRUCTION
8 OF THE ACCESSORY DWELLING UNIT.

9 8. [EXCEPT AS PROVIDED IN SUBSECTION A. PARAGRAPH 2 OF THIS
10 SECTION.] REQUIRE A RESTRICTIVE COVENANT CONCERNING AN ACCESSORY DWELLING
11 UNIT ON A LOT OR PARCEL ZONED FOR RESIDENTIAL USE BY A SINGLE-FAMILY
12 DWELLING.

13 C. THIS SECTION DOES NOT PROHIBIT RESTRICTIVE COVENANTS [OR SHARED
14 WELL AGREEMENTS AS PROVIDED BY STATE LAW] CONCERNING ACCESSORY DWELLING
15 UNITS ENTERED INTO BETWEEN PRIVATE PARTIES. THE COUNTY MAY NOT CONDITION
16 A PERMIT OR LICENSE OR THE USE OF AN ACCESSORY DWELLING UNIT ON ADOPTING
17 OR IMPLEMENTING A RESTRICTIVE COVENANT BETWEEN PRIVATE PARTIES.

18 D. THIS SECTION DOES NOT SUPERSEDE APPLICABLE BUILDING CODES, FIRE
19 CODES[, SENSITIVE ENVIRONMENTAL AREA REGULATIONS, WILDFIRE PREVENTION
20 REGULATIONS, EMERGENCY VEHICLE ACCESS REGULATIONS] OR PUBLIC HEALTH AND
21 SAFETY REGULATIONS, EXCEPT THAT A COUNTY MAY NOT REQUIRE AN ACCESSORY
22 DWELLING UNIT TO COMPLY WITH A COMMERCIAL BUILDING CODE OR CONTAIN A FIRE
23 SPRINKLER.

24 E. AN ACCESSORY DWELLING UNIT MAY NOT BE BUILT ON TOP OF A CURRENT
25 OR PLANNED PUBLIC UTILITY EASEMENT UNLESS THE PROPERTY OWNER RECEIVES
26 WRITTEN CONSENT FROM ANY UTILITY THAT IS CURRENTLY USING THE PUBLIC
27 UTILITY EASEMENT OR THAT MAY USE THE PUBLIC UTILITY EASEMENT IN THE
28 FUTURE.

29 F. IF A COUNTY FAILS TO ADOPT DEVELOPMENT REGULATIONS AS REQUIRED
30 BY THIS SECTION ON OR BEFORE JANUARY 1, 2026, ACCESSORY DWELLING UNITS
31 SHALL BE ALLOWED ON ALL LOTS OR PARCELS ZONED FOR RESIDENTIAL USE IN THE
32 COUNTY WITHOUT LIMITS.

33 G. THIS SECTION DOES NOT APPLY TO LOTS OR PARCELS THAT ARE LOCATED
34 ON TRIBAL LAND, ON LAND IN THE TERRITORY IN THE VICINITY OF A MILITARY
35 AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461, ON
36 LAND IN THE TERRITORY IN THE VICINITY OF A FEDERAL AVIATION ADMINISTRATION
37 COMMERCIALLY LICENSED AIRPORT OR A GENERAL AVIATION AIRPORT OR ON LAND IN
38 THE TERRITORY IN THE VICINITY OF A PUBLIC AIRPORT AS DEFINED IN SECTION
39 28-8486 THAT HAS A NOISE LEVEL OF GREATER THAN SIXTY-FIVE DECIBELS.

40 [H. IF A NEW ACCESSORY DWELLING UNIT WILL NOT BE CONNECTED TO A
41 SEWER SYSTEM OR IF THE SEWER SYSTEM LACKS CAPACITY TO SERVE THE NEW
42 ACCESSORY DWELLING UNIT, A COUNTY MAY REQUIRE THAT ANY SEPTIC SYSTEM THAT
43 WILL BE USED TO SERVE THE ACCESSORY DWELLING UNIT BE ADEQUATELY SIZED
44 BEFORE THE CONSTRUCTION OF THE ACCESSORY DWELLING UNIT.]

45 [H.] [I.] FOR THE PURPOSES OF THIS SECTION:

46 1. "ACCESSORY DWELLING UNIT" MEANS A SELF-CONTAINED LIVING UNIT
47 THAT IS ON THE SAME LOT OR PARCEL AS A SINGLE-FAMILY DWELLING OF GREATER

1 SQUARE FOOTAGE THAN THE ACCESSORY DWELLING UNIT, THAT INCLUDES ITS OWN
2 SLEEPING AND SANITATION FACILITIES AND THAT MAY INCLUDE ITS OWN KITCHEN
3 FACILITIES.

4 2. "GROSS FLOOR AREA" MEANS THE INTERIOR HABITABLE AREA OF A
5 SINGLE-FAMILY DWELLING OR AN ACCESSORY DWELLING UNIT.

6 3. "LONG-TERM RENTAL" MEANS RENTAL USE IN WHICH THE TENANT HOLDS A
7 LEASE OF NINETY DAYS OR LONGER OR ON A MONTH-BY-MONTH BASIS.

8 5. "PERMITTED USE" MEANS THE ABILITY FOR A DEVELOPMENT TO BE
9 APPROVED WITHOUT REQUIRING A PUBLIC HEARING, VARIANCE, CONDITIONAL USE
10 PERMIT, SPECIAL PERMIT OR SPECIAL EXCEPTION, OTHER THAN A DISCRETIONARY
11 ZONING ACTION TO DETERMINE THAT A SITE PLAN CONFORMS WITH APPLICABLE
12 ZONING REGULATIONS.

13 6. "RESTRICTED-AFFORDABLE DWELLING UNIT" MEANS A DWELLING UNIT
14 THAT, EITHER THROUGH A DEED RESTRICTION OR A DEVELOPMENT AGREEMENT WITH
15 THE COUNTY, IS RENTED TO HOUSEHOLDS EARNING UP TO EIGHTY PERCENT OF THE
16 AREA MEDIAN INCOME.

17 Enroll and engross to conform

18 Amend title to conform

MICHAEL CARBONE

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