



## What's changed in Sedona's short-term rental rules?



For more than 20 years, operating a short-term rental within Sedona city limits was a violation of city code. That changed in January 2017 when the state of Arizona preempted local jurisdictions from enacting ordinances that prohibit the rental of residential properties for fewer than 30 days.

In January 2019, the state began requiring online booking platforms such as Airbnb, VRBO and Home Away to collect and remit sales and bed taxes on behalf of their short-term rental clients.

In May 2019, in response to complaints about "party houses," the governor signed a measure to prohibit short-term rentals from being used for special events that would normally require a permit, and allow cities to collect – prior to renting the property or advertising the property for rent – contact information for the person responsible for addressing complaints about a rental property. Anyone offering a property as a short-term rental will now be required to display the owner's Transaction Privilege Tax number on all advertisements for the property. Operators who violate tax-related rules can be fined \$250 for a first offense, \$1,000 for a second or subsequent offenses, and up to 50 percent of the gross monthly rental value of the property where the violation occurred for third and subsequent offenses. This law takes effect Aug. 26, 2019.

The city calculated the number of short-term rental properties within Sedona city limits, as of Aug. 1, 2019, at 1,093. Of those, 40 percent were traditional lodging providers, bed and breakfasts or timeshares. (*Data source: Host Compliance, Seattle, Wash.*)

## What is the city's position on short-term rentals?

The city recognizes that there are many property owners in Sedona for whom short-term rentals provide an important source of income, and that those property owners maintain and operate their properties responsibly and educate their guests about Sedona's laws and community norms.

Short-term rentals are here to stay. At the same time, the Sedona City Council is concerned about unintended consequences of existing legislation and the practicalities of ensuring that operators meet state law requirements. The mayor and council members continue to work with statewide organizations and state legislators to address concerns about local control, including how cities can enforce rules designed to protect neighborhoods, ensure public safety, and promote responsible business operations.

## What are the requirements to operate a short-term rental property?

Properties that may be used for short-term rentals are:

- Single-family houses
- 1- to 4-unit houses (duplex, triplex, fourplex)
- condominiums, townhouses, cooperatives, timeshares

- individual rooms within any of above properties.

Garages, sheds, RVs and apartment complexes with five or more units cannot be used as short-term rentals.

Property owners are required to:

- Ensure the building is a permitted, approved residential structure. Before converting a garage, workshop or other accessory structure into a short-term rental, the owner must get a city of Sedona building permit before conversion work begins.
- Hold a Transaction Privilege Tax license and display the license number in all advertising.
- Remit sales and bed taxes at the same rates as hotels. The Sedona Financial Services Department can provide property owners with the correct sales tax rates for the county in which the property is situated. Taxes must be paid whether or not the property owner charges guests for the tax. Property owners are responsible to collect and remit taxes to the Arizona Department of Revenue or ensure that a third-party vendor such as an online booking service does so on their behalf.
- Comply with all city codes and ordinances, and ensure compliance from renters.

## Contacts for short-term rental property owners

### Transaction Privilege Tax

Apply for a TPT license at [azdor.gov](http://azdor.gov)

Questions? Call the Sedona Financial Services Department at (928) 204-7185

### Building / Remodeling permits

Contact the Sedona Community Development Department at (928) 282-1154

## What rights do I have as a neighbor?

Unless prohibited by a homeowners association, homeowners who live in neighborhoods with HOAs are allowed by state law to operate short-term rentals. The city does not enforce rules and regulations of HOAs.

Short-term rentals must comply with city rules and regulations regarding noise, property maintenance, parking and pet safety, and other nuisances common to residential areas.

When a problem requires immediate attention, but is not a health or safety emergency, residents are encouraged to call the Sedona Police Department non-emergency line at (928) 282-3100.

For recurring non-safety, non-emergency issues such as violations of dark sky / light ordinances, parking violations, property maintenance or pet issues, the best approach is to use the city's online Report It tool. Using the Report It tool creates a record of violations the city can track and link to a particular area or property owner. The city's code enforcement team will inspect the situation, contact the property owner and set a date by which violations must be corrected. To use the tool, visit [sedonaaz.gov/reportit](http://sedonaaz.gov/reportit), fill in the form, upload a photo if desired, and then track the progress as the city responds.

## Dialog and education

When the opportunity arises, the city encourages residents to provide friendly education to visitors about how to protect Sedona's beautiful environment, Leave No Trace outdoor ethics, and wildlife and fire safety. Many visitors from other areas have no experience with wildfires and therefore no knowledge of fire-safe behaviors.

If the rental property owner lives at the property, a friendly conversation may resolve a problem or concern.

## Where to get assistance with neighborhood concerns

Concern	
Loud, after-hours music and noise	Sedona Police Dept. (928) 282-3100
Human or animal safety issue, animal loose	Sedona Police Dept. (928) 282-3100
Your driveway is blocked	Sedona Police Dept. (928) 282-3100
Repeat parking nuisance violations	File a report at <a href="http://sedonaaz.gov/reportit">sedonaaz.gov/reportit</a>
Property maintenance	File a report at <a href="http://sedonaaz.gov/reportit">sedonaaz.gov/reportit</a>
You're unsure if it's a code violation	Community Development Dept. (928) 203-5175

## Have an opinion?

Comments about short-term rentals and whether they need more, or less, local oversight should be directed to the elected officials responsible for shaping Arizona law.

Gov. Doug Ducey  
[engage@az.gov](mailto:engage@az.gov)  
(602) 542-4331

Sen. Sylvia Allen  
[sallen@azleg.gov](mailto:sallen@azleg.gov)  
602-926-5409

Rep. Bob Thorpe  
[bthorpe@azleg.gov](mailto:bthorpe@azleg.gov)  
928-310-8811

Rep. Walter Blackman  
[wblackman@azleg.gov](mailto:wblackman@azleg.gov)  
602-926-3043

This document updated Aug. 21, 2019