



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 as stated in Senate Bill 1350, 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 is 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.

In August 2019, legislation gave cities the ability to require owners of short-term rentals to provide emergency contact information prior to advertising or renting their property. The City now uses the online tool LODGINGRevs to collect emergency contact information.

The city tracks the number of short-term rental properties within Sedona city limits, and as of March 31, 2021 there were 756. This number excludes traditional lodging providers, bed and breakfasts, and timeshares. (*Data source: LODGINGRevs*).

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

The city recognizes that there are property owners in Sedona for whom short-term rentals provide an important source of income, and that property owners can maintain and operate their properties responsibly and educate their guests about Sedona's laws and community norms. However, the City has seen that this is unfortunately not always the case.

City Council is concerned about the consequences that are being seen in the community including investors buying up housing inventory and driving up prices, reduction in affordable housing, loss of neighborhoods and young families, creating new visitor capacity that is over-taxing infrastructure, and the overall changes to the character of the community. 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.
- If the online marketplace where the rental is listed doesn't collect and remit sales and bed taxes for the owner, you are required to do so 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.
- Register their emergency contact with LODGINGRevs.
- 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 www.azdor.gov

Questions? Call the Arizona Department of Revenue at (602) 255-3381 or the Sedona Financial Services Department at (928) 204-7185

Building / Remodeling permits

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

Register Emergency Contact

Follow the instructions at <https://sedona.munirevs.com/>
Questions? Call 1-888-751-1911

What rights do I have as a neighbor?

Unless prohibited by a homeowner's 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, trash, property maintenance, parking and pet safety, dark sky lighting compliance and other nuisances common to residential areas.

When a problem requires immediate attention, but is not a health or safety emergency, the city, in partnership with LODGINGRevs, established a hotline number and incident reporting form. They are:

- 24/7 short-term rental hotline number: **(928) 203-5110**
- Online incident reporting form: <https://lodging.munirevs.com/complaint/?cityid68>

When complaints are submitted through the 24/7 hotline or online incident report, hotline representatives reach out to the short-term rental operator's emergency contact to resolve the issue and report back to the hotline within an hour. Complainants may inquire about resolution to reported issues by contacting the City Manager's Office.

If vehicles are obstructing traffic, contact the Sedona Police Department at (928) 282-3100.

Dialogue 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

Unless it's an emergency, for any issues with short-term rentals, use the:

- 24/7 short-term rental hotline number: (928) 203-5110, or
- Online incident reporting form: <https://lodging.munirevs.com/complaint/?cityid68>

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
(602) 542-4331

Rep. Brenda Barton
bbarton@azleg.gov
(602) 926-3421

Rep. Walter Blackman
wblackman@azleg.gov
602-926-3043

For more contact information for representatives of the Arizona State Legislature go to www.azleg.gov/memberroster.

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