Create a login.

1) If you are new to the license portal, select Register for an Account to create a login.

www.tempe.gov/licenseportal

- 2) Login and then select Short-Term Rentals
- 3) Select "Create an Application"*

(*You can use one login if you have multiple properties, but you will need to create an application and pay for <u>each</u> license for <u>each</u> rental unit you own or manage.)

What do you need to complete the application for a Tempe Short-Term Rental License?

- 1) Transaction Privilege Tax license number from <u>AZTaxes.gov</u>

 <u>Click Here for Step-by-Step Instructions on Using AZTaxes.gov</u>
- 2) Proof your rental is registered with the Maricopa County Assessor
- 3) Proof of, at least, \$500,000 liability coverage either from your own insurance company or proof from the online lodging marketplace where your property is advertised

What are you required to do once you have been approved for a Tempe Short-Term Rental License?

Notify **in writing** each residential property adjacent to, directly across from, and diagonally across the street of the short-term rental property. If the short-term rental is in a multi-family residential building, notice must be given **in writing** to all units on the same building floor.

Click Here for Neighbor Notification Examples.

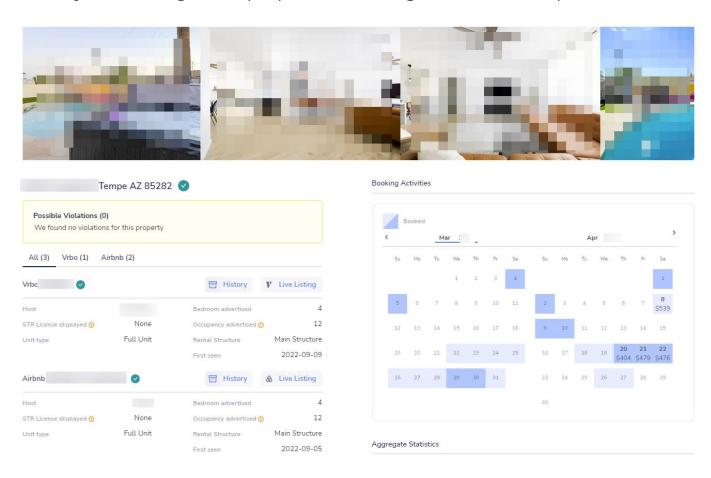
Details on the New Tempe Short-Term Rental License:

Penalties:

 Failure to obtain a Tempe Short-Term Rental License for each Short-Term Rental located in Tempe carries a penalty of up to \$1,000 per month • Failure to provide emergency contact information for each Short-Term Rental located in Tempe carries an additional penalty of up to \$1,000 per month.

Compliance Efforts:

Please note that Tempe Tax & License uses a technology to identify property owners, parcels and booking revenues of short-term rental properties in Tempe. Tempe Tax & License audit and collections staff are actively contacting these properties to bring them into compliance.



Tempe short-term rental property regulation changes go into effect soon



Maintain liability insurance of at least \$500,000

through an online lodging marketplace that

insurance coverage for the short-term rental.

 Conduct a sex offender background check on the person booking the short-term rental at no cost

by using the online national sex offender public

website operated by the United States Department of Justice (https://www.nsopw.gov/) and retain a

record either in hard copy or electronic form of

provides equal or greater primary liability

or provide evidence that each vacation rental or short-term rental transaction will be provided

New regulations for short-term rental properties in Tempe go into effect on March 6. Here's what short-term rental property owners need to know.

New regulations require property owners to:

- Obtain a short-term rental license and pay an annual \$250 license fee.
- Provide proof of a valid sales tax license (https://www.aztaxes.gov) and evidence the rental is registered with the Maricopa County Assessor (https://mcassessor.maricopa.gov/page/ residential_property/forms).
- Display the short-term rental license number on advertisements.
- Prior to offering a short-term rental for rent for the first time, notify each residential property adjacent to, directly across from, and diagonally across the street of the short-term rental property. If the short-term rental is in a multi-family residential building, notice must be given to all units on the same building floor. Details as to what must be included in the notice are available at
- the background
 See all of the regulations at tempe.gov/ShortTermRentals

tempe.gov/ShortTermRentals

Penalties for not following these regulations can range from \$1,000 a month or \$500 to \$3,500 or three night's rent of the property, whichever is greater, depending on the violation. Licenses may also be suspended for up to a year. Visit **tempe.gov/ShortTermRentals** to read all the penalties.





For more information:

Visit tempe.gov/ShortTermRentals Email license@tempe.gov Call 480-350-2955

Regulations for Short-Term Rental Properties



What Neighbors Need to Know

Keeping Tempe's neighborhoods safe and peaceful is a priority for the City of Tempe. To help, the Tempe City Council passed additional regulations for short-term rental properties. These changes include requirements for licensing, liability insurance, sex offender background checks, neighborhood notifications and rapid response to emergency contact numbers. Read all the regulations at tempe.gov/ShortTermRentals.

Penalties for property owners that don't follow regulations can range from \$1,000 a month or \$500 to \$3,500 or three night's rent of the property, whichever is greater, depending on the violation. Rental licenses may also be suspended for up to a year. The goal is to protect Tempe neighborhoods.

What to do If there's an Issue

In the event of excessive noise or similar non-urgent issues, residents are encouraged to call the emergency contact that will now be provided for every short-term rental property. Another option for ongoing disturbances is the Tempe Police non-emergency line, 480-350-8311. In case of Emergency call 911. Residents may also file an online complaint. Visit tempe.gov/LicensePortal and scroll to the bottom of the page. You do not need to create an account to file a complaint. Just fill out the online form.

Go online to file a complaint







Questions? Email IIcense@tempe.gov or call 480-350-2955.

CLICK HERE TO READ THE NEW ORDINANCE

NOTE: Tempe Tax & License began publishing in March 2023 those properties that are currently licensed and the list will include owner and emergency contact information.

For questions regarding the short-term rental ordinance, contact Tempe Tax & License at license@tempe.gov.

Am I Short-Term Rental or Vacation Rental?

Short-Term Rentals are residential properties rented for LESS THAN 30 DAYS such as:

- also Vacation Rentals
- single-family homes
- guest house
- apartments
- condominiums
- rooms for rent
- corporate housing

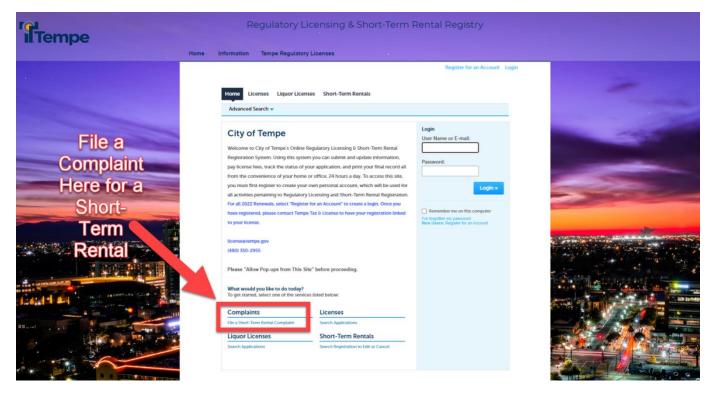
Short-Term Rentals are:

- subject to Transaction Privilege Tax(TPT or sales tax)
- an alternative to hotels and motels (but taxed the same)
- commonly advertised on an online lodging marketplace (OLM)
- required by law to be licensed with the City of Tempe if property located in Tempe
- required by law to register with the Maricopa County Assessor's Office (Tempe penalty is \$1,000)

Current Tempe Short-Term Rental Licenses

Tempe Short-Term Rental License List 3.24.2023

The link above provides the listing of approved Short-Term Rental licenses in the City of Tempe. This list will continue to grow as property owners become more aware of the requirement to be licensed in the City of Tempe for this business activity and because some applications are pending either because of the applicant or because our staff is working on approval. We will update on a weekly basis for the first half of 2023.



If you wish to make a non-emergency complaint about a short-term rental property, please complete our complaint form located at: **tempe.gov/licenseportal**

Please note that Tempe Tax & License will not provide an update on complaints.

If there is an emergency at a short-term rental property, please call 9-1-1.

For all other non-emergency issues, contact Tempe Police at: 480-350-8311.

Important Details on the New STR License

New Regulations Effective March 6, 2023

Owners of short-term rental properties will need to:

- Obtain a Tempe Short-Term Rental License license and pay an annual \$250 license fee for each property or unit.
- Provide proof of a **valid sales tax license** and evidence the rental is registered with the Maricopa County Assessor's Office.
- Require the display of the **local license number** on advertisements.
- Notify all residential properties adjacent to, directly, and diagonally across the property of their emergency contact information.
 Responses to complaints would be required from the emergency point of contact within 30 minutes for complaints for which public safety personnel are dispatched or 24 hours for non-emergency complaints.

- If the short-term rental is a multiple-residence unit, notice shall be provided to the owners or residents of all residential units located on the same floor of the same building as the short-term rental.
- Maintain liability insurance of at least \$500,000 or provide evidence
 that each vacation rental or short-term rental transaction will be
 provided through an online lodging marketplace that provides equal
 or greater primary liability insurance coverage for the short-term
 rental.
- Conduct a sex offender background check on the person booking the short-term rental at no cost by using the online national sex offender public website operated by the United States Department of Justice (https://www.nsopw.gov/) and retain a record either in hard copy or electronic form of the background check for 12 months after the booking date.

The Tempe City Council recently approved a new Short-Term Rental License, with an effective date of March 6, 2023; to protect the health, safety, and welfare of the City's residents and visitors by enacting reasonable regulations of short-term rentals consistent with A.R.S. §. 9500.39; to help mitigate harmful abuses associated with short-term rentals, while preserving property owners' rights to rent their property in a manner that does not disturb the peace, or harm public health, safety, or welfare.

Per <u>Tempe Ordinance No. O2023.01</u>, short-term and vacation rental property owners must obtain and maintain a City of Tempe Short-Term Rental License **for each Tempe property**. **The non-refundable annual license fee is \$250 per property**; funds received will go 100 percent to cover costs associated with licensing short-term rental properties.

NOTE: The City of Tempe Short-Term Rental License described here applies to transient lodging, rentals of less than 30 days, as defined by A.R.S. § 42-5070. Owners that rent for 30 days or longer do not need to obtain a City of Tempe Short-Term Rental License.

Provisions of the ordinance include:

• Prior to offering a property as a short-term rental, the owner shall obtain an annual short-term rental license from the City. The license application shall contain the following minimum information, which shall be made publicly available: The owner of a short-

term/vacation rental shall provide the City of Tempe with the name, address, and telephone number of the owner for which the short-term license is to be issued. If the property owner is an entity, the legal name of the entity and its statutory agent.

- The name, address, and telephone number of each designee of the owner, if any.
- The full name, address, and twenty-four (24) hour telephone number of the individual who will serve as the emergency point of contact.
- Owners of short-term rental properties are required by law to obtain a TPT license from the Arizona Department of Revenue (ADOR), whether the owner rents the property themselves or employs a property management company. ADOR administers and collects the tax on behalf of all Arizona cities and towns. You may register, file, and pay online at www.AZTaxes.gov.
 - Add region codes applicable to Tempe (TE) and MAR for County. NAICS Code 721199
 - Add business codes: County 025-Transient Lodging; City 044-Hotel; and 144-Additional Hotel tax.
- All owners of short-term/vacation rentals are required by law to pay the transaction privilege tax (TPT) of 1.8% and the transient lodging tax of 5.0%. (Plus, Maricopa County 7.27%; Total Tax Rate combined = 14.07%)
- Property owners who book through an Online Lodging
 Marketplace (OLM) with applicable taxes paid by the OLM, must
 still file a tax return showing the gross receipts received from the
 OLM with a deduction equal to the amount received by the OLM
 (deduction code 775).
- Form 5018 Online Lodging Operator Exemption Certificate This Certificate establishes liability for the registered OLM for the applicable tax as defined in A.R.S. 42-5076 and 42-6009(B).
- The City license number must be posted in all advertisements.
- All rental properties, including short-term rentals, shall register certain information related to the property with the Maricopa County Assessor. (A.R.S. 33-1902) (mcassessor.maricopa.gov)
- Tempe Short-Term Rental owners are required to provide notification to each single-family residential property adjacent to, directly across, and diagonally across from the property, or in a multi-family residential building, all units on the same building floor. (*Note:*

adjacent shall mean the condition of being near to or close to but not necessarily having a common dividing line. Therefore, two (2) properties which are separated only by a street or alley shall be considered adjacent to one another.)

• No later than twenty-four (24) hours before every stay; conduct a sex offender background check on the person booking the short-term rental, through the online national sex offender public website operated by the United States Department of Justice (https://www.nsopw.gov/). The owner shall retain a record (either hard-copy or electronic) for twelve (12) months after the booking date.

The requirements above are satisfied and/or waived if the OLM platform on which the short-term rental is advertised performs the background check.

- Evidence of liability insurance in the aggregate of at least \$500,000 or evidence that each short-term rental transaction will be provided through a platform that provides equal or greater primary liability insurance coverage.
- Acknowledgment by the owner to comply with all applicable laws, regulations, and ordinances, including the requirement that the owner and each designee shall not be a registered sex offender, been convicted of any felony act that resulted in death or serious personal injury, or been convicted of a felony use of a deadly weapon within the past five years.
- Civil Penalties: Fines may be assessed for violating any local ordinance or state law
- License Suspension: A short-term license may be suspended for up to 12 months if there are three (3) verified violations within a rolling 12-month period, or a single serious infraction.
- Compliance with city ordinances and regulations is important to protect the property owners engaged in short-term rentals, their neighbors, and the safety and quality of Tempe's neighborhoods.
- Property owners are responsible for ensuring that renters are complying with all applicable rules and regulations; such as, noise, nuisances, parking, maximum property allowances, trash/recycling, etc.
- If you will be improving the property, some improvements may require a building permit before beginning the work.

APPLICATION REVIEW & TIMEFRAMES

The City shall issue or deny the license with seven (7) business days after receipt of a complete application, except that the City may deny issuance of a license for any of the following reasons:

1. The applicant failed to provide the information required;

- 2. The applicant failed to pay the license fee required;
- 3. The applicant provided false information;
- 4. The owner or designee of the owner: (i) is a registered sex offender; (ii) has been convicted of any felony act that resulted in death or serious physical injury; or (iii) has been convicted of any felony use of a deadly weapon within five (5) years of submitting the application; or
- 5. At the time of application, the owner has a suspended license for the same short-term rental or any of the following applies: (a) one violation at the short-term rental that resulted in or constituted any of the offenses described in Sec. 16A-221; or (b) three violations of this Article at the vacation rental within a twelve (12) month period, not including an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.

A.R.S. § 9-834. Prohibited acts by municipalities and employees; enforcement; notice

- A. A municipality shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule, ordinance or code. A general grant of authority does not constitute a basis for imposing a licensing requirement or condition unless the authority specifically authorizes the requirement or condition.
- B. Unless specifically authorized, a municipality shall avoid duplication of other laws that do not enhance regulatory clarity and shall avoid dual permitting to the maximum extent practicable.
- C. This section does not prohibit municipal flexibility to issue licenses or adopt ordinances or codes.
- D. A municipality shall not request or initiate discussions with a person about waiving that person's rights.
- E. This section may be enforced in a private civil action and relief may be awarded against a municipality. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against a municipality for a violation of this section.
- F. A municipal employee may not intentionally or knowingly violate this section. A violation of this section is cause for disciplinary action or dismissal pursuant to the municipality's adopted personnel policy.

G. This section does not abrogate the immunity provided by Section 12-820-01 or 12-820.02.

A.R.S. 9-495, as amended by SB1382. Employees providing assistance; identification; communication; notice

A. In any written communication between a city or town and a person to provide the name, telephone number, and email address of the employee who is authorized and able to provide information about the communication if the communication does any of the following:

- 1. Demands payment of a tax, fee, penalty, fine or assessment;
- 2. Denies an application for a permit or license that is issued by the city or town; or
- 3. Requests corrections, revisions or additional information or materials needed for approval of any application for a permit, license or other authorization that is issued by the city or town.
- B. An employee who is authorized and able to provide information about any communication that is described above shall reply within five (5) business days after the city or town receives that communication.