

Navigating Arizona's Short-Term Rental Regulations: What Investors Need to Know

Arizona is one of the most short-term rental (STR)-friendly states in the U.S., but that doesn't mean there aren't rules to follow. As STR popularity continues to grow, so do regulations aimed at balancing economic benefits with the needs of local communities. Whether you're a seasoned investor or just starting out, understanding Arizona's STR regulations is key to protecting your investment and ensuring long-term profitability.

Statewide Regulations

Arizona has statewide laws that safeguard the right to operate short-term rentals. However, local governments can impose additional rules, creating a patchwork of requirements across cities. Key statewide regulations include:

- **Tax Compliance:** STR owners must obtain a Transaction Privilege Tax (TPT) license and remit taxes on their rental income.
- **Liability Insurance:** A minimum of \$500,000 in liability insurance coverage is required.
- **Guest Conduct:** STR owners are responsible for ensuring that guests adhere to noise, parking, and public safety standards.

City-Specific Rules

Some of Arizona's most popular STR destinations have stricter regulations. Here's a quick overview of what to expect in key areas:

- **Scottsdale:**
 - Mandatory short-term rental license.
 - Annual registration fee and emergency contact information required.
 - Events and large gatherings are restricted.
- **Phoenix:**
 - Registration required with proof of liability insurance.
 - Noise and nuisance ordinances enforced.
- **Queen Creek and Buckeye:**
 - Limited additional restrictions, but compliance with statewide tax and safety requirements is essential.
- **Sedona:**
 - Active efforts to balance STR growth with local housing needs; zoning restrictions apply in some areas.



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Compliance Made Simple

Navigating STR regulations can feel overwhelming, but the right tools and support can make it manageable. Here are a few tips to simplify compliance:

Use a Compliance Checklist:

Create a checklist for licensing, permits, and taxes to stay organized.

Work with Local Experts:

A real estate professional who specializes in STRs can guide you through local requirements.

Automate Tax Filings:

Use platforms like Avalara or MyLodgeTax to handle tax filings and payments.

Why Compliance Matters

Failing to comply with local and state regulations can result in fines, penalties, and even the loss of your ability to operate an STR. Beyond the financial risks, non-compliance can harm your reputation as a responsible investor.

Your Next Step

Whether you're purchasing your first STR or managing multiple properties, understanding Arizona's regulations is essential. I can help you navigate local rules, connect with trusted resources, and ensure your investment is protected.

Contact me today to schedule a consultation and learn more about Arizona's short-term rental market!



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