

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H4/3/25

A Bill

HOUSE BILL 1790

By: Representative B. McKenzie

By: Senator J. Bryant

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE REGULATION OF
SHORT-TERM RENTALS BY A LOCAL GOVERNMENT; AND FOR
OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE
REGULATION OF SHORT-TERM RENTALS BY A
LOCAL GOVERNMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 14, Chapter 1, Subchapter 1, is amended to add an additional section to read as follows:

14-1-111. Local government regulation of short-term rentals —

Definitions.

(a) As used in this section:

(1) "Effectively prohibit" means an act or failure to act by the governing body of a local government that prevents a property owner, lodging operator, or tenant from using property as a short-term rental after compliance with generally applicable federal, state, or local laws and with any laws, rules, or regulations allowed by this section;

(2) "Local government" means a county, city of the first class, city of the second class, or an incorporated town;

(3)(A) "Short-term rental" means a residence that is rented or offered for rent for a period of thirty (30) days or less in exchange for a fee.

(B) "Short-term rental" does not include any property that



is used:

- (i) For retail;
- (ii) As a restaurant;
- (iii) As banquet space;
- (iv) As an event center;
- (v) For any other similar use under subdivisions

(a)(3)(B)(i) – (iv) of this section; or

(vi) As an owner-occupied residence in which a portion of the residence is rented; and

(4) "Short-term rental marketplace" means a person who provides a platform through which a property owner, lodging operator, or tenant, or the authorized agent of the property owner, lodging operator, or tenant, offers a short-term rental to an occupant.

(b) A local government shall not:

(1) Effectively prohibit the use of property as a short-term rental;

(2) Impose a rule or regulation creating a jurisdiction wide ban on the use of properties as short-term rentals; or

(3) Impose a rule or regulation creating a jurisdiction wide numerical limit on the use of properties as short-term rentals.

(c) A local government may adopt and enforce an ordinance requiring a permit to operate a short-term rental that may require:

(1) A permit fee;

(2) The identity of the short-term rental owner or owners, any registered agent for the short-term rental, and any property manager of the short-term rental;

(3) The address of the short-term rental;

(4) The current contact information of the short-term rental owner or owners, any registered agent for the short-term rental, and any property manager of the short-term rental;

(5) The posting of applicable safety and emergency contact information in any unit leased as a short-term rental; and

(6) The collection and remittance of any applicable sales and use tax and any advertising and promotion tax under § 26-75-601 et seq.

(d)(1) A permit issued under subsection (c) of this section may be revoked or suspended by the governing body of the local government for twelve

(12) months after three (3) violations of a local ordinance in a twelve-month period occurring at the short-term rental location due to the actions of the owner, permit holder, or an occupant of the short-term rental.

(2) A permit issued under subsection (c) of this section may be revoked or suspended by the governing body of the local government for twenty-four (24) months after a state or federal felonious criminal act has occurred at the short-term rental location, and the felonious criminal act was committed by the owner, permit holder, or an occupant of the short-term rental.

(3)(A) A permit issued under subsection (c) of this section may be revoked or suspended for failure to comply with generally applicable federal, state, or local laws and with any rules or regulations allowed by this section.

(B) Any revocation or suspension under subdivision (d)(3)(A) of this section shall last only until the short-term operator complies with generally applicable federal, state, or local laws and with any rules or regulations allowed by this section.

(e) A local government may enforce all health and safety codes adopted by the local government and the state including without limitation the following codes applicable to the operation of a short-term rental:

- (1) Fire codes;
- (2) Building codes;
- (3) Plumbing codes;
- (4) Sanitation codes; and
- (5) Electrical codes.

(f) A short-term rental:

(1) Shall be classified as residential land use for zoning purposes;

(2) Shall be subject to the zoning requirements of the residential zone where the short-term rental is located; and

(3) May be a permitted use in a commercial zone.

(g) This section does not supersede:

(1) An agreement between a homeowners' association and a homeowner;

(2) A valid deed restriction; or

(3) A covenant.

(h) This section shall not limit the initiative powers of the people under Arkansas Constitution, Article 5, § 1, to enact any regulation, restriction, limitation, or prohibition on short-term rentals.

/s/B. McKenzie