

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1445

By: Representative B. McKenzie
By: Senator J. Bryant

Filed with: House Committee on City, County, and Local Affairs
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO PROHIBIT CERTAIN RESTRICTIONS ON THE
REGULATION OF SHORT-TERM RENTALS; AND FOR OTHER
PURPOSES.

Subtitle

TO PROHIBIT CERTAIN RESTRICTIONS ON THE
REGULATION OF SHORT-TERM RENTALS.

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

SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) Arkansas Constitution, Article 2, § 2, establishes that "All men are created equally free and independent, and have certain inherent and inalienable rights; amongst which are those of enjoying and defending life and liberty; of acquiring, possessing and protecting property, and reputation; and of pursuing their own happiness";

(2) Furthermore, Arkansas Constitution, Article 2, § 21, establishes that "No person shall be taken, or imprisoned, or disseized of his estate, freehold, liberties or privileges; or outlawed, or in any manner destroyed, or deprived of his life, liberty or property; except by the judgment of his peers, or the law of the land; nor shall any person, under any circumstances, be exiled from the State";

(3) Arkansans have a constitutional right to use their property

without intrusion by the government;

(4) Short-term rentals are vital to the tourism and marketability of the state; and

(5) Local governments often hold back tourism and infringe on property owners' private property rights in this state by passing ordinances that inhibit property owners' right to use their property as they see fit.

SECTION 2. Arkansas Code Title 18, Chapter 11, Subchapter 1, is amended to add an additional section to read as follows:

18-11-111. Restrictions on regulation of short-term rentals and vacation rentals – Definitions.

(a) As used in this section:

(1) "Applicant" means:

(A) A short-term rental owner; or

(B) An assigned agent who plans to manage a short-term rental;

(2) "Local government" means an incorporated town, a city, or a county;

(3) "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 reasonable compliance with generally applicable local laws;

(4)(A) "Short-term rental" means an individually or collectively owned single-family house or dwelling unit or a unit or group of units in a condominium, cooperative or timeshare, or owner-occupied residential home that is offered for rental for a fee and for thirty (30) days or less.

(B) "Short-term rental" does not include a unit that is used:

(i) For retail;

(ii) As a restaurant;

(iii) As banquet space;

(iv) As an event center; or

(v) For any other similar use; and

(5) "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,

1 offers a short-term rental to an occupant.

2 (b) A local government shall not enact or enforce an ordinance,
3 resolution, rule, or other requirement of any type that prohibits,
4 effectively prohibits, or limits the use of a property as a short-term rental
5 unit.

6 (c) A local government may enact or enforce an ordinance, resolution,
7 rule, or other requirement that:

8 (1)(A) Requires an applicant to register with the local
9 government, at a cost not to exceed fifty dollars (\$50.00) per short-term
10 rental, prior to the applicant's operation of a short-term rental, provided
11 that the ordinance, resolution, rule, or other requirement does not expressly
12 prohibit, effectively prohibit, or limit the use of a property as a short-
13 term rental.

14 (B) If a local government enacts or enforces an ordinance,
15 resolution, rule, or other requirement under subdivision (c)(1)(A) of this
16 section, the local government shall:

17 (i) Review an application for registration for
18 completeness within fifteen (15) business days after receiving the
19 application for registration; and

20 (ii) Accept the application for registration or
21 issue a written notice of denial of the application for registration that
22 identifies the deficiencies in the application for registration.

23 (C) An applicant that receives a written notice of denial
24 of the applicant's application for registration under subdivision
25 (c)(1)(B)(ii) of this section shall not be prohibited from submitting another
26 application for registration if the applicant cures the deficiencies
27 identified in the written notice of denial of the application for
28 registration;

29 (2) Is not more burdensome than an ordinance, resolution, rule,
30 or other requirement that currently applies to all residential properties
31 found within the jurisdiction of the local government;

32 (3) Suspends an applicant's ability to operate a short-term
33 rental for a period of time that does not exceed thirty (30) days if the
34 applicant has been adjudicated of violating the same local ordinance three
35 (3) or more times within a one hundred eighty (180) day period of time;

36 (4) Suspends an applicant's ability to operate a short-term

rental for a period of time that does not exceed twelve (12) months if the applicant has been found guilty of violating one (1) local ordinance and the violation of the local ordinance:

(A) Occurred at the short-term rental; and

(B) Resulted in the serious physical injury or wrongful death of a person from the purposely reckless conduct of the short-term rental owner or the short-term rental owner's assigned agent; or

(5) Limits or prohibits the use of a short-term rental to:

(A) House sex offenders;

(B) Sell illegal drugs or alcohol; or

(C) House an adult-oriented business, including without limitation a business involving:

(i) Pornography or other obscene material; or

(ii) Nude or topless dancing.

(d) A short-term rental:

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

(2) Is subject to all zoning requirements applicable to property classified as residential land use for zoning purposes.

(e) A local government shall not regulate the operation of a short-term rental marketplace.

Referred requested by the Arkansas House of Representatives

Prepared by: JLL/AMS