

PAROWAN CITY ORDINANCE NO. 2025-16

AN ORDINANCE ESTABLISHING CHAPTER 15.66 OF THE PAROWAN CITY CODE

REGULATING SHORT-TERM RENTALS

WHEREAS, Parowan City recognizes that short-term rentals provide opportunities for visitors to experience the community and can offer supplemental income to local residents; and

WHEREAS, the City Council also finds that unregulated short-term rentals may contribute to housing pressures, nuisance impacts, and enforcement challenges that can adversely affect neighborhood character and wellbeing, public safety, and the availability of long-term housing; and

WHEREAS, the City desires to establish reasonable regulations to allow short-term rentals in a manner consistent with Parowan's rural character, community standards, and long-term housing goals; and

WHEREAS, the City Council recognizes that the ability of a property owner to engage in operating a short-term rental can positively contribute to housing affordability by renting out a portion of their property and offsetting the impact of high mortgage costs; and

WHEREAS, Utah Code §10-8-84 grants municipalities authority to regulate businesses and occupations to protect the public health, safety, and welfare; and

WHEREAS, Utah Code §§10-9a-102 and 10-9a-501 recognize the authority of municipalities to enact land use regulations implementing their general plans and protecting the character of established neighborhoods; and

WHEREAS, the City Council finds that adopting standards for licensing, operation, and accountability of short-term rentals promotes fairness among property owners, preserves residential integrity, and ensures responsible operation consistent with local values; and

WHEREAS, the Parowan City Planning Commission has conducted a duly noticed public hearing and recommended adoption of this ordinance; and

WHEREAS, the Parowan City Council, after public notice and hearing, finds that adoption of this ordinance serves the best interests of the City and its residents;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF PAROWAN CITY, UTAH, AS FOLLOWS:

15.66.030 – Permitted Zones and Restrictions on Use. Short-term rentals (STRs) are allowed by permit in the following zones, subject to the type of rental and compliance with all requirements of this ordinance:

1. Permitted Zones:

- a. A-1 (Agricultural)
- b. RE (Rural Estates)
- c. R-1 (Single-Family Residential)
- d. R-1A (Residential–Agricultural)
- e. R-2 (Medium-Density Residential)
- f. R-3 (High-Density Residential)
- g. Commercial Zones (GC-1, DC-1)

2. Prohibited Zones:

- a. HS-1 (Highway Services)
- b. I&M (Industrial & Manufacturing)

3. STRs are not allowed in mobile homes, tents, RVs, or other non-permanent residences, regardless of zone.

15.66.040 – Licensing and Registration

- 1. STR operators must obtain:
 - a. A short-term rental city business license, renewed annually and subject to verification of insurance, tax compliance, and updated contact information.
 - b. State and local transient room tax accounts. All required taxes must be collected and remitted as required by the Utah State Tax Commission, with Parowan City indicated as the physical location of the STR to ensure proper remittance of transient room taxes.
- 2. Licenses are non-transferable and may be revoked for violations.

15.66.050 – Operational Requirements

- 1. **Good Neighbor Policy.** A “Good Neighbor Policy” shall be posted inside each STR and shall inform guests of the requirements of this section.
- 2. **Local Contact Person.** A Local Contact Person must be available at all times to respond to complaints within sixty (60) minutes.
- 3. **Trash and Property Maintenance.** Operators shall provide adequate trash service and prevent overflow or accumulation of waste. Nuisance standards shall be enforced.

4. **Occupancy.** No more than one (1) guest per 150 square feet of livable space is permitted.
5. **Parking and Signage.**
 - a. Two (2) standard off-street parking spaces are required for all STRs, plus one (1) additional off-street space for every four (4) guests above eight (8).
 - b. Discreet signage is allowed, not to exceed two (2) square feet.
6. **Noise and Nuisance Behavior.**
 - a. No outdoor amplified sound is permitted between 10:00 p.m. and 7:00 a.m. STRs must comply with City noise ordinances.
 - b. Large events or parties that substantially increase the number of guests or exceed parking capacity are prohibited without prior City approval.
 - c. Violations of noise or nuisance provisions shall be grounds for license revocation.

15.66.060 – Limitations on New STRs

1. **City-wide Cap:** No more than ten percent (10%) of total housing units may operate as STRs citywide. If the cap is reached, the City Council shall, by resolution, direct City staff on how to administer new permits as existing STRs discontinue or as housing growth occurs.
2. Owner-occupied (hosted) STRs shall not count toward the 10% cap.
3. If located within a platted subdivision, the applicant must verify whether HOA approval is required under active CCRs. Written HOA approval must be submitted before a permit is issued.

15.66.070 – Inspection or Self-Certification

1. A safety inspection and approved checklist are required before license issuance and every other year thereafter.
2. On-site inspections shall verify the presence of smoke detectors, fire extinguishers, carbon monoxide detectors, emergency exit information, and other safety items as required by the City.

15.66.080 – Grandfathering and Legal Nonconforming Use

1. Existing STRs with **active business licenses** prior to the effective date of this ordinance may continue operation but must meet all operational requirements herein.

2. STRs without an active business license as of the effective date shall not be considered legal nonconforming uses and must obtain a permit as a new STR.

15.66.090 – Enforcement

1. Violations may result in:
 - a. Fines: \$250 for the first offense, \$500 for the second, and \$1,000 for subsequent violations.
 - b. Revocation: Two (2) violations within twelve (12) months shall trigger license review for possible revocation.
2. The City may contract with a compliance monitoring service as allowed by Utah Code §10-8-85.4 to assist with enforcement.

15.66.100 – Appeals

License denials or revocations may be appealed to the Planning Commission within thirty (30) days of the decision.

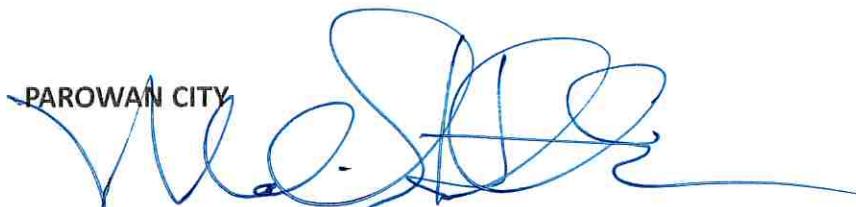
SECTION 2. SEVERABILITY

If any provision of this ordinance is held invalid, the remainder shall not be affected and shall continue in full force and effect.

SECTION 3. EFFECTIVE DATE

This ordinance shall become effective ^{April} ~~January~~ 1st, 2026.

PASSED AND ADOPTED by the City Council and Mayor of the City of Parowan, Iron County, State of Utah, this 9th day of October 2025.

PAROWAN CITY

Mollie Halterman, Mayor

VOTING: AYE | NAY | ABSTAIN | ABSENT

David Burton	<input checked="" type="checkbox"/> _____
Rochell Topham	<input checked="" type="checkbox"/> _____
Sharon Downey	<input checked="" type="checkbox"/> _____
John Dean	<input checked="" type="checkbox"/> _____
David Harris	<input checked="" type="checkbox"/> _____

Attested by:


Callie Bassett, City Recorder

