

SHORT-TERM RENTALS IN NEVADA

Recent innovations in technology have led to the development of what is commonly referred to as the sharing economy, a peer-to-peer based model by which individuals share, buy, and/or sell goods and services. As a sub-portion of the “gig economy,” the sharing economy is facilitated by companies that provide an online, on-demand marketplace to connect users, such as—in the case of vacation rentals—property owners and renters.

Applying the sharing economy to vacation rentals is nothing new, with companies like VRBO (1995) and Homeaway (2004) operating since well before the Great Recession. However, in recent years the popularity of these companies, and others like Airbnb, has grown exponentially. With an estimated [\\$169 billion global value](#), the short-term rental (STR) market is effectuating significant change in tourist economies around the world.

Against this backdrop of rapid growth, the regulation of STRs is a quickly evolving issue across the country, with many states beginning to take action. According to the [National Conference of State Legislatures](#), states’ approaches to regulating STRs vary widely, and a majority of states leave the decision-making to local governments.

In Nevada, STRs have proliferated in many communities, and local governments have implemented—or are in the process of implementing—various related rules and regulations. While certain counties and municipalities regulate STRs, and others have banned them outright, most cities and counties in Nevada have not addressed the issue, essentially allowing STRs to operate without any oversight.

SHORT-TERM RENTAL MARKET STATISTICS



660,000 listings in **the U.S.**
on Airbnb alone
(2021; [iPropertyManagement](#))



7,717 listings in **Clark County,**
Nevada, on Airbnb alone
(2018; [Inside Airbnb](#))

SHORT-TERM RENTAL MARKET STATISTICS (CONT'D)



\$169 B estimated **global market** valuation

(2018; [Skift](#))



23,000 **vacation rental companies** in the United States

(2018; [Vacation Rental Management Association](#))

PROS AND CONS OF SHORT-TERM RENTALS

Short-term rentals offer both positive and negative consequences for homeowners and the communities in which they are located. They benefit property owners financially by providing a source of income. Also, communities located near tourist destinations may benefit because expanding the number and variety of accommodations for travelers can help draw more visitors, or tourists who would not otherwise visit.

On the other hand, one of the biggest complaints about STRs is that they reduce the availability of long-term rentals, thereby potentially exacerbating affordable housing shortages for permanent residents in areas where that is an issue. Some also argue that STRs compete with established hotel operators, one of the primary sources of jobs in certain regions. Further, some neighborhoods that have been inundated with STRs have seen adverse consequences like increased noise, trash, and traffic, as well as less parking availability.

NEVADA'S STATEWIDE STATUTES REGARDING SHORT-TERM RENTALS

To help local governments become better informed on the growth of the STR market, the 2017 Nevada Legislature passed [Assembly Bill 321](#), which allowed local jurisdictions to adopt an ordinance requiring a hosting platform to gather data on business activity in their jurisdiction. The bill specifically identified online hosting platforms that facilitate the rental of a residential unit or a room or space within a residential unit for the purposes of transient lodging, and also included owners and lessees of properties who use hosting platforms.

If such an ordinance is adopted, quarterly reports must contain certain information concerning the rentals facilitated by the hosting platform, including but not limited to the amount of revenue collected from each rental. Local governments may also issue subpoenas requiring a hosting platform, owner, or lessee to produce records to determine whether any laws—such as those relating to permitting, registration requirements, noise violations, or similar issues—have been violated. The provisions of AB 321 are now codified in [Nevada Revised Statutes \(NRS\) 244.1545](#) (counties) and [268.0957](#) (cities).

LOCAL GOVERNMENT REGULATION OF SHORT-TERM RENTALS

To address some of the potentially negative aspects of the STR market and the complaints of homeowners, many local governments in Nevada and across the nation are seeking to control the number of STRs available and implement certain safety- and health-related requirements. Local government options regarding regulation include a ban, licensure, and no action. Counties and cities have also addressed enforcement and set penalties for violations, as well as requiring the collection of transient lodging taxes.

Cities and counties often consider the following range of regulatory options:



Permitting process (fees, fines, review times, etc.)



Fire and guest safety (fire inspections, defensible space, smoke detectors, structures meeting code standards, etc.)



Occupancy limits (number of guests allowed per room or per home, etc.)



Parking (adequate off-street parking spaces, designated parking areas, etc.)



Trash (placement or volume of trash, bear-proofing, etc.)



Noise (excessive noise, late-night/early morning noise, etc.)



Limits on number of STRs (minimum distance between properties, etc.)



Owner occupation and/or on premises, or 24-hour owner availability

EXAMPLES OF REGULATORY ACTIONS IMPLEMENTED BY LOCAL GOVERNMENTS IN NEVADA

COUNTIES

Based on a review of the ordinances in each of Nevada's 17 counties, 2 counties appear to have approved an ordinance regarding STRs, and—as of February 2021—at least 1 county was in the process of developing such an ordinance.

Clark

Clark County banned STRs in unincorporated portions of the county, including in and around the Las Vegas Strip. Since 1998, it is illegal under [Clark County Code 30.44.010\(b\)\(7\)\(C\)](#) to rent residential property for fewer than 31 days in unincorporated portions of the county. Offending homeowners can be fined \$1,000 a day, with the potential for a misdemeanor charge. Despite the ban, many STRs can be found on internet websites.

Douglas

Douglas County is unique in that it only regulates STRs located in the Tahoe Township (a portion of Douglas County located in the Lake Tahoe Basin), while banning them in the rest of the county ([Douglas County Code 20.622.050](#)). Unpermitted vacation rentals located in Douglas County are subject to a \$5,000 civil penalty. In the Tahoe Township, where registered STRs are permitted, the county requires a \$400 registration fee for new STRs (with a \$200 annual renewal fee) and a \$150 annual inspection fee. Further, among other requirements, the county limits occupancy, requires designated parking, and mandates that a local contact person be available 24 hours a day to deal with complaints. More information about STRs in Douglas County is available on the county's [website](#).

Washoe

As of February 2021, Washoe County was considering an ordinance that would require a permitting process and various regulations regarding safety, occupancy limits, and trash pickup, among other requirements. More information about this process and the proposed ordinance is available on the county's [website](#).

EXAMPLES OF REGULATORY ACTIONS IMPLEMENTED BY LOCAL GOVERNMENTS IN NEVADA (CONT'D)

CITIES

A number of cities in Nevada—including Henderson, Las Vegas, and Mesquite—have approved specific ordinances to regulate STRs. At this time, many other cities—such as Boulder City, Ely, North Las Vegas, and Reno—appear to be in the process of developing an STR ordinance.

City of Henderson

The City of Henderson requires an \$820 annual registration fee for STRs. All applicants must submit a noise management plan as part of the STR registration. In multifamily complexes, no more than 25 percent of all units may be registered as an STR, and planned communities can ban them altogether. Prior to issuance of registration, the property owner and a registered local contact must complete and provide proof of completion of a short-term vacation rental certification program provided by a college or university or offered through a professional organization. The course must be approved by the city's Community Development and Services Department. A copy of the city's [Good Neighbor pamphlet](#) and the property's registered local contact information must be provided upon booking and must be on site at all times. More information, including links to relevant regulations in Chapter 19 of the City of Henderson's Municipal Code, is available on the city's "[Short-Term Vacation Rentals](#)" webpage.

City of Las Vegas

In the City of Las Vegas, STRs are limited to owner-occupied homes that have three bedrooms or fewer and are at least 660 feet from another STR ([Unified Development Code 19.12.070](#)). Such rentals must also comply with licensing, noise, and parking regulations. All conditions must be met; no waivers or deviations are allowed. As part of the licensing process, the applicant must have the proposed STR inspected by a member of the code enforcement section. The annual licensing fee is \$500 for each residential unit, and the licensee must provide proof of liability insurance coverage with a \$500,000 minimum. For more information, see the city's "[Short-Term Rentals](#)" webpage.

EXAMPLES OF REGULATORY ACTIONS IMPLEMENTED BY LOCAL GOVERNMENTS IN NEVADA (CONT'D)

CITIES (CONT'D)

City of Mesquite

The City of Mesquite has regulated STRs since 2012. Its [Vacation Home Rental Business License application](#) requires an application fee of \$35 and an annual license fee of \$50. Among other provisions, the City of Mesquite Vacation Home Rental Ordinance ([Title 2, Chapter 13](#)) sets out various requirements related to local contact information, maximum occupancy, parking, noise, and cleaning, and also requires each vacation rental home to have a landline telephone for local phone service.

NEXT STEPS

A number of jurisdictions are currently reviewing codes to regulate STRs. From a legislative perspective, it may be useful to track these changes over time to identify best practices and policies. As regulations and activities evolve, the legislature may find opportunities to assist local governments in their efforts to address this issue.

Research Division
Legislative Counsel Bureau

401 South Carson Street
Carson City, NV 89701-4747



Connecting People to Policy