

Tourism Golden
PO Box 20181
521 9th Avenue North
Golden
B.C. V0A 1H0



Hon. Carole James Minister of Finance and Deputy Premier
PO Box 9048 Stn. Prov. Gov't
Victoria
B.C. V8W 9E2

August 23rd, 2019

RE: BC Assessment classification for short term rentals

Dear Minister James

We appreciate the Ministry's recognition of short term rentals as small businesses and accompanying changes to the PST and MRDT legislation in October 2018 that was the first, and extremely important, step in levelling the playing field between these small businesses and traditional accommodations.

However, we have noted that the BC Assessment property tax legislation has not been similarly updated. Class 1 Residential classification only specifically excludes hotels and motels, bed and breakfast rentals and strata accommodations, leaving all other short term rentals classified as residential.

Not only does this give short term rentals a continued advantage against traditional accommodations and owner-operated bed and breakfasts, but it is also not consistent with the recent changes to PST/MRDT legislation which recognises short term rentals as small businesses.

In Golden and Columbia Shuswap Regional District Area A the exponential growth of short-term rentals in recent years exceeds that which would be achieved by constructing several new hotels and has had an increasing impact on the traditional hotels and larger B&Bs. Destination data confirms that average occupancy in our traditional hotels decreased by 7%, 8% and 11% respectively in May, Jun and July 2019. At the same time, we observed an increased spend on accommodation, as evidenced by MRDT receipts, indicating that overall visitation increased.

Whilst we recognise that a free market invites competition and fully appreciate the value of the short term rental in meeting consumer demand and supporting tourism in our destination, we also recognise the need to support our long-standing hotels, motels and B&Bs that provide employment and contribute significantly to the municipal tax base, by advocating for a fair and level playing field in all areas, including property taxes.

We understand that this is also of concern in other regions of the province, as indicated by the resolution B34 Short-term Rentals Assessment Classification proposed by Thompson-Nicola RD in the UBCM 2019 Resolutions book.



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We respectfully request that the property tax assessment is reviewed and amended to classify short term rentals as Class 6 'Business and Other' with exemptions in line with the PST/MRDT legislation.

Yours sincerely

A handwritten signature in black ink that reads "Joanne Sweeting". The signature is written in a cursive style with a horizontal line through the middle of the name.

Joanne Sweeting

EXECUTIVE DIRECTOR

c.c. Hon. Shauna Brouwer, Deputy Minister - Tourism, Arts and Culture
Walt Judas, CEO - TIABC

