



August 5th, 2016

File: 3900-20-1294, 2011

Hon. Peter Fassbender
Minister of Community, Sport and Cultural Development
Box 9056 Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister Fassbender:

RE: Thoughts Concerning the “Sharing” Economy

It is the purpose of this letter to provide to you the perspective of the Town of Golden Council regarding the seemingly ubiquitous topic of vacation rentals or short term rentals (STRs), in response to your letter of solicitation of April 8th.

As a designated *Resort Municipality* Golden has its share of STRs, with all but a sprinkling of licensed B&B's operating unregulated, unpermitted, and largely unidentified. Council is aware of the world-wide growth of such offerings, their great success in most marketplaces, typical issues that accompany them, increasing concern of the traditional accommodation sector, and the immense challenges experienced by regulating authorities in dealing with them.

Council has been solicited by our local Destination Marketing Organization to begin planning for regulation of STRs, and we have been watchful of actions being taken by other BC communities, recognizing variability in STR impacts depending upon the nature of their local economy and culture.

We feel it is important to recognize that STRs will continue to play a significant and even expanding role in the context of tourism accommodation. It is clear there is a healthy global demand for this offering and there are a number of reasons for its appeal. That said, our primary concerns from a local context is the protection of our longer term residential rental market supply critical to the seasonal tourism and small business sector as well as the potential for public disturbance issues and loss of residential neighbourhood and community integrity.

At this juncture, we do not perceive STRs as an economic threat to the traditional accommodation sector, nor do we feel they have flooded the local market. We do however recognize the frustration felt by traditional accommodators with respect to taxation inequity.

We perceive there to be two generally separate issues when it comes to the contemplation of regulating STRs. The first resides within the purview of the Province wherein it must determine if the value of potential consumptive tax revenues (in the form of PST and MRDT) is enough to warrant regulative measures in order to enable their collection. This determination might also be based in part, in deference to the seemingly unanimous position of multi-jurisdictional



accommodator organizations seeking a more 'level playing field' with regard to taxation fairness applied to STRs. Ostensibly, eliminating the 4-unit 'trigger' for the application of MRDT and PST could in part, address this issue. We do understand however, that enabling the application of a tax could be far less challenging than actually collecting it.

Should the Province elect to apply a broad regulatory framework to address these points, it is of greater interest at the local government level for it to also create the legislative authority and directive for the BC Assessment Authority to assess STRs under a separate or new tax class. Only by doing so, do we see the ability for local governments to collect meaningful and appropriate property tax revenues from what we view are commercial operations, not a residential use or part of the 'sharing' economy. This could adequately offset administrative costs that cannot be recovered by the comparatively meagre revenues available to municipalities through license and permit fees.

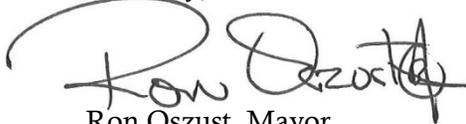
The second issue resides within the purview of local government, in the application of regulations governing location, density, building integrity, health, safety, and public disturbance issues. The administrative challenge to create and apply such a framework is daunting; there are many examples of cost prohibitive, limited success in North America. That said we have committed in principle to pursue regulating STRs in our municipality, albeit in a planned and unrushed manner in order that we can be assured a high level of pragmatic success.

At this time, Council has elected to adopt a short term 'wait and see' approach, pending the position and tactics of the Province on the topic of STRs, including any forms of assistance it might provide to municipalities. We are hopeful that there will be meaningful attention paid to this at the upcoming UBCM Convention in Victoria. This will in turn inform our own strategy for moving forward.

The Town of Golden Council has not discussed the topic of ride sharing vis-a-vis Uber at this time. Understandably, this is an issue more pertinent to larger communities with established taxi quotas.

Thank you for the opportunity to provide our thoughts directly to you on this matter. We look forward to seeing you in Victoria this September.

Sincerely,



Ron Oszust, Mayor
Town of Golden

RO/jw

