



December 21<sup>st</sup>, 2016

File: 3900-20-1294

Hon. Michael de Jong, Minister  
Ministry of Finance  
Parliament Buildings – Room 153  
Box 9048 Stn Prov Govt  
Victoria, BC V8W 9E2  
VIA EMAIL TO: FIN.Minister@gov.bc.ca

Dear Minister:

As a designated *Resort Municipality* Golden has its share of Short Term Rentals (STR's), 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.

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 concern from a local context is the protection of our longer term residential rental market supply critical to the seasonal tourism and small business sector.

To the point, the appeal for homeowners to become an STR location is resulting in an alarming consequential trend in our community, as with many others. Many businesses have expressed frustration over their inability to assist new or existing employees to locate affordable monthly rental accommodation. The vacancy rate is often near zero, and in some cases our businesses have lost potential employees due to this chronic rental shortage.

One of the challenges is that STR's are not subject to the same regulatory, legal, taxation, health and safety, or insurance laws as traditional accommodators. For example, residents who offer fewer than four rooms for rent do not have to collect provincial sales taxes when renting. This exemption has created an unclear business environment and made it all but impossible for municipalities such as ours to effectively enforce the rules.

We believe that eliminating this exemption, outlined in s.78 (1) (b) of BC's *Provincial Sales Tax Act* (Provincial Sales Tax Exemption and Refund Regulations) will help to resolve this situation while significantly enhancing our community's enforcement regime. Not only will it encourage our local renters to register their business income fairly, but it will also increase



voluntary compliance among landlords who risk finding themselves off-side with both local bylaws and the provincial tax code.

On behalf of Town Council I therefore respectfully request you rescind the *Provincial Sales Tax Act* s.78 (1) (b) as soon as possible. Your government's support in this matter will be vital to assisting all municipalities tackle this issue in a timelier manner.

Sincerely,

A handwritten signature in black ink that reads "Ron Oszust". The signature is stylized with a large, sweeping initial "R" and a distinct "Oszust" following.

Ron Oszust, Mayor  
Town of Golden

RO/jw

- c. Hon. Christy Clark, Premier  
Hon. Shirley Bond  
Hon. Peter Fassbender  
Hon. Coralee Oakes

