

Kamloops Chamber of Commerce

2017 – 2018

PROPOSED RECOMMENDATIONS TO GOVERNMENT



TABLE OF CONTENTS

MATURING POLICIES	5
ENHANCING ACCESS TO THE REGISTERED DISABILITY SAVINGS PLAN FOR DISABLED EMPLOYEES	7
FINES AND PENALTY REFORM FOR BUSINESSES	9
2017 PROPOSED POLICIES	11
CANADA CHINA TRADE TARIFF GAP	13
FIRST NATIONS INFRASTRUCTURE INSTITUTION	15
HOME RENOVATION TAX CREDIT FOR ENERGY EFFICIENCY	18
INDIGENOUS LAND TITLE INITIATIVE.....	20
SHORT TERM RENTALS.....	22

KAMLOOPS CHAMBER OF COMMERCE

MATURING POLICIES

ENHANCING ACCESS TO THE REGISTERED DISABILITY SAVINGS PLAN FOR DISABLED EMPLOYEES

In Canada, 4.4 million Canadians suffer a disability, of which many are children, or under the age of 44. Of these Canadians, 68,833 have successfully applied for and got the benefits of the Registered Disability Savings Plan (RDSP).

According to CBC News, May 30, 2013, the numbers of applications are as follows:

RDSPs by year

Year Number of accounts opened

2009	20,598
2010	18,144
2011	12,099
2012	13,103
2013*	4,979
Total	68,833

*Source: Human Resources and Skills Development Canada. *Figure accurate as of mid-May.*

This number is low considering it is estimated that 500,000 Canadians are potentially eligible for the RDSP.

Based on many interviews with applicants, and personal experience in working with clients to apply for and get this funding, the application process is what is impeding its use.

The reason for that is the intense, cumbersome paperwork that is required from start to finish of the process. The applicants, to successfully complete, need to get a medical assessment done and file the paperwork to get the federal Disability Tax Credit (DTC). During our interviews at information seminars with potential candidates, it was discovered that most people with disabilities, as well as their caregivers, are in a low income bracket and do not see the need to go through the process of applying for a disability tax credit. Reason being, they in most cases, do not pay taxes. However, when learning of the bond portion of the RDSP, there was renewed interest in going through the application process.

In an effort to assist in the accessing this program, it was learned that there are similar income assistance programs in the Province of BC (Persons with Disabilities), that also request a similar, if not more stringent, medical assessment, as the one required to qualify for the DTC.

Furthermore, there seems to be an appetitive by government leaders, as described by BC's Minister of Finance, Mike De Jong, to the Kamloops Chamber of Commerce, that there needs be more collaboration with the Provincial and Federal Government on becoming more efficient and effective.

Therefore, in reviewing the application and requirements for a person to be granted the PWD,

there could also be a connection to CRA on the completion of the successful applicant to grant a federal DTC. By doing this, access to the Registered Disability Savings Plan will be readily accessible by those who need it most, those being lower income Canadians.

This could also be enhanced by reviewing the files of the existing British Columbians currently on PWD, and making the application to CRA on their behalf to get the DTC.

From a business perspective, good employers today are taking more interest in the financial stability and health of their workforce. Studies have shown that employees, who are offered financial education, support, and savings programs at work are more reliable and become better, more engaged contributors. By taking an interest in and advocating for improved access to the RDSP program on behalf of the disabled population, the chamber, and its member businesses, will have demonstrated an active interest in the financial enhancement of disabled employees in Canada.

THE CHAMBER RECOMMENDS

That the Provincial/Territorial and Federal Governments, as well as their related ministries:

1. investigate and implement a cross-linked application process to enable those with recognized disabilities to have access to both a provincial/territorial disability support program and the DTC under one application;
2. review all existing recipients of a provincial/territorial disability support program to determine eligibility of the DTC based on timing of the last tested application;
3. create a national program to provide employers a workable linkage to the RDSP program for employees with disabilities; and
4. amend the 10 year rule for the clock to start when the RDST is opened, from 10 years past the last grant installment.

Submitted by the Kamloops Chamber of Commerce Policy Development Committee

FINES AND PENALTY REFORM FOR BUSINESSES

Background

Filing with CRA for Businesses can be a complicated process; many businesses are required to make over 30 payments a year with GST, Payroll Tax and Income Tax. The tax code is 3000 pages long with hundreds of rules and regulations right down to the kind of form that can be used to file remittance vouchers. Not surprisingly, a significant portion of Canada's 5 million SMEs make mistakes every year when dealing with the Canadian Revenue Agency (CRA).¹

CRA has little or no forgiveness if a payment is missed and the penalties and fines are steep even if missed by one day... CRA does have an appeal process for penalties and charges for late payment, but it is a complicated, time consuming and costly process for businesses. Regardless of the dollar value, type or frequency of incomplete or inaccurate tax returns, penalties and interest may be applied.

The federal government is currently examining some of its procedures as part of its "Red Tape Reduction Action Plan", an initiative aimed at removing unjustified or undue burdens on small businesses and removing the complexity of dealing with government regulations.

Allowing businesses some margin of error for minor tax filing issues would also remove a significant weight for enterprises that occasionally overlook a detail, miss a deadline or misallocate CRA payments.

High Number of Errors

The office of the Taxpayers' Ombudsman, an impartial and independent office to deal with complaints, reports that a significant number of calls to the CRA business enquiries line deal with misallocated payments. These are payments "not allocated according to its (CRA) procedures".² For example, about two thirds of all taxpayers use CRA remittance vouchers that are pre-printed with magnetic ink designed to be read by computers using Optical Character Recognition (OCR). Although CRA warns taxpayers that photocopies of these forms cannot be scanned electronically, many taxpayers still make remittance payments on photocopied forms. It's a clerical mistake that can have costly consequences.

The result can be a late payment and "for the tax year 2013 penalties begin at 5 percent on the balance owing plus 1 percent on the balance owing for each full month the return is late to a maximum of 12 months. If CRA charged a late penalty in 2010, 2011 and 2012 the penalty escalates to 10 percent of the balance owing, plus 2 percent of 2013 balance to a maximum of 20 months."³

Even tax preparers, hired to keep business from filing incorrect returns, routinely make mistakes that end up trimming dollars from the company's bottom line. Given the difficulty in filing for

¹ <http://www.cra-arc.gc.ca/gncy/cmplnc/rtp-pipdr/cnslttnppr-eng.html#fmb2>

² <http://www.oto-boc.gc.ca/rprts/spcl/gttng-rght-eng.html#h114>

³ <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/ntrst/menu-eng.html>

the CRA, some leniency is in order.

Conclusion

It is important for CRA to be fair and reasonable in dealing with small business and the complex remittance process. Mistakes do and will continue to happen. Penalties, Fees and interest should be proportional to the amounts and escalating for non-payment. CRA should handle their receivables in the business model and charge business for late payments the way business charge their customers

THE CHAMBER RECOMMENDS

That the Canada Revenue Agency in conjunction with the Department of Finance adopt a fair system of forgiveness for businesses that make unintentional errors or miss a tax payment deadline on rare occasions by way of:

1. charging small business a modest flat late remittance for missed payroll and/or GST payment deadlines; interest then accrues if payment is not made within 7 days of the due date; and
2. after the “Late Remittance Fee” is implemented then subject businesses that consistently and repeatedly miss payment dates to increasing fines and/or stiffer penalties with every missed payment.

Submitted by the Kamloops Chamber of Commerce Policy Development Committee

KAMLOOPS CHAMBER OF COMMERCE

2017 PROPOSED POLICIES

CANADA CHINA TRADE TARIFF GAP

Introduction

Canada's trade deficit with China is widening amid a slowing of raw materials exports to China, while Canadians continue to import \$50 billion a year of Chinese products.

According to Industry Canada, the 2012 trade deficit with China was \$31.7 billion in 2012, four times the deficit a decade ago.

Background

While China exports manufactured goods, like electrical machinery, furniture and footwear, to Canada, it imports mainly raw materials. Currently the top Canadian exports to China by value are wood pulp, oil seeds and grains, ores, mineral fuels and oil.

The Chinese market for Canadian-made manufactured goods is being blocked by a high tariff wall, which makes the cost of these products prohibitive for Chinese consumers.

MO851, a Montreal-based maker of luxury leather goods, has opened a boutique in Beijing, hoping to cash in on the huge Chinese consumer market with a taste for luxury goods. For example: A bag that retails for \$465 in Montreal, costs 90 per cent more in Beijing due to tariffs, taxes and luxury taxes.⁴

Riversong Guitars in Kamloops, BC states that a guitar that retails for \$1000.00 in Canada, has a landed cost of \$1430 in China with tariffs, freight and agency fees. These guitars with exchange rate and luxury taxes would retail for approx. \$1925 CAD or Yen \$9867.

On the other side Chinese products face no such tariffs as when they are imported to Canada, they are using similar production products and materials and have much lower labour costs.

Result

The Canada and Chinese have been trading partners for decades and even more so now the globalization of the world economy. For Canadian companies to be able to compete in the Chinese market as Chinese companies compete in the Canadian market the playing field must be levelled

Canadian companies already face much higher production and labour costs than a comparable Chinese company and then face further sanctions with large tariffs on our products going to china.

⁴ *www.cbc.ca/news/business/sky-high-chinese-tariffs-block-canadian-access-to-market-1.2481938

THE CHAMBER RECOMMENDS

That the Federal Government:

1. work with the Chinese Government, including relevant stakeholders, to close the trade gap and review all import and export tariffs.

Submitted by Riversong Guitars

FIRST NATIONS INFRASTRUCTURE INSTITUTION

Background

Canada and First Nations both have an urgent need to develop a joint strategy to increase First Nation productivity. One area of great potential is to improve the productivity of First Nation lands. Where markets are not working, the value of First Nation lands can be less than 10% of the value of similar non-First Nation lands. First Nations are constrained by high transaction costs, nearly four to six times higher than on non-First Nation lands. These high transaction costs arise because the legal and administrative framework to facilitate investment on First Nation land is largely missing. Its absence is a result of the Indian Act. Whereas the legislative and administrative frameworks for federal and provincial governments have evolved responsively over the last 140 years, the Indian Act has remained virtually unchanged

During the last 30 years, First Nations have begun to legislate their way back into the Canadian economy. It started in 1988 with the first change to the Indian Act ever led by a First Nation – the Kamloops amendment. This allowed First Nations to collect property tax on their lands. Once First Nation governments derived revenues from economic activity, they began to pursue more economic activity on their lands. This meant pursuing other legislation to fill the legal and administrative gaps created by the Indian Act which include:

- The First Nations Land Management Act
- The First Nations Goods and Services Tax Act
- The First Nations Fiscal and Statistical Management Act
- The First Nations Oil and Gas Management Act and
- The First Nations Commercial and Industrial Development Act

Missing in these legislative initiatives is an institutional framework to support First Nation infrastructure.

With infrastructure, even the most well situated First Nations have been slow to develop their economic potential because they cannot plan, develop and finance infrastructure at the level required by business. The infrastructure gap on First Nations lands is well documented, with some analysts estimating the deficit at \$25 to \$30 billion and others as high as \$45 billion. Preliminary research suggests the gap is a result of the current approach applied to First Nation infrastructure development being generally more expensive, taking more time and being less durable than that of other governments.

First Nations are working with the First Nations Tax Commission (FNTC) to advance the concept of a First Nations Infrastructure Institution (FNII) as a new element of the *First Nations Fiscal Management Act* (FMA) in response to the significant infrastructure gap on First Nation lands.

In concept, FNII could provide the following services:

- **Support Projects with Standards and Laws** – Help with implementing standards and laws required to support infrastructure projects and improve economic development. This will save participating First Nations time and money and help ensure First Nation infrastructure is at national standards.
- **Assess and Support Development** – Assess infrastructure project readiness and develop infrastructure development plans so First Nations can build the legal and administrative capacity to manage the infrastructure cycle from planning to construction to operation, maintenance and replacement.
- **Infrastructure Planning Support** – Support integrated infrastructure planning (economic, capital, financing) and provide capacity to complete these planning elements of infrastructure development. This will help interested First Nation access available federal resources.
- **Project Management** – Help First Nations build capacity to efficiently manage and build infrastructure projects. In some cases FNII could also provide project management services.
- **Training and Certification** – Offer certified training and systems for First Nation administrations to support the operation of sustainable infrastructure systems through the Tulo Centre of Indigenous Economics.
- **Advocacy** – Advocate for and develop new FMA revenue streams within an improved fiscal framework to finance infrastructure projects.
- **Risk Assessment and Management** – Assess infrastructure risks and develop risk management strategies to improve access to financing.

The creation of the FNII would help First Nations develop more sustainable economic infrastructure on their lands, and will benefit from provincial precedents and models such as Infrastructure Ontario which provides similar services and support to health, education and local government infrastructure projects in that province.

Summary

Conditions of the FNII would be as follows:

- A preliminary review of First Nation infrastructure by the FNITC has identified there are gaps in planning (lack of integration between plans), project management (insufficient experience or expertise), financing (underutilization or inaccessibility of fiscal tools or insufficient fiscal capacity), and supporting legal frameworks (missing or inadequate laws) facing many First Nations;
- The current FMA and its three institutions (FNITC, First Nations Financial Management Board [FMB] and First Nations Finance Authority [FNFA]) provide a vehicle to support increased fiscal sustainability for infrastructure; and with the advent of FNII, could effectively contribute to the construction of greater cost-effective economic infrastructure;

- The federal government has committed to a series of significant investments in infrastructure to support a better future for Indigenous Peoples (Almost \$4.7 billion in planned infrastructure investments over the next five years include education infrastructure (\$969 million), social infrastructure (\$1.2 billion), green infrastructure (\$2.2 billion), and community infrastructure (\$255 million)); and
- First Nations are working with the FNTC to advance the concept of a First Nations Infrastructure Institution as a new element of the *First Nations Fiscal Management Act*.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. develop supporting legislation for a First Nations Infrastructure Institution dedicated to improving the process of developing infrastructure on First Nations lands.

Submitted by the Sun Rivers Golf Community

HOME RENOVATION TAX CREDIT FOR ENERGY EFFICIENCY

Introduction

Housing is Canada's leading sector in addressing climate change. Total greenhouse gas emissions from the housing sector have decreased 11% since 1990, even though the housing stock is much bigger now, having grown 38% since that time. Housing is responsible for 6.3% of direct greenhouse gas emissions in Canada. Today's typical house uses 37% less energy than a similar one built in 1990.

Saying this, a real opportunity lies for significant greenhouse gas emission reductions in the energy retrofitting of existing homes. It is policies that support energy efficient renovation of existing housing that offer the most significant opportunity to make big gains in housing energy performance while helping Canadians.

Background

Significant progress on greenhouse gas reduction has been accomplished through technology and systems innovation, voluntary adoption of higher standards of performance, and a uniquely Canadian research and development collaboration between the public and private sectors.

The Province of British Columbia is committed to reducing greenhouse gas emissions as a part of the Climate Action Plan. Following this lead is many provincial municipalities. For example, the City of Kamloops aims to reduce its greenhouse gas emissions to 45 per cent below its 2007 levels by 2020. A report to council on June 21, 2016 indicated that the City is operating 5.6% below 2007 levels. Help is needed to reach this target.

Every dollar invested by homeowners in energy retrofits of the average existing home yields 4 to 7 times more energy savings than a dollar spent upgrading a new home. Half of Canadian houses were built before 1985 and these older homes use twice as much energy as the houses built since that date. The opportunity is therefore very large.

To continue achieving meaningful energy performance gains and green emission reductions in housing requires ongoing innovation, voluntary programming and consumer energy literacy. Government and industry can continue to collaborate to continue this success story.

Opportunity

Given the very significant opportunity to improve the energy performance and reduction of greenhouse gas emissions of the existing housing stock, a permanent Renovation Tax Credit for Energy Retrofits should be introduced. Such an initiative supports the improvement of the housing stock, homeowner equity, affordability through lower operating costs, homeowner energy literacy (through labelling and custom home reports) and fighting the underground economy by requiring receipts.

Although misperceived as "expensive", such a tax credit can actually be cost neutral, when the benefits of reduced revenue loss to the underground economy are included. Government receipt-based incentive programs have a proven record for suppressing underground economic activity. When the tax revenues gained from reduced underground cash activity are included in an

assessment of such a program, and all of the socio-economic benefits are also tallied, a well-designed program can more than pay for itself.

Canadian housing and homeowners need to continue to lead the way in climate change action. As the largest opportunity for energy efficiency lies in the existing housing stock, governments must help to encourage homeowners to retrofit existing homes.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. establish a Renovation Tax Credit for approved Energy Retrofits.

Submitted by the Canadian Home Builders Association – Central Interior

INDIGENOUS LAND TITLE INITIATIVE

Background

Canada and First Nations both have an urgent need to develop a joint strategy to increase First Nation productivity. One area of great potential is to improve the productivity of First Nation lands. Where markets are not working, the value of First Nation lands can be less than 10% of the value of similar non-First Nation lands. First Nations are constrained by high transaction costs, nearly four to six times higher than on non-First Nation lands. These high transaction costs arise because the legal and administrative framework to facilitate investment on First Nation land is largely missing. Its absence is a result of the Indian Act. Whereas the legislative and administrative frameworks for federal and provincial governments have evolved responsively over the last 140 years, the Indian Act has remained virtually unchanged.

During the last 30 years, First Nations have begun to legislate their way back into the Canadian economy. It started in 1988 with the first change to the Indian Act ever led by a First Nation – the Kamloops amendment. This allowed First Nations to collect property tax on their lands. Once First Nation governments derived revenues from economic activity, they began to pursue more economic activity on their lands. This meant pursuing other legislation to fill the legal and administrative gaps created by the Indian Act which include:

- The First Nations Land Management Act
- The First Nations Goods and Services Tax Act
- The First Nations Fiscal and Statistical Management Act
- The First Nations Oil and Gas Management Act and
- The First Nations Commercial and Industrial Development Act

Missing in these legislative initiatives is an institutional framework to improve First Nation land tenure certainty.

With respect to land tenure, the current methods for securing title on First Nation lands and the Indian Lands Registry are inadequate. They do not provide sufficient title certainty. This is true regardless of who invests (First Nation and non-First Nation) and regardless of the type of investment (commercial or residential). The consequences of poor land title have been profound. Land certainty is the bedrock of the investment and financial markets. Its absence has deterred investment and greatly lowered land values on First Nation lands. It has resulted in valuable lands being put to very low value uses.

For several years First Nations, the federal government, and the First Nations Tax Commission (FNTC) have worked on developing land title legislation under the Indigenous Land Title Initiative. This initiative is designed to enable First Nations who wish to choose this option to move beyond the debilitating Indian Act land tenure system, to a more modern Torrens-based system which facilitates certainty and economic growth. Continued support from the federal government and eventual passage of the legislation for interested First Nations will lead to greater First Nation integration in the market economy.

The FNNTC estimated in 2011 that based on 68 BC First Nations opting into ILTI over 15 years, \$3.8 billion in increased real estate values, 27,000 FTEs in new employment opportunities, 2,700 new homes built, approximately \$240 million in property and sales tax revenues, and about \$160 million in infrastructure will be generated. According to the FNNTC, this will result in a \$1.1 billion reduction in the cost of poverty.

Summary

Conditions of the ILTI would be as follows:

- The ILTI will allow First Nations to opt-in to a land title legislative framework as an alternative to the Indian Act following a positive vote of its membership;
- Participating First Nations will have the option to hold legal title to the land currently held by the Crown as “reserves” under the Indian Act, and will have the power to enable all types of land tenure, including, if they choose, individual ownership without any loss of jurisdiction over the land;
- Participating First Nations will have expanded jurisdiction to implement a Torrens title system and to manage, develop, and protect their lands;
- A ready-to-use legal framework of regulations and sample laws will allow ILTI First Nations to implement the legal framework for their jurisdictions efficiently and effectively;
- The ILTI will have a profound impact in stimulating investment, reducing poverty, and strengthening First Nation participation in regional economies; and
- First Nations (including T’kemplups te Secwepemc, Shuswap, Skowkale, Aitchlitz, Klahoose, Upper Nicola and others) have passed Band Council resolutions of support for the ILTI initiative.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. develop systems and optional ILTI legislation to improve land tenure certainty on First Nation lands.

Submitted by the Sun Rivers Golf Community

SHORT TERM RENTALS

Summary

This policy describes the negative impacts of Short Term Rentals felt across a multiplicity of stakeholders (governments, accommodation providers, destination marketing organizations and residents (long and short-term) and suggests that government intervention is required to resolve these issues.

Background

Short Term Rentals (STRs) are part of the rapidly growing ‘sharing’ economy which, in reality is part of the informal or underground economy where both the activities and the income derived from those activities are undertaken outside government’s control (e.g., regulation, taxation).

Online and mobile technological innovations have opened opportunities as a result of consumers’ increasing willingness to try and trust new digital platforms allowing brands such as Airbnb⁵, HomeAway/VRBO⁶ and OneFineStay⁷ to quickly scale up. Consumer trust in these brands has developed as a result of personal recommendations from friends and family and also as a result of the use of bilateral peer evaluation methods (e.g., consumer can rate service provider / service provider can rate consumer)⁸. The trust is not based on security offered by government regulations, but rather by branding that drives strong emotional connections – one that makes consumers feel like they are part of a community, that deeper social interactions are forged as a result of their choices. Research shows that once trust has been built, the key driver behind consumers’ willingness to purchase services from these online platforms is ‘affordability’.

For the purposes of this policy review, Airbnb is used as an example because it is the biggest online marketplace for vacation rentals. Airbnb was valued in 2016 at \$30 billion – 30% more than the world’s biggest hotel company (Hilton)⁹. Airbnb earnings are raised from service fee charges to hosts and guests on every booking. Their website suggests they have 2,000,000+ listings in 34,000+ cities worldwide and that 60,000,000+ consumers have purchased accommodation through Airbnb¹⁰. Their economic impact is massive at every level.

As with everything, there are pros and cons with unregulated STRs. Consumers benefit from access to a centralized listing of accommodations, through increased choice in and availability of

⁵ <http://www.airbnb.ca>

⁶ <http://www.vrbo.com/>

⁷ <https://www.onefinestay.com/>

⁸ Other examples of digital platforms connecting consumers with short term rental providers includes: CouchSurfing, FlipKey, and Premiere

⁹ <https://www.bloomberg.com/news/articles/2016-07-11/airbnb-faces-growing-pains-as-it-passes-100-million-users>

¹⁰ <https://www.airbnb.ca/about/about-us>

places to stay and cost savings. Private hosts benefit from new income earned by renting out unused space.

However, the business community and local governments are increasingly concerned about the growing, unregulated and untaxed competition with STRs. Private homeowners offering STRs are not subject to comparable commercial regulations and often do not register to pay provincial or municipal taxes. Currently, regulations require commercial accommodation service providers (e.g., hotels, motels, B&B) to comply with standard regulations (e.g., housekeeping standards, safety, HR). STR rental properties are not included in these regulations. Even if regulations were developed, and in the absence of a requirement to register with government, identifying STR property owners will be burdensome to governments as information about hosts (e.g., names, addresses, income) is not provided to government authorities by companies such as Airbnb.

The difference in the requirement to collect and remit taxes (Provincial - 8%, Municipal and Regional District Tax (MRDT) - 2-3%, Property – varies with community) further raises the hospitality sector's concerns. With respect to provincial taxes, Section 78(1) b of the Provincial Sales Tax Exemption and Refund Regulation of BC's *Provincial Sales Tax Act*¹¹ states that "accommodation that is provided by a person who offers fewer than 4 units of accommodation" (which includes most STRs) are exempt from paying tax. Some have suggested this regulation be rescinded to include all accommodation providers of 1 room and up to register and collect the appropriate taxes. However this raises concerns with BC's Destination Marketing Organizations (DMOs) which rely on funding collected through the MRDT as current regulations require the minimum required level of support is at least 51% of the accommodation providers representing at least 51% of the total number of units of accommodation offered by those accommodation providers in the designated accommodation area. DMOs worry that smaller accommodation providers would not voluntarily join the DMO (i.e., because it would increase small operator's administrative burden and expenses and they can free-ride from benefits provided by DMO). Several have suggested that Airbnb collect and remit applicable sales tax on behalf of the host, but others suggest the tax liability should always stay with the host. Others suggest that the online platforms be taxed instead, but because they are an intermediary online platform company, they cannot be taxed as a hospitality business. Another element of unfair competition is found in the difference in property taxes; STRs are most often subject to lower residential property taxes, rather than the higher commercial property tax rates paid by the regulated accommodation sector.

In addition, STRs also impact the broader community through reduced availability of rental accommodation, affordable housing¹² and disruptive changes to neighbourhoods. Over the past

¹¹ [http://www.bclaws.ca/civix/document/LOC/loo95/loo95/--%20P%20--/Provincial%20Sales%20Tax%20Act%20\[SBC%202012\]%20c.%2035/12_97_2013%20-%20Provincial%20Sales%20Tax%20Exemption%20and%20Refund%20Regulation/97_2013_04.xml](http://www.bclaws.ca/civix/document/LOC/loo95/loo95/--%20P%20--/Provincial%20Sales%20Tax%20Act%20[SBC%202012]%20c.%2035/12_97_2013%20-%20Provincial%20Sales%20Tax%20Exemption%20and%20Refund%20Regulation/97_2013_04.xml)

¹² This is particularly impactful on destinations that need short-term accommodation for seasonal workers.

several years, BC's communities and regions have seen a rapid loss of affordable monthly rental housing as landlords switch from longer term (monthly) to nightly rentals. This has indirectly contributed to rent increases, reduced availability of affordable housing for families and workers, and made it difficult for destinations (e.g., Kelowna, Sun Peaks Resort) to attract and house skilled workers, particularly during high demand visitor periods.

Conclusion

The problems with STRs are complex and multi-faceted. Communities and governments are grappling with how to resolve the issues with STRs in a way that benefits businesses and addresses community related issues.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. work with affected stakeholders (e.g., STR landlords, communities, DMOs, local and provincial governments) to clearly articulate the issues and explore resolution options;
2. change Tax Regulation 78(1) b to ensure STR providers register and collect the appropriate taxes; and
3. provide local governments with timely access to a list of registered properties so they can better regulate registered and unregistered STRs.

Submitted by Hotel 540