



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 6, 2024
MEETING TYPE & DATE Electoral Area Services Committee of March 20, 2024
FROM: Community Planning Division
Land Use Services Department
SUBJECT: Bill 35 – Short-Term Rentals and CVRD Land Use Bylaws
FILE: 6450-20 Short-Term Rentals

PURPOSE/INTRODUCTION

The purpose of this report is to update the Committee on the details of Bill 35 – Short-term rental (STR) legislation and its effect upon the CVRD.

RECOMMENDED RESOLUTION

That it be recommended to the Board:

1. That the Official Community Plan for the Electoral Areas be amended to designate electoral areas for short-term rental (STR) Temporary Use Permits, and that Zoning Bylaw No. 4485 be amended to include associated temporary use permit guidelines;
2. That the Development Application Referral Policy be amended, to require any Temporary Use Permit applications for short-term rentals to be referred to the Advisory Planning Commission for the electoral area where the subject property is located;
3. That the CVRD not opt into the Principal Residence Requirement under Bill 35; and
4. That staff host a public webinar to inform the public of the proposed approach to the Short-Term Rentals Regulation.

BACKGROUND

On November 1 and 15 of 2023, the Committee considered Bill 35 twice, resulting on November 1, 2023, in the following resolution:

That it be recommended to the Board that staff be directed to consult with electoral area advisory planning commissions on the topic of short-term rentals, and that staff review and provide recommendations to the Electoral Area Services Committee on potential amendments to short-term rental regulations.

The report on November 15, 2023, was intended to brief the Committee on Bill 35 – legislating targeting short term rentals and identified the potential to “opt in” to the Principal Residence Requirement provision in Bill 35. A subsequent report was provided to Committee regarding opting in and since, staff have participated in several technical briefings with legal counsel and Provincial staff, and now have a deeper understanding of the implications of Opting in. Staff note the deadline for regional districts to opt in, in 2024, is the end of March. In subsequent years, the deadline will also be March 31. This report is intended to apprise the Committee of information that was not available at the time of writing of the previous two reports, derived from both

regulatory and explanatory documents produced by the Province in the intervening weeks, and seeks direction on next steps.

ANALYSIS

A summary of the general effect of Bill 35 follows:

- The clear intent of Bill 35 is to ensure that short-term rentals (STR) do not unduly impact the residential rental market following its implementation. The Province has determined that at present, STR is reducing the availability of rental housing, and it aims to attenuate that.
- Bill 35 and its regulations are initially focused on two online platforms for STR, namely Airbnb and VRBO. The Province will henceforth require any STR to have local government approval (zoning, TUP and business license) in order to be able to list the facility online with the STR platforms mentioned above. A business license number will be required by the Province only if a business license is required by the jurisdiction in which the short-term rental is located. Provincial staff indicate that other STR platforms will be regulated in the future if they are determined to be doing the same thing as the two mentioned above.
- The “opting in” provision in Bill 35 and its regulations have been widely misunderstood. If Regional districts wish to opt in to a principal residence requirement, they must do so by Board resolution by the end of March. Opting in does not mean that STRs become easier to do; in fact, it makes it more difficult, even if the zoning permits it.
- The Province indicates in its STR Policy Guide (**Attachment A**) that it considers a healthy residential rental market to have a vacancy rate in excess of 3% at all times, and that permitting STR without that 3% state being present undermines the residential tenancy opportunities. It’s apparent that the local vacancy rate is well below this number.

Concerning the action items in relation to STR that arose from previous Committee meetings, Staff note the following:

1. The Senior Manager of Inspections & Enforcement has prepared a report for Committee concerning business licensing for both Bed and Breakfast operations and STR, and that process will unfold in due course.
2. Rather than engaging with Advisory Planning Commissions on the topic of STR at this time, a summary report to each APC on the effect of the legislation and the planning considerations related to STR is proposed, to apprise members of the process and policy decisions that should underpin any zoning amendments.
3. Opting into the Principal Residence Requirement would serve no purpose at this time.

Legal and Illegal Short-Term Rentals

A thorough review of CVRD residential and comprehensive development zones throughout the nine electoral areas indicates that a total of **83** parcels in such zones have the theoretical ability to legally conduct STR activities. This necessarily means that most of the hundreds of existing STRs in the CVRD EAs are not legal and they will soon be prevented by the Province from advertising on Airbnb and VRBO.

This contrasts to the knowledge that upwards of several hundred properties are listed at any given time on Airbnb and VRBO, which – combined with the Province’s Bill 35 changes that will apply soon – means that the CVRD will likely be approached soon by existing operators who will be seeking of approval for such operations to continue. This can potentially take three forms:

- CVRD-initiated broadly based rezoning

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- Site-specific rezoning by landowners
 - Temporary use permits (TUPs)

Each of these have their own challenges, which will be discussed briefly below.

CVRD-Initiated Amendments

If the Committee is in principle favourably inclined to support, at least at some level, short-term rentals, one possible path forward would be for the Regional District to pro-actively attempt to identify communities, zones, neighbourhoods or even local streets where short-term rentals could potentially be considered. The fundamental problem with this approach includes the following challenges:

- The Province's own guideline document for STR recommends that communities with a rental vacancy rate of under 3% not consider permitting STR, either on a wide scope or otherwise.
- Identifying suitable areas for STR will be a very labour intensive activity that will involve extensive community engagement in an attempt to achieve a solid majority support for any such change. *This is likely to be extremely difficult to achieve, if it is even achievable at all, because it would necessarily cover larger areas than a single property and a wide diversity of opinions is likely in all such areas.*
- Staff are of the opinion that this option is not likely to yield any significant benefit, given the extent of effort required, and divided views concerning STR in the community.

The CVRD Board could more easily enable the issuance of Temporary Use Permits for STR by way of amendment to the Official Community Plan, possibly with a series of criteria to be considered in adjudicating future TUP applications. This would provide the ability for healthy STR operations, which do not negatively impact neighbourhoods, without enshrining the use in zoning.

Site-Specific Applications

Whether or not the Committee supports short-term rentals, any landowner has the option of seeking a site-specific approval. In either case, supporting that would require amendment to the Official Community Plan. These two options are discussed below.

Temporary Use Permits (TUP)

If the Official Community Plan was amended, the CVRD could consider site-specific applications for TUPs. In the event of approval, the TUP would last for up to three years and be renewable once only. Receipt of a TUP would clear the way to issuance of a business license.

If this is an option that the Committee is interested in, staff would recommend that among the criteria for applying for (and possibly receiving) a TUP be limited to situations where the STR would only be occurring within a suite – either attached or detached. In this way, and short of opting into the principal residence requirement (which would be difficult to enforce), the CVRD could ensure that every property with a STR on it also has a full-time resident on it.

Staff are already preparing an amendment to the existing OCP policy, further to the January 24, 2024 Board Resolution, to enable TUPs across Electoral Areas and develop guidelines for expanded TUP uses.

Zoning Amendments

Zoning amendments are also possible for site-specific STR requests. Staff would recommend that this be the preferred type of application for situations where the applicant intends to make ALL dwellings on the subject property available for STR, and hence there would not be an assurance that any of those units would be used as residences for a household. This type of application would also be appropriate for situations where the STR was previously operating under a TUP and the TUP term has expired and further renewals are not possible.

In each case, the Official Community would have to be amended to permit the suite under the above circumstances, because using a residentially-zoned property for STR only is a commercial use, and such sites would likely have to be redesignated as Commercial. This would necessarily have property assessment implications, as it should. This approach would, at least in a property taxation sense, “level the playing field” between this type of STR and hotel and other operators of commercial accommodation.

Advisory Planning Commissions

Staff are recommending a modified approach to engaging with APCs in respect of short-term rentals, by way of an information report describing an approach for all electoral areas.

APCs could be asked for their opinions of an amendment to the OCP to enable TUPs, but since the OCP is regional, a common position on such an amendment should be arrived at the Board level. Staff recommends that a complimentary amendment to the Development Application Referral Policy be made, in which TUPs related to STR only would automatically be sent to the APC in question for site-specific input.

Public Consultation

Recognizing the lack of understanding of the new provincial legislation and implications in the community, and the approach proposed, staff recommend hosting a public information session in webinar format. The webinar would explain Bill 35, the proposed CVRD approach to TUPs and business licensing, and seek public input via written comments to staff.

Options

Option 1:

That it be recommended to the Board:

1. That the Official Community Plan for the Electoral Areas be amended to designate electoral areas for short-term rental (STR) Temporary Use Permits, and that Zoning Bylaw No. 4485 be amended to include associated temporary use permit guidelines;
2. That the Development Application Referral Policy be amended to require any Temporary Use Permit applications for short-term rentals to be referred to the Advisory Planning Commission for the electoral area where the subject property is located;
3. That the CVRD not opt into the Principal Residence Requirement under Bill 35; and
4. That staff host a public webinar to inform the public of the proposed approach to the Short-Term Regulation.

Option 2:

That it be recommended to the Board:

1. That no changes to the OCP or zoning be made at this time; and
2. That the CVRD not opt into the Principal Residence Requirement under Bill 35.

Option 3:

That it be recommended to the Board:

1. That the Official Community Plan for the Electoral Areas be amended to designate electoral areas for short-term rental (STR) Temporary Use Permits, and that Zoning Bylaw No. 4485 be amended to include associated temporary use permit guidelines;
2. That the Development Application Referral Policy be amended to require any Temporary Use Permit applications for short-term rentals to be referred to the Advisory Planning Commission for the electoral area where the subject property is located;
3. That the CVRD opt into the Principal Residence Requirement under Bill 35; and
4. That staff host a public webinar to inform the public of the proposed approach to the Short-Term Rentals Regulation.

FINANCIAL CONSIDERATIONS

N/A

COMMUNICATION CONSIDERATIONS

Proposed public webinar and APC engagement in recommended option.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Referred to (upon completion):

- Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

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Reviewed for form and content and approved for submission to the Committee:

Resolution:

Corporate Officer

Financial Considerations:

Chief Financial Officer

ATTACHMENTS:

Attachment A – Short-term Rental Policy Guide December 2023



Ministry of
Housing



Short-Term Rentals: Policy Guidance for BC Local Governments

Short-Term Rentals: Policy Guidance for BC Local Governments

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Key Contacts

Ministry of Housing

Contact the Ministry of Housing for answers to questions about the material contained in this guide.

Ministry of Housing

Housing Policy Branch

Housing and Land Use Policy Division

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Website: <https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/housing>

Other Resources

BC Laws

BC Laws provides free public online access to the current laws of British Columbia. This unofficial current consolidation of BC Statutes and Regulations is updated continually as new and amended laws come into force.

Electronic versions of the *Short-Term Rental Accommodations Act*, *Community Charter*, the *Local Government Act*, the *Vancouver Charter* and other enactments are available on the BC Laws website at: www.bclaws.ca

NOTE: The Province of British Columbia does not warrant the accuracy or the completeness of the electronic version of the [Statutes and Regulations](#) available online at BC Laws.

Disclaimer

The information in this document on the Province of British Columbia's *Short-Term Rental Accommodations Act* and regulations is provided for the user's convenience as a basic starting point. It is not a substitute for getting legal advice or other professional advice. If there is a conflict between the information in this document and the legislation or regulations, the legislation and regulations prevail. This information may be subject to change, including due to any future government approvals.

PART ONE - Context

1.1 Purpose

This policy guidance provides information about the *Short-Term Rental Accommodations Act*, and related amendments to the *Local Government Act*, *Community Charter*, and *Vancouver Charter*.

1.2 Background

The goal of the *Short-Term Rental Accommodations Act* and associated amendments to the *Local Government Act*, *Community Charter*, and *Vancouver Charter*, is to strengthen tools to support local government enforcement of short-term rental bylaws, return short-term rentals to the long-term housing market, and establish a provincial role in the regulation of short-term rentals.

The legislation responds to the joint Union of BC Municipalities (UBCM)-Government of British Columbia (Province) 2021 report [Priorities for Action on Short-Term Rentals](#) recommendations, including platform accountability, data sharing, local government regulatory tools, capacity, and broader efforts to improve data sources and analysis on rental housing.

The legislation was developed in consultation with Indigenous partners, key stakeholders, including UBCM and local governments, and industry experts.

1.3 Legislative Overview

To achieve the legislative goals, the provincial short-term rental framework includes the following components:



Regional District Business Licensing: Regional districts now have the authority to regulate short-term rentals and other businesses, in the same way as municipalities.



Increased Fines: Fines that local governments may use for bylaw enforcement are increased, as follows:

- Maximum fines for regional district bylaw offences prosecuted under the *Offence Act* will be increased to \$50,000.
- Maximum fines local governments may issue under the Bylaw Enforcement Ticket Regulations have been increased from \$1,000 to \$3,000 per infraction per day.



Data Sharing: A data sharing system will be established requiring short-term rental platforms to provide listing information to the Province. This will enable the Province to share that information with local governments for bylaw enforcement purposes, and with the Ministry of Finance and the Government of Canada for tax auditing purposes.



Platform Accountability: Short-term rental platforms will be required to remove listings that do not have valid local government business licences, when requested by the local government, and must not post listings that do not include a valid provincial registry number. These new accountability measures will ensure that properties listed on short-term rental platforms have the requisite local and provincial approvals to operate.



Principal Residence Requirement: A provincial principal residence requirement to limit short-term rentals to the host's principal residence, plus one secondary suite or accessory dwelling unit (e.g., laneway home/garden suite) on the property. It applies to municipalities with a population over 10,000 people and adjacent communities, with exemptions.



End of Legal Non-Conforming Use:

The legislation will remove non-conforming use protections that allowed short-term rental hosts to continue operating in specific areas despite updated local bylaws prohibiting their use in those areas.



Provincial Registry: The Province will establish a short-term rental registry that will require hosts and platforms to register with the

Province.



Provincial Compliance and Enforcement Unit:

A provincial Compliance and Enforcement Unit will be established in the Ministry of Housing to support enforcement of the new legislation.

The legislation applies to all short-term rentals being offered to the public, including:

- Offers hosted by a platform, where people reserve and pay for the rental service (which may include, for example, Airbnb, Expedia [VRBO & Homeaway], and FlipKey).
- Offers on other web listing forums (which may include for example, online booking sites established by property managers, Facebook Marketplace, Kijiji, or Craigslist).
- Offers in classified ads in newspapers.

The legislation does not apply to:

- Hotels, motels.
- Vehicles, such as Recreational Vehicles (RVs).
- Tents or other temporary shelters.

1.4 Key Considerations

Key considerations are defined throughout this policy guide, which can help local governments understand the *Short-Term Rental Accommodations Act*. For convenience, the considerations are listed here:

- **Principal Residence Requirement:** While the provincial principal residence requirement will be enforced at the provincial level, local governments should not grant zoning (or other permission) to short-term rental hosts, where inconsistent with the provincial legislation. Local governments may wish to review their bylaws and consider whether any updates may be warranted in light of the new provincial rules.
- **Time Period Regulations:** Many local governments regulate short-term rentals in a different time period, such as 30 days or less. The *Short-Term Rental Accommodations Act* does not prevent local governments from continuing to define short-term rentals differently, long or shorter, from the Province's 90-day definition if they choose, for the purpose of their local bylaws.
- **Legal Non-Conforming Use:** Local governments may wish to consider any local impacts of the end of legal non-conforming use for short-term rentals under the *Short-Term Rental Accommodations Act*, such as the application of their bylaws and any operational implications. Local governments will have discretion to determine whether short-term rentals previously granted legal non-conforming use status may continue to be permitted, provided they are consistent with the principal residence requirement in the provincial legislation, where the principal residence requirement is applicable. This is especially relevant in Resort Municipalities where the principal residence requirement will not apply by default and where there may be broad vacation rental zoning.
- **Business License Updates:** After May 1, 2024, municipalities that currently regulate STRs may consider reviewing and updating business license bylaws as needed to align

with what is permitted under the Act. Local governments may wish to communicate early with hosts via business licence renewal notices whether they will be able to continue operating. Local governments could also consider prorating business licencing for non-principal residence short-term rentals from January to April 30, 2024.

- **Enforcement Responsibilities:** Local governments will continue to be responsible for enforcing their own bylaws, while the provincial compliance unit will be responsible for enforcing the provincial *Short-Term Rental Accommodations Act*.

PART TWO – Provincial Legislation & Local Regulations

The *Short-Term Rental Accommodations Act* establishes a provincial role in the regulation of short-term rentals. The Province continues to recognize the important role local governments play in regulating short-term rentals through tools such as bylaws, policies, and business licensing.

Local governments are not responsible for enforcing the provincial legislation in their community, including the provincial principal residence requirement. The Province will enforce the legislation through the provincial compliance unit.

The provincial principal residence requirement is intended to be a “floor” or minimum standard for regulating short-term rentals. A local government may prefer to be more restrictive.

If a local government has a question about how their bylaws fit with the provincial rules, they may wish to review, for example, section 10 of the *Community Charter* (or section 16 of the *Short-Term Rental Accommodations Act*

regarding the *Vancouver Charter*, as applicable), and consult their solicitors.

- If bylaws are currently **more permissive** than the provincial standard, provisions in the bylaw that are inconsistent with that standard would no longer be in effect.
- Note that section 10 of the *Community Charter* states: “A provision of a municipal bylaw has no effect if it is inconsistent with a Provincial enactment.”
- In addition, the STRAA specifies that “a provision of a short-term rental bylaw made under the *Vancouver Charter* has no effect if it is inconsistent with the principal residence requirement under this Act.”

2.1 Relationship to Related Provincial Legislation & Programs

Municipal & Regional District Tax Program (MRDT)

- Up to 3% tax applied to the purchase of taxable accommodation (including online short-term rentals) within designated accommodation areas of BC, collected on behalf of municipalities, regional districts, and eligible entities.
- Intended to help grow tourism and jobs and amplify BC’s tourism marketing efforts.
- Affordable housing was added as a permissible use of funds in the 2018 Provincial Budget, to help address local housing needs.
- **MRDT continues to be collected for short-term accommodation that is less than 27 continuous days in designated areas. Short-term accommodation that is 27 or more continuous days is exempt from the MRDT.**
- However, the application of MRDT is not related to whether an accommodation is captured under the definition of short-term rental accommodation service under the *Short-Term Rental Accommodations Act*.

- MRDT Program Requirements can be viewed online:
<https://www.destinationbc.ca/content/uploads/2022/12/MRDT-Program-Requirements-September-2021-1.pdf>

PART THREE – Tools for Short-Term Rental Regulation

There are several tools available to local governments to support the regulation of short-term rentals, including zoning bylaws, business licensing and compliance and enforcement.

3.1 Bylaws

When establishing local rules around short-term rentals, local governments may wish to consider additional requirements beyond those outlined in the provincial legislation based on community housing needs or other considerations. For example, some local governments have regulated matters, such as:

- Types of units that can be used for short-term rental (e.g., whether to prohibit in secondary suites or accessory dwelling units).
- Maximum density of short-term rentals or percentage of total dwellings in a community that may be used for short-term rentals.
- Maximum number of nights a short-term rental unit may be rented per year.
- Maximum number of guests per unit.
- Road network/parking requirements.
- Zoning requirements.
- Local host/contact requirements.
- Fire/safety standards.

For regional districts, prior to regulating short-term rentals through business regulation, they may wish to consider applicable requirements such as adopting a bylaw.

3.1.1 Comparison of Local and Provincial Regulations

The table on pages 5 and 6 is intended as an illustration to show possible ways that local government bylaws and provincial legislation may interact and do not replace the need for local governments to seek their own advice on individual bylaws and circumstances.

BUSINESS LICENCE			
	Local Bylaw	Provincial	Implications
Licence Term	Year-round licence	N/A	Licence may be issued for any term.
Short-Term Rental Definition	The use of a dwelling	The service of accommodation for less than 90 consecutive days or another prescribed period, if any.	If they choose, local governments may continue to regulate short-term rentals of less than 30 days only, leaving the Province to regulate rentals of up to 90 days.
Accommodation Type	One guest room only	Principal residence, plus one secondary suite or accessory dwelling unit, where applicable.	No restriction on the no. of single rooms rented or accommodation type, provided it is a principal residence, and/or one other suite/unit, where applicable.
Legal Non-Conforming Use Properties	Previously, in some municipalities hosts paid a premium licence for rentals in legal non-conforming use properties.	Protections of legal non-conforming use no longer apply to short-term rentals.	These properties will need to comply with both local and provincial regulations, including the provincial principal residence requirement, where applicable.
Bed & Breakfasts	Operations licenced as Bed & Breakfasts.	Must be in host's principal residence; no restriction on the allowable number of bedrooms but no more than one secondary suite or accessory dwelling unit.	Bed & Breakfasts must have a resident owner or operator, or operate as a hotel, to continue to operate where the principal residence requirement applies.
ZONING			
	Local Bylaw	Provincial	Implications
Commercially Zoned Short-Term Accommodation on Properties	Some municipalities restrict short-term rentals to certain zones.	Within a local government, the new principal residence requirement is not zone-specific.	In jurisdictions where the provincial principal residence requirement applies, including any who wish to opt-in to the PR requirement, provincial enforcement of that will apply to the entire jurisdiction and will not be zone specific (with the exception of resort areas and farm land).

Principal Residence Restrictions, and Secondary Suite / Accessory Dwelling Use	<p>Many local governments have rules that restrict STRs to principal residences, and in some cases secondary suites and accessory dwelling units are not considered part of the principal residence.</p>	<p>Must be in host's principal residence and/or one secondary suite or accessory dwelling unit on the property, where the principal residence requirement is applicable. Hotels, motels, RVs, tents, or other temporary shelters are exempt from the <i>Short-Term Rental Accommodations Act</i>. Strata hotels, timeshares, home exchanges, lodges, guest suites in stratas, and formal student accommodations are exempt from the principal residence requirement.</p>	<p>If the Province's principal residence rule applies in a jurisdiction, the Province will enforce its principal residence definition. Local governments are responsible for enforcing their bylaws, including bylaws that are more restrictive (e.g., no STRs in a secondary suite) than the Act.</p>
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TEMPORARY USE PERMITS

	Local Bylaw	Provincial	Implications
Criteria	<p>E.g., Maximum guest occupancy; Off-street parking requirements; Occupancy permit; Floor/fire safety plan.</p>	<p>Must be in host's principal residence and/or one secondary suite or accessory dwelling unit, where applicable.</p>	<p>Additional criteria can continue to be regulated through temporary use permits.</p>

3.1.2 Provincial Principal Residence Requirement



WHAT'S NEW: Effective May 1, 2024, in areas where the principal residence requirement applies, short-term rentals will be limited to

a host's principal residence and either a secondary suite or accessory dwelling unit (ADU) for most types of accommodation. Hotels, motels, strata hotels, and some other types of properties are not bound by the requirement anywhere in the province.

"Principal Residence" means the residence in which an individual resides for a longer period of time in a calendar year than any other place.

"Secondary Suite" means an accessory dwelling unit that is located in, and forms part of, a primary dwelling unit.

"Accessory Dwelling Unit" means a building, or part of a building, that:

- a) is a self-contained residential accommodation unit;
- b) has cooking, sleeping and bathroom facilities; and,
- c) is secondary to a primary dwelling unit located on the same property.

Exemptions

The legislation provides a province-wide framework, with the principal residence rules designed to target areas with high housing needs, while ensuring smaller communities and tourist destinations that are more dependent on short-term rentals or lack suitable overnight accommodation can continue as-is, or opt-in if they choose to.

The principal residence requirement will apply in communities over 10,000 in population, and some smaller neighbouring communities as listed in the regulations. Rural communities (municipalities with under 10,000 population and regional district electoral areas) and resort

municipalities will be exempt from the principal residence requirement, but may request to opt in, as per section 15 of the Act and the regulation. Mountain/ski resorts in rural areas are also exempted, with no opt-in provision.

The principal residence requirement will apply to municipalities with a population over 10,000 initially by default. Those with a rental vacancy rate over 3% (for two consecutive years) will have the opportunity to request to 'opt out' from the principal residence requirement if they choose. Smaller municipalities that are less than 10,000 in population but within 15 km of a municipality that is larger than 10,000 in population and that meets the above vacancy rate criteria can also request to opt out – these are the same neighbouring or "adjacent" communities, as listed in the regulation.

Note: Although an area or accommodation type may be exempt from the principal residence requirement, STR hosts will still be subject to the other requirements of the legislation, including the requirement to register with the Province once the registry is operational.

Exempt Land (from Principal Residence requirement):

- Regional district electoral areas (except University of British Columbia and the University Endowment Lands), with a choice to request to opt in by board resolution.
- Municipalities with populations less than 10,000 and are not within 15 km of a larger municipality (as specified in the regulation), with a choice to request to opt in by council resolution.
- 14 resort municipalities, with the choice to request to opt in.
- 44 mountain resorts / ski areas, comprising regional/destination resorts, BC Parks resorts, some private resorts, and community ski resorts, with no provision for opting in.*

- The trust area (as defined in section 1 of the *Islands Trust Act*), with a choice for local trust committees to request to opt in.*
- Land with BC Assessment farm class (Class 9), whether in the Agricultural Land Reserve (ALR) or not.*

*Note: Lands described in the final three bullets would remain exempt if the municipality or regional district surrounding them requested to opt in.

Accommodation Types Exempt from Principal Residence requirement:

- Strata titled hotel or motel if the owner may not use the property as a principal residence due to mandatory provisions in a rental pool or rental management agreement.
- Properties where owners hold a fractional interest and cannot use the property as their principal residence due to mandatory provisions in a fractional ownership agreement.
- Time Share properties.
- Home exchanges.
- Lodges, i.e., accommodation that is provided by an operator of outdoor recreational activities (e.g., hunting, fishing, water sports).
- Living accommodation primarily for students or employees of an educational institution that is owned or operated by the educational institution or a non-profit organization.
- Strata corporation guest suites intended mainly for people visiting strata residents.



KEY CONSIDERATION: While the provincial principal residence requirement will be enforced at the provincial level, local governments should not grant zoning (or other permission) to short-term rental hosts, where inconsistent with the provincial legislation.

Local governments may wish to review their bylaws and consider whether any updates may be warranted in light of the new provincial rules.

Enforcement of Principal Residence related statutes:

After May 1, 2024, where the provincial principal residence requirement applies, the provincial compliance unit will be responsible for enforcing the provincial principal residence requirement. Local governments will continue to be responsible for enforcing any applicable bylaws.

Where the host is a tenant, the Province may also consider their tenancy agreement to verify principal residence status. Some local governments have established a Landlord Consent Form as part of business licensing to confirm that the property owner does not object to the short-term rental.

Some local governments have also implemented a Strata Consent Form as part of business licensing to confirm that the strata does not object to the short-term rental.

Farm Class Assessment

Property that includes farm land (Class 9) is exempt from the provincial principal residence requirement, regardless of whether the property is in the Agricultural Land Reserve. Where a host is claiming to be exempt from the principal residence requirement due to farm class assessment, the Province is responsible for ensuring that the property includes land with the appropriate classification (Class 9).

Farm status is classified by BC Assessment based on a property's **Assessment Roll Report**. Such reports may be obtained from BC Assessment, using [BC Online](#).

More information about farm classification may be found online: [Apply for farm classification \(bcassessment.ca\)](#)

Strata Hotels and Motels, Time Shares, Home Exchanges, Lodges, and Student Accommodations

Where a host is claiming to be exempt from the principal residence requirement due to an exempt accommodation type (e.g., strata hotel, timeshare), the host should ensure that the accommodation meets the appropriate definition within the *Short-Term Rental Accommodations Regulation*.

“Strata Titled Hotel or Motel” means a property in which accommodation is provided in a manner similar to that of a hotel or motel and, in respect of which property:

- a) a strata plan is filed under the *Strata Property Act*; and,
- b) different owners own different strata lots.

Note – these properties are only exempt where the owner may not use the property as a principal residence due to mandatory provisions in a rental pool or rental management agreement.

“Time Share” means property within British Columbia, other than a property described in section 4 (b) or (c) of the regulation, in respect of which a person:

- a) has a time share contract within the meaning of the *Business Practices and Consumer Protection Act*; or,
- b) has a time share interest within the meaning of the *Real Estate Development Marketing Act*.

“Home Exchange” means a reciprocal arrangement for a person who offers a right to use the person’s property for accommodation in BC in exchange for the right to use another person’s property.

“Outdoor Recreational Activity”, in the context of an exempt type of lodge, has the same definition as in section 8 (2) of the [Prescribed Classes of Property Regulation](#). This means any of the following activities that are organized by

or through the operator of the overnight commercial accommodation, or which are carried out with a guide:

- Hunting;
- Fishing;
- Kayaking;
- Canoeing;
- White-water rafting;
- Horseback riding;
- Mountain biking;
- Wildlife viewing;
- Hiking;
- Mountain climbing; or,
- Backcountry skiing.

“Student Accommodation” means property:

- a) ordinarily used for more than six months in the calendar year for the living accommodation of students or employees of an educational institution; and,
- b) owned or operated by the educational institution or by a non-profit organization.

Requests for Changes to Exempt Land Opting Into the Principal Residence Requirement

Eligibility: With the exception of mountain resort/ski areas and farm land, exempt areas will have the opportunity to opt-in to the principal residence requirement, including:

- Regional district electoral areas.
- Municipalities with populations less than 10,000 and not within 15 km of a larger municipality as specified in the *Short-Term Rental Accommodations Regulations*.
- 14 resort municipalities.
- The trust area (as defined in section 1 of the *Islands Trust Act*).

In circumstances where geographic areas overlap, rules including the following will apply:

- **Municipality that overlaps or partly overlaps with a Resort area:** the municipality may request to opt-in; however, the request may not include the

Resort area, see section 10 of the *Short-Term Rental Accommodations Regulation* for more details.

- **Regional Districts:** may request for one or more electoral areas to opt-in; however, the request may not include a mountain resort area, the trust area, property that includes farm land, or Cultus Lake Park.
- **Islands Trust Local Trust Committees:** a local trust committee has the authority to opt in rather than the regional district it is a part of.
- **Cultus Lake Park Board:** the Cultus Lake Park Board has the authority to opt-in without seeking the approval of the regional district it is situated within.

Requirements:

- Submit written request accompanied by local government resolution requesting the opt in.
- Request should include appropriate background information that describes the area and jurisdiction. The request must be submitted to the Minister of Housing by **March 31 of each year** (starting in 2024) to take effect **November 1 of the same year** (starting in 2024) to give hosts notice to comply.
- If the Province grants a change to exempt land status, that change remains in effect indefinitely unless a subsequent request to reverse the exemption is made by March 31 of a future year.

Opting Out of the Principal Residence Requirement

Eligibility:

- Municipalities with a population over 10,000 in 2021 Census and a rental vacancy rate of 3% or more for each of the two previous years.
- Municipalities with populations less than 10,000 in 2021 but that are within 15 km of a municipality over 10,000 that has a rental vacancy rate that is 3% or more for each of the two previous years.

The Province expects that vacancy rates will typically be from Canadian Mortgage and Housing Corporation (CMHC) data, which are published in late January of each year.

Communities over 10,000 that did not have vacancy rate data in the latest CMHC report (e.g., because the data quality was too poor or there were no purpose-built rentals in the community) could consider providing the published vacancy rate for the next larger geographic area that encompasses them based on Census definitions or by providing their own survey data.

Requirements:

- Submit local government resolution requesting the opt out.
- Request should include background information and rationale.
- Request can only be submitted by local governments that meet the prescribed criteria, including having two consecutive years of a rental vacancy rate of 3% or more.
- Request must be submitted to the Minister of Housing by **March 31 each year** to take effect **November 1 of the same year***.
 - *Note: For the first year, an accelerated opt-out process will be established, taking effect May 1, 2024, allowing eligible communities to avoid having the principal residence requirement ever come into effect (if their requests are granted). Requests must be submitted by **February 29, 2024**.
- If the Province grants a change to exempt land status, that change remains in effect until an end date (if one is provided in the regulation), or until the exempt land is subsequently changed, i.e., it does not expire or automatically change if vacancy rates change but may be the subject of another request to reverse at some point.

Considerations for Requesting Changes to Exempt Land

When considering whether to request to opt-in or out of the principal residence requirement, a local government may wish to consider things such as their Housing Needs Report, the number of short-term rental listings, and the rental vacancy rate for their community.

- **Housing Needs Reports:** Local governments are required to collect data, analyze trends, and present reports that describe current and anticipated housing needs. Recent changes require all local governments to update their reports using a standardized methodology to estimate housing needs over a 20-year time horizon. Official Community Plans and zoning bylaws must also be updated every 5 years to reflect and pre-zone for the 20-year total number of housing units required to meet anticipated housing needs and must include housing policies respecting each class of housing need.

Housing Needs Reports are a way for communities to better understand their current and future housing needs and can help identify existing and projected gaps in housing supply. Data is collected about local demographics, economics, housing stock, and other factors. In these reports, statements about key areas of local need, including affordable housing, rental housing, special needs housing, seniors housing, family housing, and shelters and housing for people at risk of homelessness are identified.

- **CMHC Vacancy Rate:** CMHC publishes data around January of each year on Canada's urban and rural rental markets, including data on vacancy rates, average rents, and more for various types of housing. The CMHC rental vacancy rate applies purpose built rental properties in a municipality or Census Area, based on an annual survey each Fall. A vacancy rate of 3% is

considered healthy because it represents a market balanced between tenants and owners.

- **Short-Term Rental Listings:** The number of short-term rental listings on platforms compared to the community's overall rental housing stock can provide information about the relative extent of short-term rentals in the community. Other factors, such as the type of listing (e.g., entire home vs. shared accommodation) can provide useful information to understand how short-term rentals are impacting your community's long-term housing supply. When data sharing with short-term rental platforms through the Province is enabled, more accurate information about short-term rentals will be made available to local governments.

3.1.3 Short-Term Rental Definition



WHAT'S NEW: The provincial legislation defines short-term rentals as less than 90 consecutive days - so short-term rental listings that are being offered for stays of less than 90 consecutive days, even if exempt from the Principal Residence requirement, will be subject to the provincial rules, including registration with the provincial registry, once the registry is in effect (as long as they are not otherwise exempt from the *Short-Term Rental Accommodations Act* or the registry requirement).

“Short-Term Rental Accommodation Service” means the service of accommodation in the property of a property host, in exchange for a fee, that is provided to members of the public for a period of time of less than 90 consecutive days or another prescribed period, if any, and does not include hotels and motels and some other limited accommodation types described in the regulations.



KEY CONSIDERATION: Many local governments regulate short-term rentals in a different time period, such as 30 days or less. The *Short-Term Rental Accommodations Act* does not

prevent local governments from continuing to define short-term rentals differently from the Province’s 90-day definition if they choose, for the purpose of their local bylaws.

3.1.4 End of Legal Non-Conforming Use for Short-Term Rentals

Under the previous legal non-conforming use protections, at the time a new land use bylaw is adopted for short-term rentals, if an existing use of land or a building is lawful and it does not conform to the new bylaw, it may be generally continued as a legal non-conforming use.



WHAT’S NEW: Effective May 1, 2024, non-conforming use of property under section 528 of the *Local Government Act* and section 559 of the *Vancouver Charter* does not apply to short-term rentals.

Non-conforming use protections of short-term rentals in the *Local Government Act* and *Vancouver Charter* prevented local governments from enforcing their new short-term rental bylaws.

The provision only applies to short-term rentals and does not extend to other land uses.

The transition period to May 1, 2024 allows short-term rental hosts to adapt to these changes and ensure their operations comply with the law.



KEY CONSIDERATION: Local governments may wish to consider any local impacts of the end of legal non-conforming use for short-term rentals under the *Short-Term Rental Accommodations Act*, such as the application of

their bylaws and any operational implications. Local governments will have discretion to determine whether short-term rentals previously granted legal non-conforming use status may continue to be permitted, provided they are consistent with the principal residence requirement in the provincial legislation, where the principal residence requirement is applicable. This is especially relevant in Resort Municipalities where the principal residence requirement will not apply by default and where there may be broad vacation rental zoning.

3.2 Business Licensing

Municipalities have broad powers to regulate in relation to business, including providing for business licensing (subject to certain limits). Many municipalities have established business licensing frameworks, which sometimes address other local matters, such as land use, buildings, fire and other community health and safety requirements. Business licensing frameworks can also assist municipalities in collecting important statistics about local businesses to help understand trends that impact local government policy decisions.

For short-term rentals, business licensing can provide valuable information about where these rentals are operating in the community. Some municipalities have also attached conditions to a short-term rental host’s licence, such as limiting the short-term rental to the host’s principal dwelling unit and requiring additional parking for guests.



WHAT’S NEW: Regional districts now have broad business regulation and licensing powers, parallel to those of municipalities, in accordance with Division 6.1 of the *Local Government Act* (see also amendments to sections 14 and 282(2) of the *Community Charter* re: intermunicipal schemes in relation to business regulation).

As of May 1, 2024, short-term rental hosts will be required to display a valid business licence number on their listing, where a business licence is required by a local government. To enable local governments to validate the business licence number (if they wish to do so), platforms will also be required to enable the posting of the business licence number.

3.2.1 Regional District Business Licencing

Regional districts will no longer need to make a request to the Minister of Municipal Affairs to get business licencing authority. Regional districts can implement business licencing by following applicable requirements, such as adopting an establishing bylaw according to the *Local Government Act*. Participating area approval may be obtained by electoral area director consent if the participating area includes all of the electoral area and the service can be established without borrowing.

3.2.2 Issuing Short-Term Rental Business Licences

Local governments that currently issue business licences for short-term rentals can continue to do so in accordance with their bylaws.



KEY CONSIDERATIONS: After May 1, 2024, municipalities that currently regulate STRs may consider reviewing and updating business license bylaws as needed to align with what is permitted under the Act. Local governments may wish to communicate early with hosts via business licence renewal notices whether they will be able to continue operating. Local governments could also consider prorating business licencing for non-principal residence short-term rentals from January to April 30, 2024.

3.3 Compliance and Enforcement

Local governments will continue to have options to enforce their short-term rental bylaws.



WHAT'S NEW – DATA SHARING & DISPLAY OF BUSINESS LICENCE:

Short-term rental platforms must record and maintain any short-term rental information provided to them and disclose that information to the Minister of Housing. This information may be shared with local governments.

The Province expects that data will be provided by platforms at specified intervals, and the Province and local governments will be able to use this information to support enforcement of their respective laws.

Data collected may also be disclosed for certain other purposes, such as provincial and federal tax auditing, and policymaking.

Short-term rental hosts will be required to display the local business licence number on each listing, where a local government requires an STR business licence. Platforms will also be required to enable the posting of the business licence number. These requirements will be effective May 1, 2024. It will be up to hosts to determine whether a local government business licence is required when they post their listing on a short-term rental platform.

In the future, local governments with business licencing regimes will be able to serve a notice of failure to comply to hosts and to platforms, under the *Short-Term Rental Accommodations Act*. Once the data sharing system is operational (targeted for Spring/Summer 2024), they can also request that the platform remove the non-compliant listing and the platform must comply with the request as per section 18 of the Act.

3.3.1 Sharing Data

The Province will be working with local governments and STR platforms to establish a provincial data sharing system. The system will receive STR listing data directly from platforms and then share it with local governments. A data sharing agreement between the Province

and local governments will be required prior to sharing data. Local governments will only receive listing data for their own jurisdiction. Note this data is not to be shared with the public. Local governments with an existing short-term rental bylaw that requires short-term rental business licences will be prioritized. Data sharing is expected to include information such as names and addresses and booking information along with other host information to be finalized in Spring 2024.

3.3.2 Requesting Removal of Non-Compliant Listings

If a local government issues business licences for short-term rentals, the host will be required to post their business licence information on their listing as of May 1, 2024. Once the data sharing system is in place, and after taking initial steps to gain compliance from the host, local governments will be able to request that a platform remove a listing that does not comply with an applicable business licence requirement. The Province expects that further information on this process will be available with Spring 2024 regulations.

3.4 Fines

Local governments may establish penalties for bylaw contraventions by bylaw. Typically, the penalties are fines.

The new legislation increases the maximum fines available to regional districts for *Offence Act* prosecutions and to all local governments for ticketing under the Bylaw Enforcement Ticket Regulation.

3.4.1 *Offence Act* Prosecutions

Direct prosecutions under the [Offence Act](#) are typically used for enforcing serious bylaw contraventions. The *Offence Act* provides a default penalty for these prosecutions if a local government has not established penalties by bylaw.



WHAT'S NEW: The maximum fine that a regional district may specify for bylaw offences prosecuted under the *Offence Act* has been increased to \$50,000, under s. 416 of the *Local Government Act* to reflect the maximum fine available to municipalities.

Implementing the Maximum Penalty

If a regional district bylaw specifies the previous maximum fine that a regional district can seek under the *Offence Act*, a bylaw amendment will be required if the regional district wants to rely on the new maximum amounts. If no penalty is specified by local government bylaw, the default maximum under the *Offence Act* continues to apply.

3.4.2 Bylaw Tickets

When a local government has a bylaw establishing a ticketing scheme, the bylaws will also set ticket fine amounts for specific ticketable bylaw offences.



WHAT'S NEW: The maximum fine that a local government (and local trust committees of the Islands Trust) may set for a bylaw ticket has been increased to \$3,000* per infraction per day in accordance with the *Community Charter Bylaw Enforcement Ticket Regulation* and *Vancouver Charter By-Law Enforcement Ticket Regulation* (and other applicable statutes).
*Note: the maximum fine is \$1,000 if a young person (as defined in the *Youth Justice Act*) is charged with an offence.

3.4.3 Local Government Bylaw Notices

The maximum local government bylaw notices penalty of \$500 under the [Local Government Bylaw Notice Enforcement Act](#) is overseen by the Ministry of Attorney General and remains unchanged.

PART FOUR – Working Together

Local governments identified their need for support with the regulation of short-term rentals. The Province is establishing a provincial role in the regulation of short-term rentals through the planned provincial short-term rental registry and compliance and enforcement unit, the latter expected to be established over the Spring/Summer 2024. The provincial compliance and enforcement unit will be responsible for enforcing the requirements of the legislation, including the provincial principal residence requirement. It will not enforce local government by-laws.

4.1 Provincial Registry



WHAT'S NEW: In late 2024/early 2025, the Province will establish a short-term rental registry and make it mandatory for short-term rental hosts and platforms to register with the Province.

In cases where the principal residence requirement is applicable to the host's community, as part of registration hosts will have to include a declaration of their principal residence and provide proof demonstrating their principal residence. The provincial Registrar for the short-term rental registry will have the authority to reject an applicant's registration or renewal request in the case they are not complying with provincial legislation.

Further information on the interaction between local government business licensing and the provincial registration requirement will be communicated by Fall 2024.

Note that although an area or accommodation type may be exempt from the principal residence requirement, in many cases the host will still be subject to the other components of

the *Short-Term Rental Accommodations Act*, including the requirement to register with the Province.

4.2 Provincial Compliance and Enforcement

In recent years, the provincial government has worked with local governments and UBCM to understand the challenges of enforcing local short-term rental bylaws. New provincial compliance and enforcement measures reflect those earlier consultations.



WHAT'S NEW: The Province is introducing a provincial short-term rental compliance and enforcement unit within the Ministry of Housing to support implementation of the new legislation. The unit will comprise various teams, including those that will, respectively, act as a conduit between the platforms and local governments for data-sharing, facilitate the process for the removal of short-term rental listings that do not have valid local government business licence from platforms, host the upcoming STR registry, and undertake enforcement actions related to the provincial STR regulatory regime.

4.2.1 Working with the Provincial Compliance Unit

Once a future regulation is in place (expected in Spring 2024), local governments will have additional support for the regulation of short-term rentals. The provincial compliance and enforcement unit will complement local government bylaw enforcement. The unit will become the key provincial contact for local governments on short-term rental regulation. A designated local government contact within the compliance and enforcement unit will be shared once available.

Examples:

Short-term rental listing that lacks a valid business licence number or is using a fraudulent business licence number that a platform has failed to remove.

- Contact the provincial compliance and enforcement unit to notify the Province of the platform's failure to remove the listing. The Province will follow up with the platform to have the listing removed.

Platforms that consistently ignore local government bylaws and enforcement measures and have failed to provide the Province with host data.

- The provincial compliance and enforcement unit will take action to ensure requirements of the *Short-Term Rental Accommodations Act* are followed as it becomes aware of such operators.



KEY CONSIDERATION: Local governments will continue to be responsible for enforcing their own bylaws, while the provincial compliance unit will be responsible for enforcing the provincial *Short-Term Rental Accommodations Act*.

