



October 22, 2019

Ref: 249406

Joanne Sweeting
Executive Director
Tourism Golden
Box 20181
Golden BC V0A 1H0

Dear Joanne Sweeting:

Your correspondence, addressed to Honourable Carole James, Minister of Finance, regarding BC Assessment (BCA) property classification of short-term rental (STR) properties, has been shared with me. As Minister responsible for property assessment, I am pleased to respond on behalf of Minister James and I apologize for the delay.

Matters relating to the assessment and taxation of STRs have been an issue in many communities in British Columbia and the Province is taking steps to ensure owners and operators are paying their fair share of taxes. As you may know, in February 2018, the Province reached a precedent-setting agreement with Airbnb, allowing the company to collect the 8 per cent Provincial Sales Tax (PST) and the up to 3 per cent Municipal and Regional District Tax (MRDT) on STRs in the province.

The Province estimates Airbnb will remit approximately \$16 million through the PST and an additional \$5 million through the MRDT annually. Local governments can regulate STRs through zoning requirements, bylaws, permitting (e.g., requiring business licences) and inspections. Local governments can also apply to Destination BC and adjust the MRDT rate (maximum 3 per cent) to meet their budget needs.

Your proposal to split classify STRs, similar to strata accommodation properties, has merit. At this time, the ministry is not actively considering legislative changes to the Assessment Act (which prescribes the methodology used by BC Assessment for assessing and classifying STRs). However, the Province will be working with Union of British Columbia Municipalities to support local governments in addressing STRs and how they also impact affordable housing, which could provide recommendations for future policy or legislative considerations.

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Joanne Sweeting, Executive Director
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Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', with a horizontal line extending to the right.

Selina Robinson
Minister

pc: Honourable Carole James, Minister of Finance